Balancing: Dynamism with Stability

New businesses with existing ones. Experience with future-readiness. Focused portfolio with multi-product pipeline. Today's profitability with sustainability for tomorrow.

Fermenta Biotech Limited | Annual Report 2021-22

Fermenta Biotech Limited

Contents

Forward-looking statement

This document contains statements about expected future events and financial and operating results of Fermenta Biotech Limited ('Fermenta' / 'Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the annual report.

Balancing: Dynamism and stability

At Fermenta, we believe that sustainable growth is derived from the capacity to balance various priorities.

At the heart of our commitment to balance lies the ability to blend the existing business of the Company with emerging portfolios.

Our longstanding focus on Vitamin D for human nutrition application was scaled during the year under review; our flagship product played a critical role in protecting the health of individuals the world over.

Fermenta embarked on the journey to launch differentiated products and emerge as a holistic nutritional ingredients player.

CORPORATE SNAPSHOT

Fermenta Biotech Limited.

One of a handful of Vitamin D manufacturers the world over.

Respected for its quality, capabilities, service and efficiency.

The Company is making a decisive shift to play a larger global role in the emerging segment of nutraceuticals.

This extension of our business will widen our value chain and deepen our role in reinforcing the health of communities globally.

Ethos

Vision: To create a system and nurture it to reach a state of functioning, enabling it to acquire a state of timeless stability and growth.

Mission: To produce high quality niche products, used in every line of pharmaceutical, food and fine chemical manufacture, through innovative and concentrated research efforts, thus becoming the most preferred eco-friendly solutions provider in bio-catalysis and pharmaceuticals.

Values:

Track record

Fermenta Biotech Limited ('Fermenta'/ 'Company') was incorporated in 1951 by Dr. D. V. K. Raju. The Company has built a reputation in the pharmaceutical, enzyme technology and environmental solution spaces. The Company is respected for its capacity to reconcile its rich legacy of seven decades with a forward-looking approach.

State-of-the-art facilities

The Company possesses competence in the quality of its manufacturing facilities, cutting-edge technologies and capabilities, strengthening its leadership. The Company has two state-of- the-art manufacturing units - Kullu (Himachal Pradesh) and Dahej (Gujarat). The Company recently expanded its R&D centre based in Thane. The proposed greenfield project in Saykha received the necessary environmental clearances and consent to establish.

70+

Years, Rich experience in the business

Manufacturing units

Location	Products
Kullu, Himachal Pradesh	Vitamin D, specialty Active Pharmaceutical Ingredients (APIs) and enzymes, Vitamin AD2 premix
Dahej, Gujarat	Vitamin D, Fish oil cholesterol

Financial integrity

The Company's credit rating was reaffirmed at CARE A – (A minus) with a Stable outlook for long-term bank facilities for fund-based limits and term loans, and CARE A2 (A two) for short-term bank facilities for no-fund-based limits.

Listing

The Company is listed on the Bombay Stock Exchange Limited, where its equity shares are actively traded. The market capitalisation of the Company stood at ₹506.40 Crore as on March 31, 2022.

Global footprint

The Company's superior products, quality service and excellent manufacturing capability have been validated through a sales footprint across 60+ countries and being a reliable supplier to 350+ global consumers. The Company's subsidiaries in Germany and the US continued to build on the global presence through operations in Europe and US.

Employees

604

The Company's human resource strength as on March 31, 2022.

Product portfolio

Fermenta is one of the world's largest Vitamin D manufacturers. The Company produces Vitamin D variants that can be used in pharmaceuticals, dietary / nutritional supplements, food, beverages, veterinary, feed and rodenticide applications. The Company also offers niche APIs, enzymes (for use in various industries), nutritional premix as well as integrated biotech-based and engineering-based environmental solutions.

Fermenta produces enzymes for manufacturing ingredients with applications in the pharmaceutical, food & fragrances, oleo, biodiesel, leather and fine chemical industries. The Company offers products and services related to waste water management and treatment solutions. The Company offers fish oil-derived cholesterol for aquaculture nutrition and recently added natural astaxanthin as well as Vitamin AD2 premix to its nutritional ingredients basket.

Fermenta's knowledge capital, March 31, 2022

18
PHD and Pharmacists

21
Scientists

59
MBAs and Chartered Accountants

74
Post-graduates

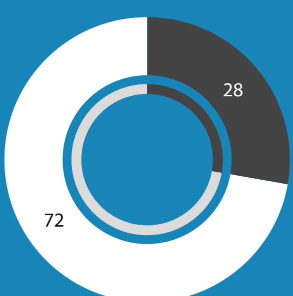
182
Graduates

250
Undergraduates

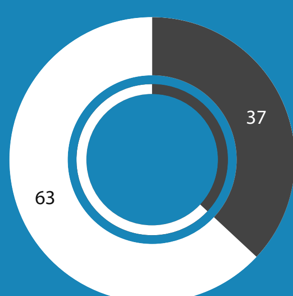
Fermenta's **global presence.**

Servicing needs across 60+ countries

Revenue by geography, FY 2020-21



Revenue by geography, FY 2021-22



Domestic % International%

1	ALGERIA
2	ARGENTINA
3	AUSTRALIA
4	AUSTRIA
5	BANGLADESH
6	BELARUS
7	BELGIUM
8	BRAZIL
9	BULGARIA
10	CANADA
11	CHILE
12	COLOMBIA
13	COSTA RICA
14	CROATIA
15	CZECH REPUBLIC
16	DENMARK
17	DOMINICAN REPUBLIC
18	ECUADOR
19	EGYPT
20	EL SALVADOR
21	ESTONIA
22	FINLAND
23	FRANCE
24	GERMANY
25	GREECE
26	GUATEMALA
27	HONG KONG
28	HUNGARY
29	ICELAND
30	INDONESIA
31	SLOVENIA
32	IRELAND
33	ISRAEL
34	ITALY
35	JAPAN
36	JORDAN
37	KAZAKHSTAN
38	KENYA
39	LITHUANIA
40	MALAYSIA
41	MEXICO
42	NEPAL
43	NETHERLANDS
44	NEW ZEALAND
45	OMAN
46	PAKISTAN
47	PORTUGAL
48	PERU
49	PHILIPPINES
50	POLAND
51	ROMANIA
52	RUSSIAN FEDERATION
53	SAUDI ARABIA
54	SINGAPORE
55	SOUTH AFRICA
56	SOUTH KOREA
57	SPAIN
58	SRI LANKA
59	SWITZERLAND
60	TAIWAN
61	THAILAND
62	TUNISIA
63	TURKEY
64	UKRAINE
65	UNITED KINGDOM
66	URUGUAY
67	USA
68	UNITED ARAB EMIRATES
69	VENEZUELA
70	VIETNAM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45
68
61
70
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4
44

How we have grown **across the decades**

1951
Incorporated International Franchises Private Ltd., a company specialising in the toll manufacturing of pharmaceutical products.

1963
Obtained technical knowhow for manufacturing Vitamin D from Philips N.V. Duphar-Interfran Limited with whom a joint venture was established i.e. Crookes Interfran Limited

1967
Commenced the commercial manufacture of Vitamin D

1980
Philips Duphar SV taken over by Solvay and Solvay became the joint venture partner

1986
Founded Fermenta Biotech Limited with its manufacturing plant in Kullu, Himachal Pradesh

2002
Demerged pharmaceutical business to Solvay

2003
Expanded manufacturing capacity with Vitamin D and other products such as Phenyramidol at Kullu

The Company's name was changed to DIL Limited

2011
Commenced the second plant for manufacturing Vitamin D at Dahej

2012
Launched new and improved Penicillin G Acylase catalyst – Fermase PA 850

Augmented Vitamin D resin manufacturing capacity in Dahej

2014

Launched Vitamin D 100 CWD to cater to the food and dietary nutraceutical supplements market

2015

Obtained Occupation Certificate for the Company's IT/ITES project, Thane One

2016

Enhanced Vitamin D capacity at a new plant at Dahej

Launched a new version of Vitamin D 500 feed grade powder

2017

Received CEP from EDQM for its Dahej facility for Vitamin D

Received FSSC 22000 and BRC food safety approvals for both its plants for Vitamin D

2019

Leased land at Saykha from GIDC for the proposed projects and expansion programmes

Completed the amalgamation of DIL and FBL (combined entity renamed Fermenta Biotech Limited)

Incorporated a wholly-owned subsidiary called Fermenta Biotech GmbH, in Germany

Integrated backwards to manufacture cholesterol, the key starting material of Vitamin D

2020

Launched fish oil cholesterol for aquaculture applications

Set up a wholly-owned international subsidiary called Fermenta Biotech USA LLC, in USA

Fermenta Biotech USA LLC acquired a majority stake in US-based vitamins player AGD Nutrition (renamed Fermenta USA LLC)

2021

Developed and filed patent application(s) for enzymatic synthesis of Molnupiravir, a COVID-19 drug

Launched Vitamin AD2 for oil fortification

2022

Exclusively licensed its enzymatic technology for manufacturing Molnupiravir to Aurigene Pharmaceutical Services Limited, a step-down subsidiary of Dr Reddy's Laboratories Limited

Signed a binding term sheet with Mextech Property Developers LLP (incorporated by promoters of Nandivardhan Group and RRC Ventures Pvt. Ltd.) for the development of its land parcel in Thane

Our experienced **leadership team**

Mr. Sanjay Buch

Chairman, Non-Executive and Independent Director

He has been involved in a wide spectrum of legal work for more than two decades. He specialises in Business Restructuring and Mergers & Acquisitions. He also advises several large domestic and international corporations. Besides, he is a partner at Crawford Bayley & Company, a respected firm of advocates and solicitors, headquartered in Mumbai.

Ms. Rajeshwari Datla

Non-Executive Director

She has rich experience in strategic management and operation of pharmaceutical companies. She joined the Company in 2005 and is a member of the Company's Audit Committee. Besides, she is a Director in Dupen Laboratories Private Limited as well.

Dr. Gopakumar Nair

Non-Executive Independent Director

He has been associated with pharmaceutical industry for more than four decades as Director, Managing Director & Chairman of various public limited pharmaceutical companies and served industry associations in various capacities. He is an Intellectual Property Rights consultant and practicing Patent Attorney since years. He is also a practicing lawyer specialising in Mediation and Arbitration as well as in licensing and technology transfer.

Mr. Vinayak Hajare

Non-Executive Independent Director

He has over three decades of work experience in areas of Investment Banking and Corporate Finance. He not only served as an Associate Director at Ernst and Young but also held several senior positions in companies like Caylon Bank, Credit Lyonnais, and Lazard India. He is also the Founder & Director of InterGest South Asia Private Limited. Additionally, he is the Economic Representative of Saarland (a German State) in India.

Ms. Rajashri Ojha

Non-Executive Independent Director

She possesses more than three decades of experience in the pharmaceutical, medical devices and nutraceutical industries with an exposure to R&D analytical development, formulations development, regulatory & Quality Assurance compliance, global registrations, and marketing approvals. She is a Lead Auditor for ISO 13485:2016 and ISO 9001:2015 and was associated with leading pharmaceutical and medical device companies in training industry professionals. Authored articles and research papers in reputed national and international journals. Awarded Healthcare Leadership Awards and Women Leadership Awards. She is the Founder and Director of Raaj GRAPC Private Limited.

Mr. Krishna Datla

Executive Vice-Chairman

He believes in progressive thought and action. He has played a key role in the decision-making process and also oversees new businesses of the Company. He is also the Promoter Director of Fermenta (formerly known as DIL Limited). Credited with the integration of businesses across the various group companies, he has infused a strong sense of global vision thereby opening the opportunities across international markets. Effective May 9, 2021, he has been redesignated as Executive Vice Chairman.

Mr. Satish Varma

Executive Director

He joined FBL group (formerly known as DIL group) as the Executive Assistant to the then Managing Director and Founder in 1995. He garnered extensive operational, management and legal experience across the full scope of the Company. Highly enterprising and analytical, he has led the charge on various important projects. In addition, he is also a member of the Shareholder/ Investor Grievances Committees of the Company

Ms. Anupama Datla Desai

Executive Director

She possesses an experience of over a decade in various business areas in addition to her R&D responsibilities; she is also responsible for quality control and implementation of safety policies and procedures, implementation of new technology platforms, business development, customer interaction and marketing. She has been appointed as an additional director in the Company and thereafter as an Executive Director for a period of three years with effect from September 27, 2019. Ms. Anupama worked for erstwhile FBL since 2006 and under her guidance erstwhile FBL had evolved from a simple bulk drug manufacturer into a discovery and development based, specialised and diverse biotechnology company engaged in novel discovery, formulation and process development platforms.

Mr. Prashant Nagre

Managing Director

He possesses about three decades of experience in the pharmaceuticals industry with an in-depth experience across spheres encompassing the API business, production, and Research & Development. At Fermenta, he heads strategy and day-to-day operations, including business development, budgeting, manufacturing, R&D and allied activities. He is a Master in Management Studies and also holds a Post Graduate Diploma in International Trade (IIFT, New Delhi) in addition to a Degree in Pharmacy.

Mr. Pramod Kasat

Appointed as an additional Director from May 30, 2022

He is the Managing Director of Intellecap Advisory Services. Prior to this, he was associated as Country Head of Investment Banking at IndusInd Bank, Mumbai, and served as Director and Head of Investment Banking at Pioneer Investcorp Ltd. (PINC) and was instrumental in driving growth of the investment banking business. Prior to PINC, he was Director of Investment Banking and Global Market Solutions Group at Credit Suisse, Director at Deutsche Bank Global Markets and worked with the IL&FS Group as the Head of Origination for the Investment Banking Group, among other leadership roles. He also worked in Citibank NA in the Capital Markets Group. He possesses an engineering degree from BITS, Pilani and a Masters in Finance from Sydenham Institute of Management Studies, Mumbai University.

Fermenta's performance across **every quarter of FY 2021-22**

The financial health of our business (Consolidated)

Total Income

(₹ Crore)

Q1 FY 22	111.47
Q2 FY 22	102.12
Q3 FY 22	94.02
Q4 FY 22	99.04

EBITDA

(₹ Crore)

Q1 FY 22	27.59
Q2 FY 22	17.98
Q3 FY 22	3.37
Q4 FY 22	20.65

Profit after tax

(₹ Crore)

Q1 FY 22	11.31
Q2 FY 22	4.50
Q3 FY 22	8.04
Q4 FY 22	7.68

Cash profit

(₹ Crore)

Q1 FY 22	17.26
Q2 FY 22	10.94
Q3 FY 22	1.36
Q4 FY 22	14.17

The financial hygiene of our business

EBITDA margin

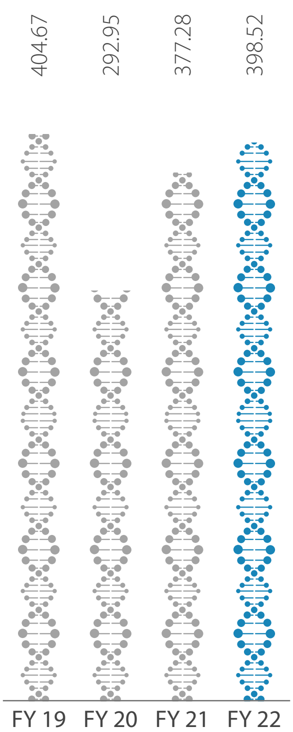
(₹ Crore)

Q1 FY 22	24.75
Q2 FY 22	17.61
Q3 FY 22	3.58
Q4 FY 22	20.85

How we consolidated **our performance in the last few years**

Total Income

(₹. Crore)



Definition

Growth in sales net of taxes

Why is this measured?

It is an index that showcases the Company's ability to enhance revenues, an index that can be compared with sectorial peers

What does it mean?

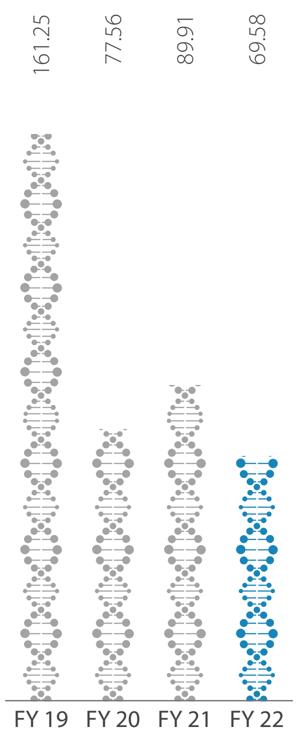
Enhanced revenues can potentially drive valuations and perception

Value impact

The Company reported 5.63% growth in revenues in FY 2021-22

EBITDA

(₹. Crore)



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items, and tax)

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs

What does it mean?

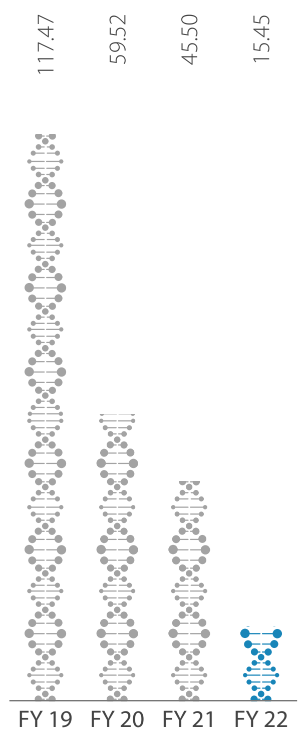
EBITDA declined by ₹20.33 Crore and 22.61% over the previous year

Value impact

The Company generated a surplus despite sectorial challenges

Net profit

(₹. Crore)



Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

This measure highlights the strength of the business model in enhancing shareholder value

What does it mean?

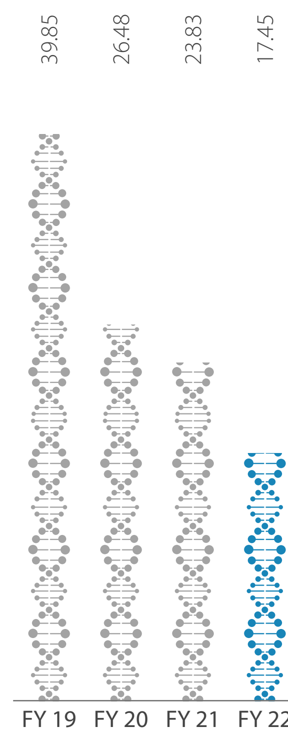
Ensures that adequate surplus is available for reinvestment.

Value impact

The Company reported 66.04% decline in net profit in FY 2021-22.

EBITDA margin

(%)



Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

Why is this measured?

The EBITDA margin provides a perspective of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

What does it mean?

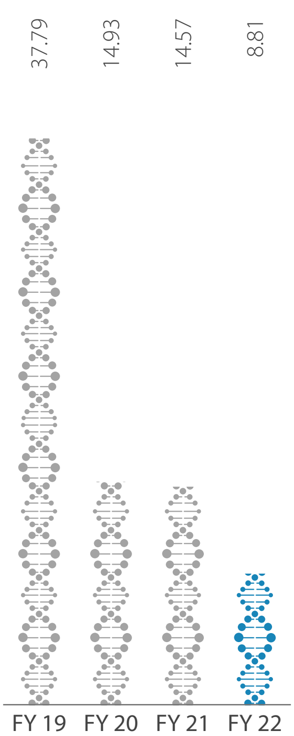
This demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

Value impact

The Company reported 638 bps decline in EBITDA margin due to a weakness in the animal feed segment

RoCE

(%)



Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they use

What does it mean?

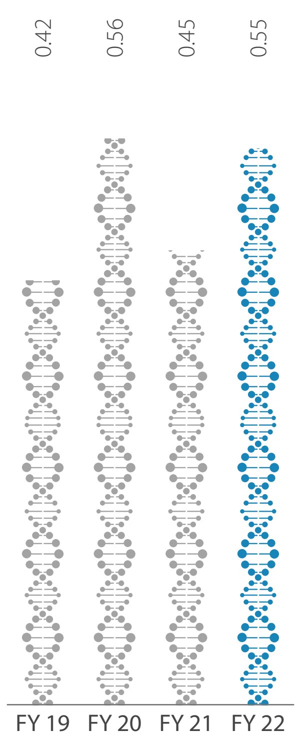
Enhanced RoCE can potentially drive valuations and perception

Value impact

The Company reported a 576 bps decline in RoCE during FY 2021-22

Net gearing

(x)



Definition

This is derived through the ratio of net debt to net worth (less revaluation reserves)

Why is this measured?

This is one of the defining measures of a company's financial solvency

What does it mean?

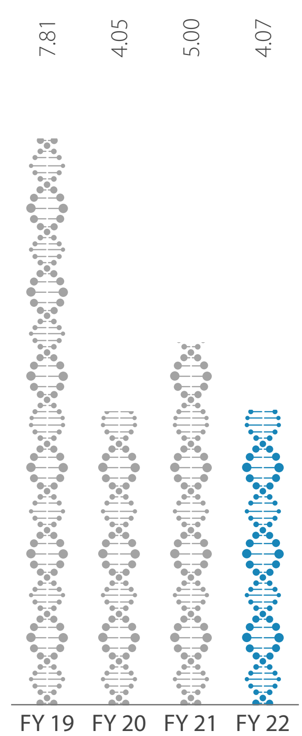
This measure enhances a perception of the borrowing room within a company, the lower the gearing the better

Value impact

The Company's gearing was within acceptable limits even following the mobilisation of long-term debt

Interest cover

(x)



Definition

This is derived through the division of EBITDA by interest outflow

Why is this measured?

Interest cover indicates a company's comfort in servicing interest – the higher the better

What does it mean?

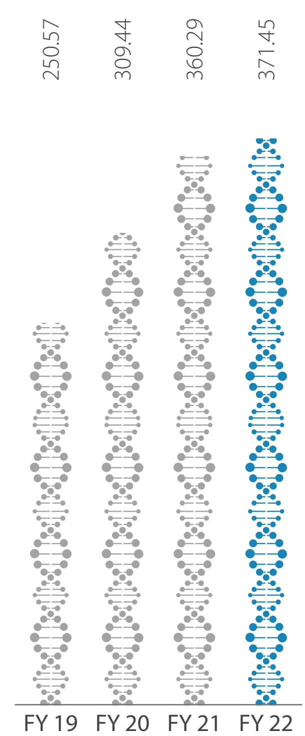
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders

Value impact

The Company's interest cover weakened by 93 bps during the year under review

Net worth

(₹. Crore)



Definition

This is derived through the accretion of shareholder-owned funds

Why is this measured?

Net worth indicates the financial soundness of a company – the higher the better

What does it mean?

This indicates the borrowing capacity of a company and influences the gearing (which, in turn, influences the cost at which a company can mobilise debt)

Value impact

The Company's net worth increased consistently over the years – ₹120.88 over three years ending FY 2021-22

CHAIRMAN'S STRATEGIC OVERVIEW

Our comprehensive Triple Bottomline initiatives led us **to make continued progress around the overarching People, Planet and Profit theme**

Overview

At Fermenta, our biggest commitment to all our stakeholders is that of relevance.

As a Company, we seek to remain relevant to evolving market realities. Since we are proactively aligned with the way the world is moving, we believe that we will continue to enhance value.

Across the decades, your Company stayed relevant through the manufacture of Vitamin D, convinced of the demand prospects of this product. As people increasingly started working indoors in sedentary roles, humankind's exposure to sunlight declined. The result is that the proportion of people deficient in Vitamin D increased, which provided a gateway for adjacent ailments and diseases. This enhanced the relevance of our product and never was this more visible than during the pandemic of the last couple of years when Vitamin D's importance in maintaining health was highlighted, validating our role in protecting humankind from its most challenging experience in decades.

Over the decades, we invested in research that led us to superior processes on the one hand and the right products addressing unmet needs on the other. During the year under review, your Company was granted multiple patents spanning from process improvements for Vitamin D to patents in the biotechnology space for antibiotics as well as antiviral synthesis using Fermenta's proprietary enzymes. The Company invested in facilities, capacities, protocols, partnerships, environment integrity, talent and certifications, among others.

Building on our strengths in the Vitamin D space, the time has come to further consolidate our offerings across the nutrition vertical. This is again a relevant segment for the Company, by addressing the increasing demand for preventive health. In the year under review, we have taken concrete steps towards driving projects that would culminate in new offerings for this upcoming division. With our combination of technical capabilities and strength of reach, we are attractively

positioned to capture these emerging markets.

At Fermenta, we are investing in long-term resources to address this opportunity. We are bringing to this prospect a complement of vision, synergy, competence and discipline. We aim to provide a complete basket of products (organically or through strategic alliances), enhancing our positioning as a holistic and responsible global solutions player.

We have effectively balanced our existing Vitamin D business that provides stability in revenues for our upcoming nutrition division that possesses immense potential. We have invested in capabilities for growing the established business lines of Vitamin D, enzymes and environmental solutions as well as expanded our readiness for the new product portfolio. Looking ahead, we are entering a new and diversified range of possibilities; our current and upcoming businesses provide us with growth opportunities for years.

Fermenta continues its endeavour in corporate responsibility by implementing various programmes across locations that integrate local communities into our initiatives. Our comprehensive Triple Bottomline initiatives led us to make continued progress around the overarching People, Planet and Profit theme, with a focus on sustainable growth as a measure of our value creation for all stakeholders.

Sanjay Buch

Chairman

What drives Fermenta

- Our passion for eliminating hidden hunger
- Our commitment towards our global clientele
- Our demand-driven innovation focus
- Our dedicated knowledge bandwidth of subject matter experts
- Our continuous pursuit of excellence in delivery systems
- Our research and manufacturing infrastructure
- Our endeavour to create shared value for all stakeholders
- Our aspiration for healthier lives and stronger communities

MANAGING DIRECTOR'S PERSPECTIVE

The positives **we drew from our FY 2021-22 performance**

Big message

The year under review continued to test organisations, communities and individuals on account of pandemic-induced disruptions. The principal message that the management seeks to convey to stakeholders is that despite various challenges, your Company not only continued to serve its customers globally but also strengthened the business with a future-facing focus that enhanced its readiness to service the preventive health requirements of the world.

Positives from the year under review

The diversified nature of our Vitamin D business proved more valuable than ever before. Our balanced focus extending across applications and geographies helped insulate our Company from market disruptions. The human side of our Vitamin D business performed in a creditable manner as the Company added customers and seamlessly addressed growing demand. Until a couple of years ago, the human nutrition side of the business generated 55% of our Vitamin D revenues; during the year under review, this increased to around 75%. In the Vitamin D animal nutrition business, we anticipate improvements to be visible following global market recovery that could strengthen prospects of the feed segment.

The Company's performance in FY 2021-22 was strengthened through timely backward integration. The Company integrated into the production of cholesterol as a key starting material for manufacturing Vitamin D and experienced the benefits of a secure as well as efficient supply chain.

Following approvals received for our feed grade powder manufactured in Germany, the Company moved with speed to present samples to customers and the initial responses were encouraging. The Company's facilities in India received customer approvals following 'virtual' inspections and these could translate into enhanced revenues.

The Company's efforts were consistent across divisions, with a focus on projects execution aligned with the long-term strategic direction. The Company achieved a breakthrough in the development of patented technology for the enzymatic synthesis of Molnupiravir, which paved the way for Fermenta to become not just a supplier of enzymes but a strategic green chemistry partner. The Environmental Solutions business addressed the growing needs of prominent real estate players across the country. The higher revenues from this business are likely to reflect visibly in the topline across the foreseeable future.

Future-focused investments for sustainable growth

During the year under review, the Company progressed across multiple areas to strengthen the business by continuing to invest in capacities and capabilities.

The Company enhanced its Vitamin D capacity by 25% at Dahej, which should translate into a superior performance across the next few years through enhanced economies of scale. Additionally, the Company undertook initiatives to build its portfolio. In line with our priorities, we expect to add offerings to our basket this year, including Fortified Rice Kernel, Vitamin K1 and customised premixes.

The Company reaffirmed its commitment to research as it was granted multiple patents across international jurisdictions in FY 2021-22. These achievements are brand building, which not only establish Fermenta as a thought leader but also facilitate demand-driven innovation. There is a possibility that these patents could be attractively monetised across the foreseeable future.

Finally, there is one development that makes all our other achievements a reality – our people growth in FY 2021-22. Your Company was recognised as a Great Place to Work for the third consecutive year as well as one of India's Best Workplaces in Biotechnology and Pharmaceuticals 2021. The relentless commitment of employees

Finally, there is one development that makes all our other achievements a reality – our people growth in FY 2021-22. Your Company was recognised as a Great Place to Work for the third consecutive year

represents the backbone of our success; their trust in the organisation makes Fermenta an empowering workplace.

I am optimistic that the initiatives we took during the year under review will deepen our resilience and accelerate our journey. When this transpires, the Company can be expected to deliver long-term outcomes and drive responsible growth in an inclusive manner. With the progress made during the financial year under review, we look forward to capitalising on emerging opportunities and enhancing value for all our stakeholders.

Prashant Nagre

Managing Director

RELEVANCE

Vitamin D is being increasingly perceived as an **adjunct of healthy living**

Overview

There is increasing evidence to suggest that Vitamin D is intrinsic to human well-being.

Vitamin D modulates innate and adaptive immune responses. The beneficial effects of Vitamin D on the protective immunity of the innate immune system enhances antimicrobial properties of immune cells, which could conceivably contribute to a reduced susceptibility to infections like respiratory infections[i].

Low Vitamin D levels are associated with the increased risk of developing several immune-related diseases and disorders, including multiple sclerosis, respiratory infection, rheumatoid arthritis, tuberculosis, psoriasis and COVID-19[ii].

Why should you take Vitamin D?

Vitamin D supports

- Calcium and phosphorus homeostasis
- Cardiovascular health
- Neuromuscular health
- Immune function
- Glucose regulation
- Growth and regulation

D-Deficiency Coupled with Risks

Impaired immune function
Frequent respiratory infections and severe symptoms.[1]

Elderly patient
Increased chances of hospitalisation and fractures.[2]

Chronic illness patient
Cardiovascular diseases, diabetes and cancer etc.[3]

54 genes involved in the immunomodulatory function in the body, including cytokines, interferon signalling, reducing pro-inflammatory markers and attenuation of NF-Kb activity are strongly modulated by Vitamin D[4].

(Data compiled and illustration interpreted and drawn from 1. M Holick; Nutrients 2020, 12(7), 2097, and Chaemoon Lim et al; 2. J Bone Metab. 2021 Nov;28(4):333-338, 3. M Holick; Rev Endocr Metab Disord (2017) 18:153–165, 4. M. Garand; Int J Mol Sci. 2021 May 10;22(9):5041.)

Vitamin D in research[iii]

94,000+ Studies on Vitamin D	71,500+ Studies on Vitamin D in humans	9,500+ Clinical studies of Vitamin D in humans

Vitamin D and indication-wise studies published

28,000+ Bone health	12,500+ Cancer	7,500+ Diabetes	10,000+ Kidney diseases
4,000+ Obesity	3,500+ High blood pressure	850+ Mental health	550+ Chronic pain

Vitamin D and COVID-19: 1,000+ research articles

Observations on Vitamin D

"Vitamin D is a major modulator of the immune function at every level."

Dr. Michael Holick

"We believe that improving Vitamin D status throughout your life can help reduce the risk for infections and COVID-19."

Dr. Michael Holick

"We know that Vitamin D is an immunomodulator, so low levels of Vitamin D could inhibit immunity and allow the inflammation to become rampant."

Dr John Campbell

"If you are deficient in Vitamin D, that does have an impact on your susceptibility to infection. I would not mind recommending, and I do it myself, taking Vitamin D supplements."

Dr. Anthony Fauci

Sources:

i) Cynthia Aranow, Vitamin D and the Immune System, J Investig Med. 2011 Aug; 59(6): 881–886.
ii) Nipith Charoenngam et.al.; Immunologic Effects of Vitamin D on Human Health and Disease. Nutrients 2020, 12, 2097
iii) PubMed March 2022

STREGTHENING OUR BUSINESS

How we have built a globally robust **Vitamin D franchise**

Overview

The principal catalyst of our long-term sustainability is not what we do but how we do.

This emphasis on process integrity is a subject of growing global importance where stakeholders need to be constantly assured that they are working with like-minded partners who can be trusted across the long-term.

At our Company, there is a deep recognition that we are engaged in a business that protects or enhances human health, warranting a seriousness in intent and action. There is a priority in placing strategic integrity over tactical responsiveness.

At Fermenta, we live our values; this has helped attract the right professionals. This result is that we seek to recruit, train and retain subject matter specialists. The success of our intent is reflected in the record: most of our senior management professionals have spent years with us, a validation that we are doing the right things in the right way.

Over the years, Fermenta built its business around customer relationships. When we engage with a customer, we work with a commitment to extend that engagement. We service growing needs through timely capacity expansion; we customise products around needs; we deliver products to reach customers globally, enhancing the overall proposition related to our relationship.

Our stakeholders engage with us due to an overarching responsibility. This commitment is becoming increasingly visible in being environmentally above board and doing the right things while extending beyond the prevailing statutory requirement to reinforce our position as a forward-looking corporate citizen.

These investments have more than paid back through uninterrupted operations, enhanced reputation, increased workplace safety, stronger employee morale, consistent credit rating and lowered long-term resource costs.

Our Company is attractively placed as one of the largest global Vitamin D producers. To supplement this competitive positioning, our Company set up subsidiaries in the US and Germany along with an international acquisition, which should generate performance outcomes from the current year. Our teams have helped launch new products in the nutritional portfolio (human and animal) and developed an enzymatic synthesis technology for a COVID-19 drug. Our Company maintained business continuity while focusing on employee safety. Our backward integration to manufacture the key raw material cholesterol resulted in significant benefits - our long-term resource sourcing arrangement enhanced inventory control at a time of market volatility. Over the years, our Company increased the capacity of Vitamin D intermediates and crystals.

The interplay of values and strategic clarity is expected to enhance resilience, strengthen performance and enhance stakeholder value.

VALUE CREATION

We engaged in **long-term shareholder value enhancement**

How we enhance value

Our resources

Financial capital
The financial resources that we seek are based on the funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth, or accruals.

Manufactured capital
Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

Social and relationship capital
Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Human capital
Our management, employees and contract workers form a part of our workforce, their experience and competence enhancing ourvalue.

Intellectual capital
Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge, account for our intellectual resources.

Value created

Financial capital

398.52
₹ Crore, Revenues, FY 2021-22

Growth of 5.6% in FY 2021-22

Human capital

Direct and indirect employees

604
Direct employees

249
Indirect employees (Contract)

853
Total

Growth of 4% in FY 2021-22

Intellectual capital

14
Experienced senior management personnel

7 Fermenta initiatives **to enhance value**

1 Pedigree

2 Performance-driven

3 People

4 Proximity

5 Product mix

6 Promotion

7 Partnerships

Pedigree

Deepened our governance culture	Governance commitment was benchmarked to global needs	Governance journey is navigated by the Board of Directors	Performance is appraised through the governance filter

Performance-driven

Emphasised the role of quality (product and process) and certifications	Benchmarked operations with the best global standards	Implemented process re-engineering to enhance operational excellence	Invested in enhancing capabilities across functions

People

Recruited ahead of the growth curve	Prioritised recruitment, training, and retention	Built subject matter expertise	Incentivised through ESOPs

Proximity

Positioned our Company as a reliable global supplier	Widened and deepened our product mix	Addressed the quality and quantity needs of customers	Broad-based our global footprint

Product mix

Introduced products for different applications	Introduced value-added Vitamin D variants	Integrated forward to provide value-added solutions	Positioned as one of the few sustainable Vitamin D players

Promotion

Marketing across geographies and segments	Wider and deeper marketing mapping	Focus on deeper customer engagements	Subsidiaries in international geographies

Partnerships

With international contract manufacturing organisations	With companies possessing technological expertise	With application-based distribution networks	With global resource providers

How **we invested** in our business

Capital employed

147.60
₹ Crore, Capital employed, FY 2015-16

477.74
₹ Crore, Capital employed, FY 2020-21

499.72
₹ Crore, Capital employed, FY 2021-22

How we generated superior financial hygiene

Vitamin D revenues

74.9
% of overall revenues from Vitamin D, FY 2015-16

79
% of overall revenues from Vitamin D, FY 2020-21

76.8
% of overall revenues from Vitamin D, FY 2021-22

Biotechnology revenues

5.6
% of overall revenues from biotechnology, FY 2015-16

1.4
% of overall revenues from biotechnology, FY 2020-21

2.1
% of overall revenues from biotechnology, FY 2021-22

Other APIs revenues

19.0
% of overall revenues from other APIs, FY 2015-16

7.9
% of overall revenues from other APIs, FY 2020-21

5.4
% of overall revenues from other APIs, FY 2021-22

Environmental Solutions revenues

0.6
% of overall revenues from Environmental Solutions, FY 2015-16

0.6
% of overall revenues from Environmental Solutions, FY 2020-21

1.0
% of overall revenues from Environmental Solutions, FY 2021-22

Liquidity

0.33
Debt-equity ratio, FY 2015-16

0.45
Debt-equity ratio, FY 2020-21

0.55
Debt-equity ratio, FY 2021-22

Earnings

24.46
₹ Crore, EBITDA, FY 2015-16

89.91
₹ Crore, EBITDA, FY 2020-21

69.58
₹ Crore, EBITDA, FY 2021-22

Margins

13.86
%, EBITDA margin, FY 2015-16

23.83
%, EBIDTA margin, FY 2020-21

17.46
%, EBIDTA margin, FY 2021-22

DASHBOARD

Our **value-creation** dashboard

Strategic focus	Key enablers	Material issues/addressed
Vendor focus	Fermenta has generated a growing appetite for resources and services The Company works with a global base of resource providers respected for long-term vision and high governance standards	Superior use of cutting-edge technologies leading to solutions differentiation
Shareholder focus	Fermenta emphasises governance, sustainable growth, operational excellence, cost leadership and information transparency The Company is focused on profitable growth through a superior leverage of its competitiveness The Company continues to remain RoCE-focused	Creating the basis of long-term viability through a superior price-value proposition
Customer focus	Fermenta is a product provider of choice for customers for Vitamin D, APIs, biotechnology, and environmental solutions. The Company established international subsidiaries backed by third party manufacturing capacities – moving closer to customers	Enhancing revenue visibility through multi-year customer agreements
Employee focus	Fermenta is an employer of more than 600 employees across locations. The Company trains employees for identified needs, provides ESOPs, and other benefits	Creating a professional culture seeking overarching excellence in everything the Company does
Community focus	Fermenta is a responsible corporate citizen. Fermenta provided ₹1.89 Crore in FY 2021-22 for CSR activities	Plays the role of a respected support in the areas of its presence
Government focus	Fermenta abides with taxation requirements in the geographies of its presence, complies with laws and statutes and enriches the communities where it is present. The Company generated ₹228.67 Crore in foreign exchange earnings in FY 2021-22	Compliance with laws and regulations

CASE STUDY

How our 'green' chemistry strengthened humankind's capabilities **against the COVID-19 pandemic**

Overview

Leveraging its enzyme platform of CAL B Lipase, our Company developed a novel biocatalytic technology for manufacturing Molnupiravir, an antiviral shown to be effective in the treatment of COVID-19. Fermenta's enzymatic synthesis route is efficient and environment-friendly, marked by higher yields and lower solvent use. Our Company optimised process parameters, maximising enzymatic process benefits. This novel 'green' chemistry provides a sustainable, efficient and scalable form of treatment to counter COVID-19.

Innovation

The enzymatic synthesis leveraged the use of the Company's in-house CAL B lipase enzyme.

Accelerated development

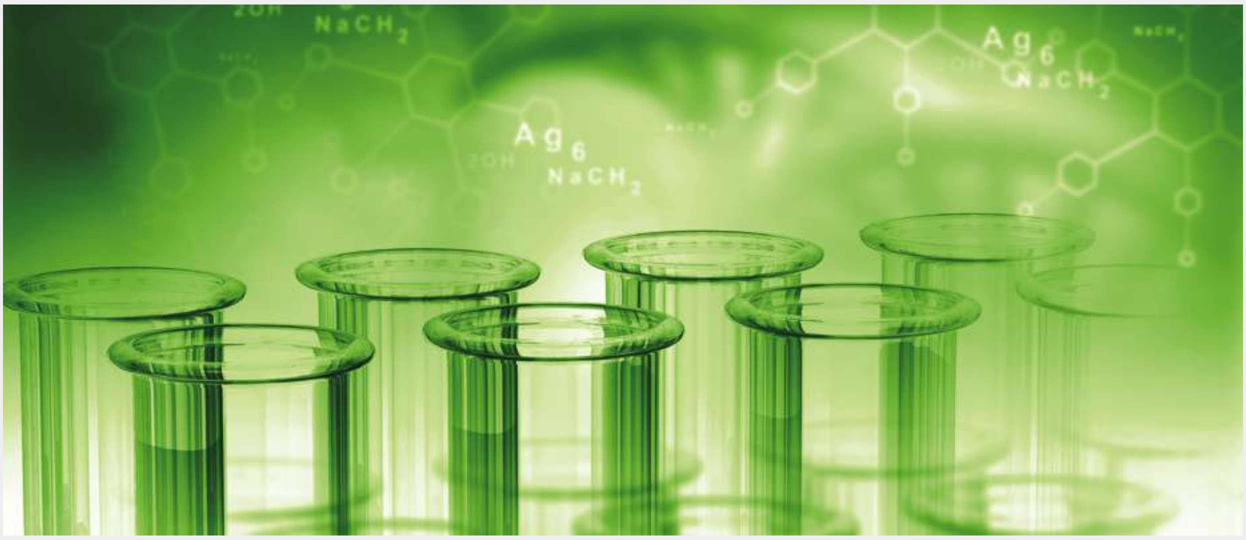
Within a short span, the Company developed multiple chemo-enzymatic routes for Molnupiravir and optimised enzymatic steps to derive a commercially viable process.

One-stop destination

The Company conducted processes like screening starting materials, optimising chemical steps and enzymatic routes to the characterisation of product and impurities under one roof.

Patents

The Company filed corresponding patents for synthesis routes. Fermenta's enzymatic synthesis route is efficient and environment-friendly, marked by significant benefits over reported processes.



RELEVANCE

How our corporate priorities have been synced with **Sustainable Development Goals (SDGs)**

Creating shared value through sustainable growth

- Business goals
- Internal processes
- Products and services
- Partnerships and alliances
- Value chain
- Corporate Social Responsibility (CSR) initiatives

Our business is aligned with overarching Sustainable Development Goals, underlining the importance of the Company with the overall needs of the world.

SDG 3: Good health and wellbeing

3 GOOD HEALTH AND WELL-BEING

Our portfolio comprises value-added ingredients addressing human and animal nutrition; our bioavailable and stable ingredients support health and immunity. Through these initiatives, we are helping eliminate 'hidden hunger' that could lead to immuno-deficiency; we provide ingredients for the fortification of staple foods, enhancing their nutritional content.

We also engage in sensitised CSR initiatives that enhance community health and well-being. Our Integrated Biotechnology business provides green synthesis technology for API manufacture; we recently developed an enzymatic synthetic route for Molnupiravir, a COVID-19 drug. We partnered with Vitamin Angels to eliminate Vitamin A deficiency in mothers and children under 5 in developing and underdeveloped countries. Our Vitamin D Guru is a public awareness initiative promoting the health benefits of Vitamin D and natural sources. Our CSR function engaged with Wadia Hospital and Tata Memorial Hospital in Mumbai.

SDG 4: Quality education

4 QUALITY EDUCATION

We customise training and development programs in our business, enhancing career development. Our Company contributed towards a rural community school near Mumbai.

In collaboration with the National Association for the Blind (NAB), we contributed towards Braille kits, educational grants and set up the NAB DVK Music Academy.

SDG 6: Clean water and sanitation

6 CLEAN WATER AND SANITATION

We possess an expertise in waste-water management and treatment solutions. We collaborated with a German technology provider to offer state-of-the-art sewage treatment plants (STPs). Our solutions enhance water quality, wastewater treatment and safe reuse through our bio-product and engineering solutions. Our solution comprises complete automation, low carbon footprint, energy-efficiency, chemical-free engagement and low maintenance costs.

SDG 8: Decent work and economic growth

We are a responsible employer of more than 600 employees. We conducted vaccination drives across our locations to protect employees and their families. We trained to upskill; we conducted functional and behavioural training.

SDG 9: Industry, innovation, and infrastructure

We engaged in the following initiatives:

Building resilient infrastructure: Capacity expansion measures were undertaken to address increasing Vitamin D demand.

Promoting sustainable value chain: Integrated backwards to enhance sustainability in Vitamin D supply

Fostering innovation: Filed patents for process improvements and the enzymatic synthesis of Molnupiravir, a COVID-19 drug.

The result was that we sustained production of vital products through the lockdown.

SDG 10: Reduced inequalities

We enhanced employee diversity through the engagement of females across functions. Our workforce comprised differently-abled employees. In collaboration with NAB, Fermenta set up a music academy for students; we contributed towards corneal transplants and squint corrections. We contributed towards infrastructure at Paraplegic Rehabilitation Centre and Paediatric Heart Surgeries (in collaboration with Jupiter Hospital).

SDG 12: Responsible consumption and production

We engaged in the management of emissions, byproducts and waste (through Reduce, Reuse and Recycle). We identified resource optimisation opportunities; we minimised waste and resource conservation through defined systems that replaced waste recycling; we segregated hazardous chemicals that were neutralised for safe disposal. We moderated water consumption. We adopted a twin-focused approach for effective effluents management. We reduced trade effluents generated at source and sought ways to reuse treated effluents. We engaged in responsible regulatory compliance and emissions management: our waste generation was within prescribed limits; our manufacturing facilities were compliant with ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System

SDG 13: Climate action

We empowered our customers to decarbonise through green chemistry solutions. Our enzyme technologies empowered customers to reduce CO2 emissions through green chemistry. Because of our enzymatic platforms, end application customers consume lower energy, water and raw materials over conventional methods. Our 'green' chemistry solutions moderate hazardous reagents, harmful waste, and by-products.

BUSINESS SEGMENT

Our Vitamin D business

76.8%
Share of overall revenues, FY 2021-22

2.22%
Growth in revenues over the previous year

Overview

Vitamin D is respected as an essential micronutrient, improving antimicrobial properties of immune cells that can reduce susceptibility to respiratory infections while enhancing adaptive and innate immune responses.

More than a billion people suffer from Vitamin D deficiency the world over*, making it the most underdiagnosed and undertreated global nutritional deficiency. (*Source: Omeed Sizar, Vitamin D Deficiency, StatPearls, Treasure Island (FL): 2022)

Our business

There is a likelihood of enhanced Vitamin D demand surpassing the pre-pandemic level following the documentation of growing Vitamin D importance. Fermenta will continue to address its Vitamin D portfolio at the human segment while enhancing efficiency through backward integration. The muted demand for Vitamin D in animal nutrition is expected to correct once the hospitality and aviation sectors revive, strengthening the offtake for non-vegetarian cuisine

Vitamin D and putative role in COVID-19^

Data from multiple publications are suggestive of immunising benefits of Vitamin D, being beneficial in respiratory health.

- Vitamin D deficiency is suggested as a predictive risk factor associated with poorer COVID-19 clinical disease course and mortality. In a retrospective institutional study of 1176 patients, patients with severe or critical disease were 14 times more likely to have Vitamin D deficiency (<20 ng/ml) compared to patients with mild or moderate COVID-19 disease. With regard to age, the strongest correlation between lower Vitamin D level and COVID-19 disease severity was seen in ≥65 years old patients.
- In a meta-analysis of 72 observational studies (n = 1,976,099) evaluating the relationship between Vitamin D deficiency and COVID-19 disease severity, Vitamin D deficiency or insufficiency was associated with a 46% higher risk of developing SARS-CoV-2 infection, 90% higher risk of developing a severe infection and 107% higher chance of mortality among severely ill patients. Vitamin D concentrations were extremely low in non-survivors and severe COVID-19 patients compared to controls. Vitamin D deficiency or insufficiency was found to be significantly associated with a higher risk of infections and mortality.
- A statistical regression analysis of multiple studies indicated that COVID-19 mortality risk correlated inversely with Vitamin D levels, and a mortality rate close to zero could theoretically be achieved at 50 ng/ml. The highest inflammatory inhibition was also observed at 50 ng/ml.
- A meta-analysis of 23 studies containing 11,901 participants found 41% of COVID-19 patients with Vitamin D deficiency and 42% patients with Vitamin D insufficiency. Vitamin D deficient individuals were found to have 3.3 times higher chance of SARS-CoV-2 infection and 5 times higher probability of developing a severe COVID-19 infection. Low Vitamin D levels were significantly associated with increased chances of developing infections.

^Sources:

Amiel A. Dror et.al, Pre-infection 25-hydroxy Vitamin D levels and association with severity of COVID-19 illness, MedRxiv 2021.06.04.21258358.

Harsha Anuruddhika Dissanayake et.al, Prognostic and therapeutic role of Vitamin D in COVID-19: systematic review and meta-analysis, J Clin Endocrinol Metab. 2021 Dec 11;dgab892.

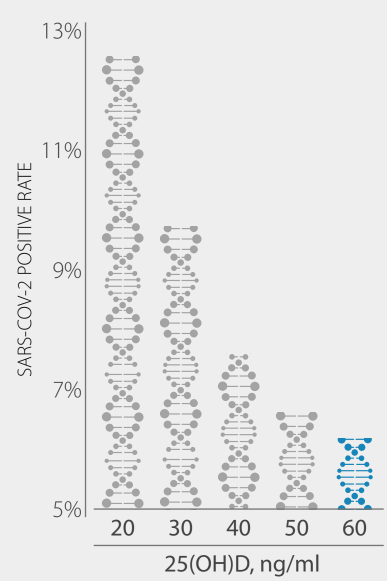
Lorenz Borsche et.al, COVID-19 Mortality Risk Correlates Inversely with Vitamin D Status, and a Mortality Rate Close to Zero Could Theoretically Be Achieved at 50 ng/mL 25(OH)D3: Results of a Systematic Review and Meta-Analysis, Nutrients 2021,13, 3596.

Roya Ghasemian et.al, The role of Vitamin D in the age of COVID-19: A systematic review and meta-analysis, Int J Clin Pract. 2021;00: e14675.

> Low Vitamin D Levels are significantly associated with increased chances of developing an infection, underlining the fact that low Vitamin D level is a predictor than just a side-effect of the infection

(Source: Lorenz Borsche et al; COVID-19 Mortality Risk Correlates Inversely with Vitamin D Status, and a Mortality Rate Close to Zero Could Theoretically Be Achieved at 50 ng/mL 25(OH)D3: Results of a Systematic Review and Meta-Analysis; Nutrients 2021, 13(10), 3596;)

Correlation between Vitamin D levels (X axis) and COVID-19 positivity rate (Y axis)



(Source: Kaufman HW)

Strengths

One-stop shop: The Company produces a range of Vitamin D products addressing human and animal healthcare applications.

Globally accredited: The Company's facilities in Kullu and Dahej are certified by a number of global rating agencies and accepted at par with the best-in-practice global standards.

Pioneering: The Company employs proprietary technology to produce Vitamin D in India (the only manufacturer), with backward integration enhancing economies of scale.

Experience and expertise: The Company enjoys a five-decade experience in manufacturing Vitamin D, marked by a customer base of more than 350 customers across 60+ countries.

Highlights, FY 2021-22

Capacity expansion in Dahej: We undertook capacity enhancement measures for Vitamin D crystals to address heightened demand for Vitamin D in the pandemic.

German subsidiary - Fermenta Biotech GmbH: With the necessary approvals granted, contract manufacturing and commercialisation of a spray-dried variant of feed grade Vitamin D was initiated.

US subsidiary - Fermenta USA, LLC: Prior to our acquisition, the US subsidiary focused on animal feed which comprised a considerable share of its turnover. We are adding to our human nutrition portfolio in the subsidiary.

Outlook FY 2022-23

The Company plans to widen its Vitamin D portfolio, address widening customer needs, upgrade processes to generate superior yield and strengthen efficiency.

BUSINESS SEGMENT

Other ingredients

16%
Share of overall revenues, FY 2021-22

17.34%
Growth in revenues over the previous year

SUB-SEGMENT

Niche Active Pharmaceutical Ingredients

Overview

Fermenta has been engaged in the manufacture of specialty APIs for seven decades. It produces Phenyramidol Hydrochloride (muscle relaxant with analgesic effects) and Silicon powder (Activated Dimethicone Powder).

Strengths

The Company's core strength lies in harnessing cutting-edge technologies to manufacture niche APIs. Phenyramidol Hydrochloride is a potent muscle relaxant with analgesic effects. The Company is respected for its ability to optimise synthetic routes for pharmaceutical compounds.

Outlook

The pharmaceuticals business appears promising in view of a steady rise in the incidence of lower back, neck and shoulder pain. The Company intends to improve processes and achieve superior yields.

SUB-SEGMENT

Natural Astaxanthin

Overview

Atacama Bio Natural Products S.A. is a Chilean corporation that cultures Haematococcus pluvialis to extract Natural Algae Astaxanthin Association (NAXA)-verified Astaxanthin, a potent antioxidant. The proprietary production technology offers a close-to-natural approach for Astaxanthin production around world-class standards.

Fermenta is an exclusive and authorised distributor partner of Atacama Bio Natural's NatAxtin® (Astaxanthin) in the Indian subcontinent. The Company offers a range of Natural Astaxanthin-NatAxtin® for human nutrition applications along with its aquaculture-focused natural astaxanthin (Red Meal).

Fermenta and Atacama

FBL and Atacama bring together shared values and expertise through Atacama Bio's strength in manufacturing quality natural astaxanthin as well as FBL's robust distribution network and market expertise.

Outlook

High demand for nutraceuticals due to their antioxidant properties and increased demand in the aquaculture and animal feed industry are key factors propelling market growth. A growing number of health-conscious individuals are inclined towards natural food colouring agents with lower adverse effects, compared to other chemical products, a driver likely to boost market growth.

Uniqueness of NatAxtin®

- Completely natural
- Safe and non-GMO
- Assured efficacy (clinically proven)
- Low carbon footprint

SUB-SEGMENT

Fish oil cholesterol

Overview

To manufacture cholesterol of pharmaceutical grade, Fermenta extracted cholesterol from fish oil waste residue. This fish oil waste residue, enriched with cholesterol, serves as raw material for cholesterol extraction. This diversification strengthened Fermenta's sustainability.

Strengths

Fermenta's fish oil-derived cholesterol Fermsterol® comprises the following USPs:

- Cholesterol content 91%
- Free-flowing and easily mixable

Outlook

India's low shrimp consumption has had a profitable spinoff: the country is one of the largest shrimp exporters, the largest shrimp exporter to US, the second largest exporter to Europe and the fourth largest exporter to Japan. Globally, aquaculture has reported strongest growth in the primary food-producing species, evident in Asia, Latin America and Oceania. It is expected that this sector will grow sustainably on account of the benefits of health and relatively low environmental impact.

(Source: US Commtrade 2020, 2021 Alltech Global Feed Survey Report)

SUB-SEGMENT

Vitamin AD2

Overview

India's malnutrition can be overcome through staple food fortification. The fortification of oil with essential micronutrients is an effective means to enhance its nutritional content.

Fermenta launched its first product addressing oil fortification - VITADEE® AD2 Oily Blend. Enriched with the goodness of Vitamins A and D, the product provides a holistic fortification solution, while addressing Food Safety and Standards Authority of India (FSSAI) fortification regulations.

Strengths

VITADEE® AD2 oily blend possesses the following advantages:

Suitability: Allows a uniform nutrient distribution in oil

Sensory satisfaction: Does not affect the taste, smell, odour or appearance of edible oil

Stability: Remains stable across a range of variants

Benefits of oil fortification

Scalable: Around 30g of oil is consumed per person per day across all population groups, a large fortification opportunity

Sustainable: Fortified oil provides 25-30% of the recommended diet allowance for Vitamins A and D

Simple: Vitamins A and D are fat soluble vitamins, do not require elaborate equipment and can be uniformly distributed in oil.

(Source: FFRC, FSSAI)

Outlook

Indians consume around 1.9 Million Tonnes of oil per month*, making it an accessible commodity across communities. This wide reach, along with cost-effectiveness, has empowered oil fortification to eliminate micronutrient deficiency by enhancing the oil's nutritional content.

The Government of India encourages the fortification of edible oils across the nation. There have been numerous successful case studies reported across the world proving the benefits of oil fortification for health. The FSSAI issued draft regulations, making edible oil fortification mandatory in India.

(*Source: Economic Times report, March 2020)

BUSINESS SEGMENT

Integrated Biotechnology

2.1%
Share of overall revenues, FY 2021-22

61.59%
Growth in revenues over the previous year

Overview

Fermenta's technological capability ranges from fermentation to enzyme purification, enzyme immobilisation to enzymatic synthesis, microbiology to genetic engineering and polymer beads development to scale-up synthesis.

The Company pioneered and marketed fermentation-based Penicillin G Amidase- bio catalyst enzyme (PGA) (Fermase PA 850) used in biocatalytic hydrolysis of amide bonds for beta-lactam intermediates and Penicillin G Amidase- bio catalyst enzyme (PGA) (Fermase PA 250) used in the biocatalytic synthesis of beta-lactam antibiotics. Fermenta has effectively contributed to strengthening the network of enzymatic production of ampicillin and amoxicillin derivatives in India.

Fermenta pioneered the immobilised enzyme technology in India. The Company is a reputed lipase enzyme producer that provides biotechnology solutions. CAL (Candida Antarctica Lipase) B enzyme enjoys a range of applications in 'green' chemistry such as oleo, biofuel, chiral API, personal care products and chemicals. It is available as a liquid and immobilised biocatalyst on varied epoxy and adsorbent supports, which offer specificity and stability. It is preferred due to its stability and high activity in hydrolysis, esterification, and transesterification reactions across industries.

Strengths

Reinvented the antibiotics market: When 'green' chemistry was in its initial stages, Fermenta used Penicillin acylase enzyme to develop the antibiotic synthesis process to enhance recyclability.

First-mover in industrial enzyme: Fermenta pioneered the synthetic and hydrolytic versions of Penicillin amidase enzyme.

Maximising efficiency: Fermenta improved the fermentation process to enhance enzyme activity.

Leading the immobilisation platform: Fermenta developed a library of polymer supports (DILBEADS) for the immobilisation of various enzymes.

Expanding green chemistry: Fermenta leveraged the enzymatic synthesis process of biodiesel from different used cooking oils.

Knowledge sharing: Fermenta participated in knowledge-sharing with customers on maintenance, optimum use of immobilised enzymes and reactor design to expand the enzymatic process.

Competitiveness of Fermenta's enzyme platforms

Stability: Immobilised enzymes enjoy long-term stability

Safety: Can be expressed in safe and industrially suitable strains

Suitability: Wide range of applications comprising food ingredients, fragrances, APIs, oleo, and biodiesel synthesis

Specificity: Depending on the application segments

Sustainability: Patented epoxy support beads enable reuse of the immobilised enzyme

Highlights, FY 2021-22

Fermenta's R&D facility at Thane (The Department of Scientific and Industrial Research (DSIR), Government of India approved facility) and enzyme manufacturing facility at Kullu has strengthened its credentials as a trusted enzyme producer.

Outlook, FY 2022-23

With the government's emphasis on self-reliance, Fermenta feels much can be gained from collaborations with domestic anti-infective manufacturers – especially on the enzyme platform offering for platforms for antibiotic synthesis (amoxicillin and cephalosporin derivatives).

The Company intends to identify, validate, patent, and commercialise enzyme-based technologies for 'green' manufacture. It aims to emerge as a sustainable and dependable enzyme source for Indian pharmaceutical manufacturers. The Company plans to revolutionise critical API processes by actively promoting CAL B lipase in niche applications.

BUSINESS SEGMENT

Environmental Solutions

Overview

Fermenta's engineering based bio-tech solutions in the area of wastewater management addresses India's national priority. The Company caters to the environment needs of private institutions in the sewage and effluent treatment segment. The Company possess the capability to build Sewage Treatment Plants (STPs) around different technologies like Moving Bed Bio-film Reactor (MBBR) and Sequential Batch Reactor (SBR).

The Company made a strategic shift by focusing on annual maintenance contracts for wastewater treatment plants. The quality of the treated water matches regulatory norms and Fermenta provides trained operators supervised by an environment specialist.

The Company focused on resilience and building new membrane technologies (ultrafiltration membranes that provide high filtration post biological treatment and higher standards of outlet quality). The Company received orders for new plants and the upgradation of existing plants from reputed builders.

1%
Share of overall revenues, FY 2021-22

71.98%
Growth in revenues over the previous year

Strengths, FY 2021-22

Versatile: The Company provides end-to-end solutions (concept, monitoring, planning and management).

Expertise: The Company undertakes the commissioning and maintenance of sewage treatment plants; it possesses a competence in developing and operationalising different environment projects.

Quality assurance: The Company's superior outlet quality facilitates re-use for non-potable applications.

Manpower: The Company's talent comprises professional experts with considerable experience and knowledge in conceptualising, engineering, procurement and project execution.

Eco-friendly: Fermenta's bioproduct Fermsept® is an eco-friendly alternative for existing products.

Validated: Fermsept®'s reduced power consumption and performance provide superior value to municipal STP applications

Resilience: Fermenta's environment team completed projects that had been staggered in 2021, a qualification to bid for larger projects.

Highlights, FY 2021-22

A dedicated engineering and execution team for the environment division was created to address water and wastewater treatment.

Fermenta partnered a German technology provider to develop and market advanced package sewage treatment plants with the latest SBR Process for use in resorts, hotels, and hospitals. The package STP consumes low power and conforms with regulatory compliances.

Fermenta automated the Thane One property STP, using the pneumatic system PLC and SCADA.

Fermenta's Environment Division introduced a new Membrane Bio-Reactor technology for sewage treatment, enhancing outlet quality.

Outlook, FY 2022-23

The Company's focus will be to complete acquired projects and attract more such projects while venturing into the industrial segment. The Company intends to execute more MBR Technology projects.

BUSINESS DRIVER

Manufacturing excellence

Overview

At Fermenta, we made prudent investments in manufacturing technologies that were advanced and in line with industry standards. The Company's equipment and infrastructure indicate efficient standards reflected in capacity utilisation, enhanced uptime, operational safety and attractive raw material yield.

Strengths

Facilities: The Company invested in state-of-the art manufacturing units (Kullu and Dahej), fulfilling customer requirements with superior quality

Well equipped: The Company's manufacturing units are equipped with cutting-edge technologies and equipment, increasing process safety and integrity

Quality: The Company's facilities are audit-ready and certified by global authorities. They were subject to multiple virtual audits by customers during the year under review.

Safety: The Company aims to conduct safe operations, minimising chances of hazards. The Company's task force team maintained all COVID-19 protocols, ensuring uninterrupted operations.

Key initiatives

- The Company moderated solvent consumption
- The Company ensured optimum capacity utilisation
- The Company embarked on capacity enhancement to enhance existing plant capacity. This initiative was carried out successfully to increase Vitamin D crystals capacity by 25% to meet increased demand from the human nutrition segment.
- The Company completed the set up of Vitamin K1 manufacturing unit, a new product
- The Company received Community Environment Project (CEP) approval for the Vitamin D crystalline unit
- The Company optimised the production of cholesterol, a key starting material of Vitamin D, through backward integration

Outlook

Long-term contracts with partners enhance our access to an assured supply of wool grease approved by international regulatory authorities. Availability of key starting material and traceability of the raw material source will enhance sustainability and competitiveness.

BUSINESS DRIVER

Research & development

Overview

At Fermenta, we are constantly innovating to enhance process yield and cost-effectiveness through increased fermentation capacity.

Recently, the Company developed a new lipase enzyme for non-pharma and pharma products. The new polymer technology helped develop new supports for enzyme immobilisation. The development of a new technology with IPR rights, enabling Molnupiravir synthesis with enzymatic process with the CALB lipase product, was commercialised.

Highlights, FY 2021-22

Fermase PS 250: The Company provides technological support to customers for product trials, optimising processes with the help of enzymes.

Fermase PA850: The Company reinvigorated its customer base by enhancing production output that ensured consistent supply and downstream capacity addition.

CAL B: The Company undertook trials to enhance the viability and appropriateness of CALB in the domestic and international markets.

Strengths

Team of experts: Reliable team of trained professionals with considerable innovation experience.

Advanced research facility: Advanced molecular biology and fermentation lab with up-to-date safety measures.

Process development: Developed technologies and processes that are commercially viable and can generate attractive returns.

Capacity expansion: Implement capacity expansion to address market needs.

Business development expertise: Skilled business development team with in-depth market understanding, anticipating customer needs with corresponding product innovation.

Outlook, FY 2022-23

The Company intends to widen enzyme applications across the pharma and non-pharma industries and across the domestic and export spaces. It will develop biotech capabilities to manufacture products in the oleo industry, pharma, food, non-pharma, and chemical industries.

BUSINESS DRIVER

Supply chain management

Overview

Fermenta embarked on a transformational journey focused on building a digital enterprise encompassing business functions. The Company intends to create innovative operations that extend beyond enterprise resource planning to competent supply chain management, plant automation, business analytics, cloud, and real-time information availability. The Company upgraded technology by engaging with global partners, which enhanced access to real-time information and updates, resulting in cost moderation, enhanced efficiency, and customer satisfaction. The Company shifted from short-term contracts to mid-term and lane-specific contracts to strengthen value derived from third-party logistics.

The Company's supply chain complexities were different in regions; each geography of presence was at a different stage of supply chain maturity and systems. Despite the complexities, the Company delivered shipments to more than 60 countries.

In a supply chain-driven organisation, the business partners third-party logistics service providers, staying trustworthy. Operational efficiencies in planning, procurement and logistics were derived.

Strengths, FY 2021-22

Imports: The Company ensured that regular replenishment of imported raw materials across units within a specified time frame moderated production losses.

The Company continued to engage with export promotion councils, which kept it updated on various statutory aspects.

Exports: The Company undertook negotiations with logistics service providers and freight forwarder, obtaining direct bookings from liners. This helped ship exports in containers without challenges. The operations of the German subsidiary commenced, exporting shipments through road, sea and multimodal modes. The Company added three countries (Hungary, Portugal and Taiwan) to its export portfolio where shipments were delivered easily.

Highlights, FY 2021-22

During the pandemic year, the Company's focus was on maintaining operational efficiencies of the supply chain. In the dynamic Vitamin D segment, the Company implemented distribution growth. With the Vitamin segment changing, the Company focused on seeking ways to grow the business. During the year under review, the Company focused on rapid material distribution across the globe.

Outlook

Going forward, the Company expects tight international controls over material movement, rules of origin, certification, and packaging especially in the pharmaceuticals sector. The goal of the post-pandemic supply chain will be to remain agile to evolve with these changing laws, ensuring a smooth SCM function.

BUSINESS DRIVER

Marketing

Overview

At Fermenta, we take pride in our product's contribution to enhance human health and wellbeing. The Company considers global customers to be an extended family.

Being a global leader in our business, Fermenta has been a part of exhibitions and training, helping serve international partners better.

Exhibitions

IFAT India online: Our Environmental Solutions team collaborated with KLARO, our German partner, to conduct joint technical sessions

NutriThink 2021: The NutriThink conference attended by the sales and marketing team inspired new product ideas for our nutritional ingredients portfolio.

Fi Hi: The Company made its first appearance as an exhibitor in the renowned Food Ingredients & Health Ingredients India (Fi Hi) conference to showcase its nutrition offerings.

CPhI India 2021: The Company showcased Vitamin D Guru, its public awareness initiative at CPhI India, one of the largest platforms for the pharma industry in India. Vitamin D Guru's branding at various locations of the expo drew attention to Vitamin D's benefits.

Training

Vitamin D training for global distributors: The Company organised multiple product-based training to keep its distribution team updated around the latest information and findings in the Vitamin D segment.

Astaxanthin product training from Atacama Bio Naturals, Chile: The Company is the authorised distributor of the Chile-based Atacama Bio Naturals in the Indian subcontinent. The Company supplies the latest product line of natural astaxanthin.

Active participation in Council for Responsible Nutrition (CRN), USA: In 2021, Fermenta became a voting member of CRN, a US-based trade organisation with 180 member companies. The Company is a member of CRN's Vitamin D task force, which works towards enhancing Vitamin D awareness.

PEOPLE MANAGEMENT

Fermenta's Human Capital

Fermenta continued to invest in talent with the objective to drive innovation, growth and resilience

Overview

At Fermenta, a focus on talent generated attractive growth, marked by empowerment, emotional ownership, accountability and merit-based appraisal.

Over the decades, Fermenta lived its distinctive people culture (knowledge sharing, training & development, and invigorating workspace, among others) that translated into outperformance.

What made the Company's talent management different was its HR policy centred around professional and cultural development. The Company's people-centric practices were aligned with business objectives, enhancing strategic clarity.

The Company's talent practices were benchmarked with standards recommended by national and international labour regulations. The Company's core values were woven around its Group Code of Conduct, resulting in a safe, challenging and rewarding workspace.

Talent acquisition

The Company inducted 138 people in FY 2021-22, mainly for new projects, by hiring senior professionals for its nutrition portfolio and environmental solutions division. In addition, key positions were onboarded.

The Company collaborated with premier management institutes to recruit engineering and management graduates. Personal profile analysis and human job analysis were continued using behaviour assessment tools from Thomas International, enhancing competence mapping for internal job roles.

Retention strategy and attrition management

The Company controlled attrition by providing appropriate and timely grievance redressal mechanisms. It initiated Management Incentive Plans, which strengthened retention. It provided financial assistance, sponsorships for technical certifications and conferences, and project bonus schemes. During the year under review, talent retention was 84%.

Performance appraisal

The Company's transition to SAP Success Factors to automate HR systems helped complete performance evaluation in virtual mode during the disruptive COVID-19 pandemic, while head office employees worked from remote locations.

In line with mid-term reviews, the Company filled new positions with internal talent, encouraging them to pursue interests beyond their functional roles.

Organisational development

Cross-functional collaborative workshop: The Company is at the cusp of attractive growth, working on new projects with cross-functional teams geared to lead projects to success. With a view to equip the team with enhanced team collaboration initiatives, it scheduled a two-day intervention, facilitated by the Great Place to Work Institute. The interactive sessions were designed to engage employees in reflective thinking and better collaboration among cross-functional teams.

The initial collaboration with UL ComplianceWire was extended for three years. The Company aims to diversify its product portfolio in the nutritional segment, as a proactive approach; it trained its team on the subject through technical training across multiple functions.

Strengths

People-focused approach	Employee-centric policies	Rising people retention	Active learning and development agenda	Employee safety & well-being

Great Place to Work®

After undergoing a rigorous evaluation of the quality of its employee experience and people practices, the Company emerged among just eight organisations to be recognised as one of India's Best Workplaces in Biotechnology & Pharmaceuticals for 2021.

The Company received a Great Place to Work certification, April 2021 to March 2022, for the third year in a row, and was recognised for its commitment to being a great workplace. During the year, Fermenta graduated from a mid-sized to a large-sized organisation in the Great Place to Work category, finding itself in the company of industry leaders recognised for their High-Trust, High-Performance™ cultures. Fermenta's Trust Index scores (based on the survey conducted internally across locations) increased year-on-year during the last three surveys conducted by the Great Place to Work Institute.

Mr. Prashant Nagre, Managing Director of Fermenta, was recognised among India's Best Leaders in Times of Crisis 2021. This initiative by Great Place to Work® India identified organisations and leaders who demonstrated an exceptional ability in dealing with the VUCA environment intensified by the pandemic. Only 50 leaders from across the country were so recognised in the large-sized organisation category (more than 500 employees). According to Great Place to Work® India, winners exhibited the qualities of principle-centred behaviour, agility, adaptability, customer obsession, empathy and employee-centricity. This award is a testament to Fermenta's successful change management framework for mitigating the pandemic effect and adapting to new paradigms.

Employee wellbeing during the pandemic

During the outbreak of COVID-19, the primary challenge for the Company was to ensure employee health and safety without affected business continuity.

The Company overcame the challenge by forming a Risk Mitigation Committee in the early stages of the outbreak, resulting in a Business Continuity Plan.

Every employee, permanent or temporary, was provided training and facilities, enhancing safety. Remote working was ensured across functions.

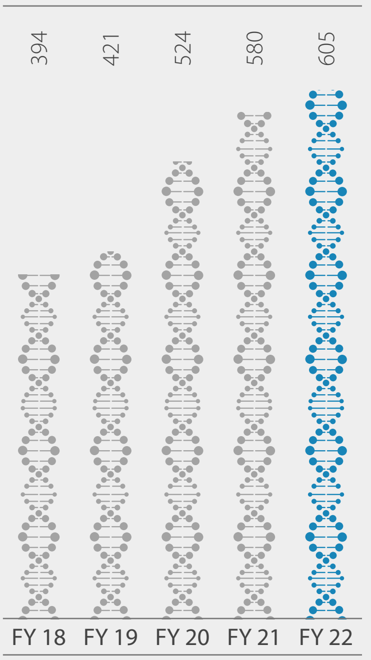
TICA - The Injection for COVID-19: Awareness

The Company organised a campaign called TICA - The Injection for COVID-19: Awareness, for employees. The Company arranged a virtual session with an expert on COVID-19 and vaccination.

The Company facilitated the first and second vaccination dose for employees at its registered office, R&D and manufacturing facilities.

The Company tied up with ICMR-recognised labs for RT-PCR tests and with hospitals around operating locations to address emergencies.

Total employees



Environment health and safety

Programmes

Environment: The environmental activities ensured compliance with the increasing number of permits required by state and federal agencies. The Company remained committed to the conservation of finite resources, reducing harmful emissions, sustainable management through the product life cycle.

The manufacturing units reduced raw water consumption, effluents generation, solid waste, hazardous waste, and Green House Gases (GHG) emissions reduction by implementing technology and management programmes through a combination of energy and water conservation, minimised air emissions, rainwater harvesting and solid waste recycling. Besides, both manufacturing units i.e. Kullu and Dahej complied with all EHS-related legal-statutory requirements.

Occupational Health & Safety: The Company achieved globally approved fire-safety standards.

Occupational health and safety (OHS) ensured that indoor manufacturing and R&D lab environments remained conducive to wellbeing by recognising, evaluating and controlling health and safety hazards.

The Company remained engaged with facilities engineering and services personnel to keep manufacturing units and R&D lab functional, while protecting employee health and safety.

As per new requirement and implementation of ISO 45001, hazards identification and risk assessment revisions were carried out and risk mitigation plans prepared. Plant safety audits were periodically conducted, a major role in reducing workplace hazards/incidents.

Both manufacturing units and R&D has identified scenario-based emergency preparedness plans to counter specific emergencies. Safety standards were monitored through a focus on appropriate safety controls, elimination of unsafe activities, better replacement methods and installation of full-proof engineering controls.

Environment, Health and Safety initiatives, FY 2021-22

- Efforts were made to comply with EHS standards, marked by safety leading indicators and appropriate training with assessment.
- Environmental Health and Safety received reports of first aid incidents in the workplace and near miss/incidents. The reports represented a decrease of 82% in first-aid injury reports and a 100% increase in incident reports.
- Reporting increased 67% from 2018, which reflects ongoing awareness to log all injuries and incidents

Injury, incident performance indicators

Zero serious process safety incidents	Zero recordable Injury/ illness incidents	Zero unplanned hazardous releases to the environment	All business units are working through aligned EHS risk reduction and improvement plans

Key Performance Indicator changes

FY	2016	2017	2018	2019	2020	2021
Occupational accidents / First-Aid Injury	09	12	07	05	03	02
Loss time injury / Medical treatment injury	00	00	00	00	00	00
Frequency rate	0.0	0.0	0.0	0.0	0.0	0.0
Severity rate	0.0	0.0	0.0	0.0	0.0	0.0

Occupational accidents / first aid injury: The injuries resulting in work time loss.

Loss time Injury: An injury causing disablement extending beyond the day of shift on which the accident occurred.

Frequency rate: Frequency of accidents, the number of employees killed or injured in occupational accidents per one million total working hours.

Severity rate: Severity of accidents, the number of workdays lost due to occupational accidents per one thousand total working hours.

Health initiatives

- Conducted training for first-aid and health awareness
- Executed medical surveillance plans and periodic medical checks
- Revisited employee health insurance coverage for appropriate preventive screenings.
- Vaccination was organised with the help of an authorised hospital; COVID-19 (double) vaccinations were provided to employees and their family members

EHS audits

Regular audits of our operational units by in-house cross functional teams, global customers, regulators and external third-party auditors helped achieve benchmark / highest compliance.

External audits

In FY 2021-22, the external audits for ISO14001 certification revealed no areas requiring correction. The external audit for ISO45001 revealed no areas for correction at the Dahej and Kullu sites. Both plants were certified for ISO 14001: 2015 (Environment Management Systems) and ISO 45001:2018 (Occupational, Health and Safety), the newly introduced standard for Occupational Health & Safety Management system. Annual Environmental audit conducted for the Dahej facility through a competent agency.

Both manufacturing facilities were awarded COVID-19 'WASH (Workplace Assessment for Safety and Hygiene) certification' by Quality Council of India. Intertek auditors carried out WASH audit at Dahej and Kullu and no non-conformity was issued.

Both manufacturing facilities were audited for site safety audits as per IS0 14489 by the competent agency; no areas required correction. At the Kullu facility, an energy audit was conducted through a competent agency.

Internal audits

The internal audits conducted in FY 2021-22 for ISO14001 and ISO45001 certification confirmed the absence of major problems.

To ensure focused delivery on EHS, each plant carried out Aspect Impact and HIRA (Hazard Identification and Risk Assessment) review for various activities.

Certifications

Dahej

- BRC certificate
- FSMA certificate
- Kosher certificate
- Halal certificate
- HACCP certificate
- FSSC 22000
- FAMI-QS certificate
- WHO-GMP certificate
- Written confirmation
- ISO 45001 2018
- Halal-MUI-Indonesia

Kullu

- BRC certificate
- FSMA certificate
- Kosher certificate
- Halal certificate
- Vegetarian Society UK certificate
- American Vegetarian Association Certificate
- HACCP certificate
- Written Confirmation
- FAMI-QS certificate
- ISO 45001 2018

Akums

- NSF certificate
- Kosher certificate
- Halal certificate

SOCIAL RESPONSIBILITY

Fermenta's commitment towards community development

Overview

Fermenta has consistently believed in giving back to society and staying engaged with the communities within which it operates. The Company fulfilled the socio-economic requirements of the communities in different regions. The Company's CSR function comprised initiatives related to COVID-19 assistance, environment protection, health, sustainable livelihoods, education, hunger eradication, promotion of traditional arts and culture and animal welfare, among others. During the financial year under review, the Company allocated ₹1.89 Crore for CSR activities.

Key initiatives, FY 2021-22

Help protect our protectors: The Company donated Vitamin D capsules for 200,000 Maharashtra Police Personnel for the second time as a part of the 'Help Protect Our Protectors' initiative. Around 1,600,000 capsules were donated, each beneficiary receiving two months' supply of the recommended dosage of Vitamin D.

Tata Memorial Hospital: The Company contributed towards quality cancer care for patients of Tata Memorial Centre.

Paraplegic Rehabilitation Centre, Pune: The Company donated wheelchairs for veterans retired due to spinal cord injuries from the armed forces.

Nurture nature: The Company formed a joint venture with Sanjay Gandhi National Park, Mumbai, ensuring environmental sustainability, protection of flora & fauna, animal welfare and conservation of natural resources.

Support to enforcement agencies: Support was provided to the police department in Dahej in the enforcement of COVID-19 protocols.

Our CSR priorities

Inclusive

Activities diversified and expanded into new communities and, in turn, benefitted more stakeholders, communities and institutions pan-India

Integrated

Internal events were integrated with the social partners to enhance awareness and engage employees with CSR activities

Sustainable

The Company remained committed to a continued association with institutions and NGOs

Accountable

Data was collected for all activities; the number of beneficiaries was documented.

CSR initiative

1.89

(₹ Crore) Total CSR expenditure for the year ended March 31, 2022

RESPECT

Awards and recognitions

Fermenta was recognised with the following accolades in the year under review:

- IDMA Margi Patel Choksi Memorial Best Patent Awards: Best Biotech API Patent Award 2019-2021 for National and International API & Biotech Patents
- India Pharma Awards 2021: Excellence in R&D – Development of new product/ technology (Runner up)
- Pride of Maharashtra Awards 2021: Best Company of the Year - Excellence in Exports
- Certified by the Great Place to Work Institute as one out of eight companies recognised as India's Best Workplaces in Biotechnology & Pharmaceuticals
- Great Place to Work® certified for the third consecutive year (April 2021 – March 2022), along with a recognition for Commitment to being a Great Place to Work®

Mr. Prashant Nagre, Fermenta's Managing Director, was awarded the following recognitions:

- One of India's Best Leaders in Times of Crisis 2021 by Great Place to Work® Institute
- Inspiring CEOs 2021 by The Economic Times

Management Discussion & Analysis

Global economic overview

The global economy grew an estimated 6.1% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economy is projected to grow at a modest 2.6% in 2022. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	2021	2020
World output	6.1	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Indian economic overview

The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7% in FY 2021-22. By the close of FY 2021-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save China), its market size at around 1.40 Billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

Y-o-Y growth of the Indian economy

	FY 19	FY 20	FY 21	FY 22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, FY 2021-22

	Q1, FY 22	Q2, FY 22	Q3, FY 22	Q4, FY 22
Real GDP growth (%)	20.1	8.4	5.4	4.1

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Indian economic reforms and Budget FY 2022-23 provisions

The capital expenditure target of the Indian government expanded by 35.4% from ₹5.54 Lakh Crore to ₹7.50 Lakh Crore. The effective capital expenditure for FY 2022-23 is seen at ₹10.7 Lakh Crore. An outlay of ₹1.97 Lakh Crore was announced for the Production Linked Incentive (PLI) schemes across 13 sectors.

Overview of industries we operate in

Pharmaceuticals

Global pharmaceuticals industry overview

The global pharmaceutical industry was anticipated to have grown at a 1.8% CAGR annually from US$ 1228.45 Billion in 2020 to US$ 1250.24 Billion in 2021. The growth was fuelled by companies rearranging their operations and reviving from the COVID-19 impact, which had earlier led to restrictive containment measures including social distancing, remote working and the shutdown of commercial activities that resulted in operational challenges. The market is anticipated to reach US$ 1700.97 Billion in 2025, growing at a CAGR of 8%.

(Source: Statista, the business research company, prnews wire.com)

Indian pharmaceuticals market overview

According to the Indian Economic Survey 2021, the domestic market is anticipated to grow three-fold in the next decade. India's domestic pharmaceutical market stood at US$ 42 Billion in 2021 and is expected to reach US$ 65 Billion by 2024 and ~US$ 120-130 Billion by 2030.

During FY 2021-22, India's pharmaceutical exports stood at US$ 2261.65 Million, registering a de-growth of 1.46 % compared to US$ 2295.05 Million in FY 2020-21.

(Source: IBEF, PIB)

API

Global API industry overview

The global Active Pharmaceuticals Ingredients (API) market was valued at US$ 191.19 Billion in 2021 and expected to reach US$ 355.94 Billion by 2030, growing at a CAGR of 7.1% over the forecasted period. The market growth can be mainly steered by various factors such as increasing drug research & development, raising incidence of chronic diseases, the increasing importance of generics and the rising absorption of biopharmaceuticals.

The API market was classified geographically into North America, Asia, Europe and Rest of the World. North America contributes the largest pie in the active pharmaceutical ingredients market followed by Europe and the Asia Pacific. Increasing incidence of preventable chronic diseases, growing government focus on generic drugs, increasing demand for biologics and specialty drugs and technological advancements in the manufacturing processes of APIs are the main factors driving the growth of the active pharmaceutical ingredients market of North America.

Asia-Pacific is the largest market for APIs. The presence of developing countries like India and China has led to greater reliance globally for low-cost API production. The API market is anticipated to grow on account of increased healthcare expenditure in the region.

(Sources: markets and markets.com)

Indian API industry overview

The Indian API market stood at US$ 19,993.2 Million in 2021 and is expected to grow at a CAGR of 8.3% to US$ 34,968.7 Million by 2028. This growth is expected to increase due to a surge in the biopharmaceutical sector in the country. Increasing prevalence of chronic diseases like cardiovascular diseases, diabetes, cancer and respiratory disorders, among others, is expected to grow the market. The Indian government's initiatives to increase the domestic manufacture of active pharmaceutical ingredients and major starting materials are anticipated to strengthen backward integration and enforce a limitation on the supply chain disruption mix for Indian drug makers. These incentives could solve key pricing competitiveness issues and funding; they could facilitate the investment decisions of local pharma companies.

(Source: globenewswire)

Nutraceuticals

Global nutraceuticals industry overview

The global nutraceuticals market was valued at US$ 454.55 Billion in 2021 and is anticipated grow at a CAGR of 9%, reaching US$ 991.09 Billion by 2030. The increasing demand for dietary supplements and functional food is anticipated to be a major driving force for the market over the forecast period. Medical nutrition, aligned with growing applications for the treatment of cardiovascular disorder and malnutrition, is expected to influence the growth of dietary supplements.

Increased healthcare costs, along with the growing geriatric population across the world, are expected to improve the global functional food industry growth over the forecast period. The attitude of consumers seems to be optimistic about functional foods, mainly due to value-added health and wellness benefits offered by these products. The increasing geriatric population, growing healthcare costs, changing lifestyles, food innovation and higher price expectations have enhanced the overall growth.

(Source: Grand view research.com)

Indian nutraceuticals market overview

The Indian nutraceuticals industry is expected to grow at a CAGR of 29.5% between 2021 and 2027. The fitness industry is growing on account of increased health awareness among people and COVID-19, demand for supplements, as well as increased consumption of healthy foods & beverages. More people are concentrating to improve their immunity. Increased focus on preventive healthcare and growing disposable income also contributed to India's nutraceutical market growth trajectory.

(Source: 6W research .com)

Enzymes

Global enzymes industry overview

The global enzymes market is expected to reach US$ 17.88 Billion in 2028, growing at a CAGR of 6.5% between 2021 and 2028. This will be mainly steered by a growing demand for food enzymes, which offer anti-stale and softening properties to food and enhances their shelf life. Enzymes like protease, lipase and carbohydrase are substantially utilised in meat products, bakery, dairy and frozen foods for the conservation of nutritional content.

Additionally, food enzymes increase food safety, which is vital in the case of processed and packaged food products, enhancing demand and market growth.

(Source: globenewswire)

Indian enzymes industry overview

The Indian enzymes market is poised for attractive growth due to growing applications and utilisation in the fermentation of milk to produce dairy products. The Indian dairy industry is anticipated to grow the enzymes market.

The increasing demand for recombinant enzymes in numerous industries like detergents and pharmaceuticals is another growth driver.

The growing use of proteins in detergents, along with increased use in animal feed, are expected to steer enzymes market growth in India.

Indian real estate sector overview

The Indian real estate market is poised to witness an increase in demand as it emerges from the effects of the COVID-19 pandemic. After the second wave, where the demand slowed during April-June 2021, the realty sector started showing early signs of recovery in July-September 2021.

Moreover, lower residential property valuations and low interest rates also drove the demand of this sector. In 2022, the price of residential segment is expected to appreciate by 5%. The demand for residential properties is expected to keep growing owing to attractive market prices as well as the homebuyer's desire for bigger and better homes.

By 2030, the Indian real estate is sector is likely to be valued at US$ 1 Trillion, accounting for 18-20% of the country's GDP.

Company's overview

Incorporated in 1951, Fermenta is a recognised player in the field of pharmaceuticals, enzyme technologies and environmental solutions.

The Company deals in the manufacture of Vitamin D, other specialty APIs, enzymes and also provides integrated biotech-based and engineering, procurement and construction-based environmental solutions. The Company manufactures a diverse range of Vitamin D variants: crystalline, oil, resin in oil, cold water dispersible and feed grade powder, which can be utilised in applications like pharmaceuticals, dietary and nutritional supplements, feed premixes along with food and beverage fortifications and rodenticides.

The quality and service potential of the Company have been validated by a sales footprint in more than 60 countries in addition to being a dependable supplier to more than 350 global customers. Fermenta recognises the importance of its products and services in the sectors of health and hygiene, which positively improves the lives of consumers across the world. Fermenta endeavours to provide customers (and end consumers) safe and sustainable products.

The Company signed a binding term sheet with Mextech Property Developers LLP (incorporated by promoters of Nandivardhan Group and RRC Ventures Pvt. Ltd.) for the development of its land parcel in Thane wherein Mextech will take complete responsibility of the development. During the year under review, the rental income from its real estate properties remained stable.

Potential areas that we aim to grow in

Fortified rice kernel: Rice fortification is an economical, culturally suitable approach to fulfill micronutrient deficiency in countries with high per capita rice consumption. Fortifying rice increases nutrition by adding Vitamins and minerals in the post-harvest phase, many of which usually disappear during the milling and polishing process.

Fortified Rice Kernel (FRK) is a comprehended rice grain made from rice flour, Vitamins, and minerals employing hot extrusion technology. The extrusion technology for manufacturing fortified rice kernels is the technology of choice, given the steadiness of micronutrients in the rice kernels across processing, storage, washing and cooking.

Edible oil fortification: Oil fortification is the process of combining micronutrients to edible oil to enhance its nutritional value, and anticipated to witness increased penetration within the Indian population, owing to the widespread use of cooking oil. This extensive reach, coupled with cost-efficiency, has made oil fortification a feasible strategy to moderate micronutrient deficiency through increasing oil nutritional content. All types of edible oils (soybean, palmolein, groundnut, cotton seed, mustard, etc.) can be fortified.

Milk fortification: Milk offers quality protein, calcium and fat-soluble Vitamins A and D. Vitamins A and D are absent when milk fat is eliminated during processing. Various countries have a compulsory provision to reconstitute the vitamins eliminated as it is easily achieved. India is the largest producer of milk in the world.

Risk management

Geographical risk	The Company's revenue generation potential can be restricted to a few geographies, which could hamper growth in the event of a localised slowdown.	**Mitigation**: The Company enjoys footfalls in more than 60 countries with major revenues generated from USA and Europe.
Finance risk	The Company's inability to acquire long-term funds at a competitive cost could hamper its expansion and reinvestment plans.	**Mitigation**: Fermenta's cash balance stood at ₹33.60 Crore and net debt-equity ratio stood at 0.55 as on March 31, FY 2021-22; average cost of funds stood at 7.23%.
Regulatory risk	Changes in regulatory environment might lead to operational disruption.	**Mitigation**: The Company is periodically ascertaining a coherence with appropriate guidelines across its plants
Competition risk	Entry of new players in the market could lead to intense competition affecting the topline	**Mitigation**: The Company mainly operates in the regulated markets, marked by high entry barriers
Environment risk	The Company's business might affect the environment eco-system resulting to possible censure or closure	**Mitigation**: The Company supervises operations to ascertain a complete compliance with applicable regulations. The Company aims to advance technology and equipment, organise training programs on environment-related subjects and offers education on operations with high environmental impact (management of waste materials and chemical substances).

Financial overview

Analysis of the Profit and Loss statement

Revenue: Revenues from operations reported a 5.63% increase from ₹377.28 Crore in FY 2020-21 to reach ₹398.52 Crore in FY 2021-22. Other income of the Company accounted for a 2% share of the Company's revenues, validating the Company's reliability on its core business operations. The revenue from renting of properties was ₹15.8 Crore during the year under review.

Expenses: Total expenses of the Company increased by 13.72% from ₹333.91 Crore in FY 2020-21 to ₹379.71 Crore. Raw material costs, accounting for 38.43% share of the Company's revenues, increased from 35.62 % in FY 2020-21. Employee expenses, accounting for a 15.80% share of the Company's revenues, increased from ₹58.22 Crore in FY 2020-21 to ₹62.97 Crore in FY 2021-22

Analysis of the Balance Sheet

The capital employed by the Company increased by 4.60 % from ₹477.74 Crore as on March 31, 2021, to ₹499.72 Crore as on March 31, 2022.

The net worth of the Company increased by 3.1 % from ₹360.29 Crore as on March 31, 2021, to ₹371.45 Crore as on March 31, 2022 due to our growth in reserves and surplus. The Company's equity share capital stood at 2,94,30,987equity shares of ₹5 each as on March 31, 2022 (includes FBL ESOP Trust).

Long-term debt of the Company grew by 3.84% to ₹114.68 Crore as on March 31, 2022. Net debt-equity ratio of the Company stood at 0.55 in FY 2021-22, compared to 0.45 in FY 2020-21.

Finance costs of the Company decreased by 5 % from ₹17.98 Crore in FY 2020-21 to ₹17.08 Crore in FY 2021-22, following the repayment of liabilities.

Human resources

Fermenta's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company creates leaders from within, strengthening prospects. The Company's employee strength stood at 605 as on March 31, 2022.

Internal control systems

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations.

Corporate information

BOARD OF DIRECTORS

Mr. Sanjay Buch
Chairman and Non-Executive Independent Director

Ms. Rajeshwari Datla
Non-Executive Director

Dr. Gopakumar Nair
Non-Executive Independent Director

Mr. Vinayak Hajare
Non-Executive Independent Director

Ms. Rajashri Ojha
Non-Executive Independent Director

Mr. Krishna Datla
Executive Vice-Chairman
(Whole-time Director)
Appointed w.e.f. May 09, 2021

Mr. Satish Varma
Executive Director

Ms. Anupama Datla Desai
Executive Director

Mr. Prashant Nagre
Managing Director
Appointed w.e.f. May 09, 2021

Mr. Pramod Kasat
Additional Director
Appointed w.e.f. May 30, 2022

CHIEF EXECUTIVE OFFICER

Mr. Prashant Nagre
(up to May 08, 2021)

COMPANY SECRETARY

Mr. Srikant N. Sharma

CHIEF FINANCIAL OFFICER

Mr. Sumesh Gandhi

SOLICITORS

Crawford Bayley & Co.
Mundkur Law Partners

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

TAX AUDITORS

SCA & Associates
Chartered Accountants

INTERNAL AUDITORS

M. M. Nissim & Co. LLP
Chartered Accountants

COST AUDITORS

Joshi Apte & Associates
Cost Accountants

BANKERS

Standard Chartered Bank
Bank of Baroda
Union Bank of India
IndusInd Bank
Yes Bank Limited
HDFC Bank Limited
State Bank of India

CORPORATE IDENTIFICATION NUMBER (CIN)

L99999MH1951PLC008485

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN):

INE225B01021

REGISTERED OFFICE

A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) - 400610, Maharashtra, India.
Tel No: + 91 22 66230800
Fax No: + 91 22 67980899
Email: info@fermentabiotech.com

WORKS

Village Takoli, P. O. Nagwain,
Dist. Mandi - 175121,
Himachal Pradesh, India.
Z – 109 B & C, SEZ II, Dahej, Taluka - Vagara,
Dist: Bharuch - 392130, Gujarat, India.

RESEARCH & DEVELOPMENT UNIT

(Biotech and API Lab)
Plot No B 41, Road No. 27, Wagle Industrial Area, Thane, West - 400604,
Maharashtra, India

WEBSITES

www.fermentabiotech.com
www.thaneone.com
www.vitamindguru.com

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400083, Maharashtra, India
Tel No: +91 22 49186000
Fax No: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BOARD'S REPORT

Dear members

The Board of Directors ('Board') is pleased to present the 70th Annual Report along with the Audited financial statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone results		Consolidated results	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	39,548.68	37,943.96	40,665.16	38,553.93
Total Expenditure	35,292.44	31,621.06	37,970.85	33,390.87
Profit before tax ('PBT')	**4,256.24**	**6,322.90**	**2,694.31**	**5,163.06**
Less: Provision for tax (including deferred tax)	1,232.51	1,126.05	1,188.25	910.02
Profit after tax ('PAT')	**3,023.73**	**5,196.85**	**1,506.06**	**4,253.04**
Non-Controlling interest	-	-	38.65	297.62
Share of interest in profit/(loss) of associates	-	-	-	-
Profit for the year	**3,023.73**	**5,196.85**	**1,544.71**	**4,550.66**

FINANCIAL RESULTS AND OPERATIONS OF THE COMPANY

In financial year 2021-22 ('FY 2021-22'), the Company on a Standalone basis earned revenue of ₹39,548.68 Lakhs, compared to ₹37,943.96 Lakhs in the previous financial year 2020-21 ('FY 2020-21'). In FY 2021-22, the Company reported profits of ₹3,023.73 Lakhs as against profits of ₹5,196.85 Lakhs in FY 2020-21.

On a consolidated basis, the Company recorded revenue of ₹40,665.16 Lakhs, compared to ₹38,553.93 Lakhs in the previous financial year 'FY 2020-21'. In FY 2021-22, the Company recorded profits of ₹1,544.71 Lakhs as against profits of ₹4,550.66 Lakhs in FY 2020-21.

During FY 2021-22, the Company launched Vitamin AD2 to be used in oil fortification and also developed patented technology for enzymatic synthesis of Molnupiravir.

The Company signed a Binding Term Sheet with Mextech Property Developers LLP ('Mextech') on January 31, 2022, whereby the Company has proposed to grant the development rights to Mextech for construction of residential-cum-commercial buildings in the balance portion of its freehold Land in Thane as per the terms of the Binding Term Sheet which would further be elaborated in the Development Agreement. Against the grant of development rights as aforesaid, the Company would receive affordable luxury residential flats on an area-sharing basis aggregating to 120,000 square feet RERA carpet area along with mutually agreed amenities. The members' approval for the aforesaid proposal is being sought by way of postal ballot process, the result of which is awaited as on the date of this report.

DIVIDEND

The Board of Directors is pleased to recommend an equity dividend of ₹1.25 per equity share (25%) of ₹5 each for FY 2021-22 (Previous year ₹2.50 per equity share of ₹5 each). The equity dividend, if approved by the Members at the 70th Annual General Meeting ('AGM'), will result in a cash outflow of ₹367.89 lakhs.

The dividend recommendation is in accordance with the Dividend Distribution Policy of the Company which is available on the website of the Company at https://fermentabiotech.com/policies.php.

Transfer to Reserves

The Board of Directors have decided to transfer the entire amount of profits after tax for FY 2021-22 to Retained Earnings.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for FY 2021-22 ("CFS") include financials of its subsidiaries and associate companies (collectively referred as 'Subsidiaries/ Associate') i.e. Fermenta Biotech (UK) Limited, Fermenta Biotech GmbH, Fermenta USA LLC, Fermenta Biotech USA LLC, G. I. Biotech Private Limited, Aegean Properties Limited ('Subsidiaries'), and Health and Wellness India Private Limited ('Associate'). The CFS of the Company and its Subsidiaries/ Associate are prepared in accordance with the relevant Indian Accounting Standards (Ind AS) notified under the Company (Indian Accounting Standards) rules, 2015 and other applicable provisions. CFS together with Auditors' Report thereon forms part of this Annual Report.

Share capital:

The authorised and paid-up share capital of the Company remains unchanged during FY 2021-22.

SUBSIDIARY COMPANIES

On the application made by the Company's subsidiary named CC Square Films Limited (CIN U93000MH2011PLC212089), CC Square Films Limited has been struck off from the register of companies and is dissolved with effect from November 26, 2021.

The individual financial statements of the Company's Subsidiaries/ Associate have not been attached to the financial statements of the Company for FY 2021-22. The financial information of the Company's Subsidiaries/ Associate provided in this Section may be read along with the information provided under the heading 'Consolidated Financial Statements' in this report. In accordance with the provisions of Sub-Section (3) of Section 129 of the Companies Act, 2013 ("Act"), read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 (as amended from time to time), a separate statement containing salient features of the financial statements of Company's Subsidiaries/ Associate in Form AOC I is attached to this report as Annexure I and forms part of this Board's report.

The financial statements of the Company's Subsidiaries will be available for inspection through electronic mode. Members are requested to write to the Company on info@fermentabiotech.com for inspection of said documents.

The standalone and consolidated financial statements of the Company, have been uploaded on the website of the Company at https://www.fermentabiotech.com/annual-report.php.

SCHEME OF AMALGAMATION

During FY 2021-22, the Board has made an application with BSE Limited under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 seeking its approval / no-objection for the Composite Scheme of Amalgamation and Arrangement amongst DVK Investments Private Limited ("Transferor Company 1") and Aegean Properties Limited ("Transferor Company 2") and Fermenta Biotech Limited ("Transferee Company") and their respective shareholders. The Company awaits the approval / no-objection from BSE Limited.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Company is engaged in pharmaceuticals, manufacturing and marketing Active Pharmaceutical Ingredients ('APIs'), biotechnology and environmental solutions and renting of properties. MD&A covering details of the business of the Company is provided on page 56 and forms part of this report.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

In order to identify, analyse, and address potent risks in a systematic manner, your Company has developed and implemented risk management policy. It also maintains adequate internal control systems, commensurating to its size, nature of operations. Periodical reporting(s), compliance with applicable laws and Company's procedures are duly complied.

The Company has in place defined processes and check including Risk Control matrix in relation to internal financial control. All the risk control matrix are audited and commented by Internal Auditors as well. Company's internal team reviews various Risk Audit Control Matrices including for Capex, logistics, human resource and payroll, treasury, Financial Statements Closure Policy, inventory production, order to cash, taxation, procure to pay, on regular intervals.

The Company's internal control systems are routinely reviewed and certified by Statutory Auditors and Internal Auditors. During the year under review, the Company's Internal Auditors, M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of internal control system including adherence to procedures as per the policies of the Company and regulatory requirements as well.

The Company has an experienced and qualified finance department which plays an important role in implementing and monitoring the internal control procedures and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditors at regular intervals along with the adequacy, effectiveness and observations of the Internal Auditors regarding internal control system and recommends improvements and remedial measures, wherever necessary.

The Company has implemented the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") effective FY 2021-22.

HUMAN RESOURCES

The information required under sub rule (1) of rule 5 and sub rule (2) of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Sub-Section (12) of Section 197 of the Act in respect of employee remuneration and other details forms part of this report and provided as Annexure II. Other applicable information for the above provisions will be made available to the members upon their request.

The Company had a headcount of 604 employees as on the end of financial year 2021-22. The Company has cordial relation with its employees at all locations.

Employee Stock Options

During FY 2021-22, the Company has not granted any options under 'Fermenta Biotech Limited- Employee Stock Option Plan 2019' ("ESOP 2019").

Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI Circular dated June 16, 2015 are provided as at Company's website at https://fermentabiotech.com/investor_relations.php

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has formulated a code on 'Redressal of Grievances Regarding Sexual Harassment' pursuant to the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder ('POSH'). The Company has also set up, 'Internal Complaints Committee' for Company's each location for redressal of grievances and to protect women against any harassment.

The Company is committed to providing a safe and conducive work environment to all its employees and associates. The Company has conducted workshops and awareness programmes against sexual harassment for its employees.

Details of complaints during the year under review.

a. number of complaints filed during the financial year : Nil

b. number of complaints disposed of during the financial year : Nil

c. number of complaints pending as on end of the financial year : Nil

INFORMATION TECHNOLOGY

Your Company is pursuing digitalisation to gain from its profound power by integrating data across the value chain for seamless working of its entire supply chain as well as Finance, Human Resources, etc. Using a set of cutting-edge solutions, it has automated its systems and improved efficiencies. The Company is at an advanced stage of building platforms on next generation technologies for improved efficiencies, planning, faster response time and insightful performance management. The Company is also adopting technologies like Artificial Intelligence / Machine learning for advanced analytics to enable business decision making.

Mobility solutions and support has played a key role in achieving improved deliverables, specially in Covid situation when the nationwide lockdown hit the nation in partial period of last financial year. All employees from your Company's Corporate Office in Thane worked from their respective home without a single day interruption.

DEPOSITS

In FY 2021-22, your Company has not accepted any deposits under Section 73 of the Act including rules framed thereunder and there are also no deposits with the Company which are not in compliance with the requirements of Chapter V of the Act. No principal or interest has remained unpaid or unclaimed as on March 31, 2022.

CREDIT RATING

As on March 31, 2022, the Company continued to maintain its credit rating as per last year's rating i.e. CARE A- (Single A minus) with Stable outlook for Long Term Bank Facilities for fund based limits and term loan, and CARE A2 (Single A two) for Short Term Bank Facilities for non-fund based limits, and the same has been reaffirmed by the credit agency.

DIRECTORS

Independent Directors:

Independent Directors have made relevant declarations to the Company including confirmation(s) that the conditions of independence laid down in Sub-Section (6) of Section 149 of the Act and Regulation 25 of the Listing Regulations are duly complied.

In the opinion of the Board, the Independent Directors of the Company possess necessary integrity, proficiency, expertise and experience.

Retirement by rotation:

Ms. Anupama Datla Desai (DIN: 00217027) retires by rotation at the 70th AGM and being eligible, offers herself for re-appointment. Brief profile of Ms. Anupama Datla Desai is provided on page no. 255 of this Annual Report.

Directors, and Key Managerial Personnel ('KMP'):

During FY 2021-22:

(i) the members appointed Mr. Krishna Datla (DIN: 00003247) as a Whole-time Director of the Company (Key Managerial Personnel), designated as Executive Vice-Chairman, for a term of three years effective from May 9, 2021;

(ii) the Board appointed Mr. Prashant Nagre (DIN: 09165447) as an Additional Director effective from May 6, 2021. The members appointed Mr. Prashant Nagre as a Managing Director of the Company for a period of three years effective from May 9, 2021. Effective May 08, 2021, Mr. Prashant Nagre relinquished his office of Chief Executive Officer.

Except as above, no Director or KMP has resigned or was appointed during the year under review.

During the period of end of financial year 2021-22 and the date of this report, the Board of Directors approved the following, subject to the approval of members of the Company at the ensuring AGM:

(i) appointment of Mr. Pramod Kasat (DIN: 00819790) as an Additional Director w.e.f. May 30, 2022;

(ii) re-appointment of Mr. Satish Varma (DIN: 00003255) as the Executive Director of the Company, for a period of 3 years commencing from September 27, 2022;

(iii) re-appointment of Ms. Anupama Datla Desai (DIN: 00217027) as the Executive Director of the Company, for a period of 3 years commencing from September 27, 2022.

The members approval is being sought for the aforesaid appointments as per the resolutions proposed in the Notice of 70th AGM.

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

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

AUDITORS

Deloitte Haskins & Sells LLP ("Deloitte") Chartered Accountants (ICAI Firm Registration No: 117366W/W-100018) has issued Auditors' Reports with unmodified opinion on the Audited Financial Statements (Standalone and Consolidated) for FY 2021-22. Deloitte has not reported any fraud as stated in Sub-Section (12) of Section 143 of the Companies Act, 2013.

The Company appointed Deloitte as Statutory Auditors of the Company at the 66th AGM dated September 28, 2018, to hold office from the conclusion of 66th AGM until the conclusion of 70th AGM of the Company. The said term of Deloitte will end at the conclusion of 70th AGM.

The Audit Committee and the Board of Directors at their respective meetings held on May 30, 2022 recommended the appointment of S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) as the Statutory Auditors of the Company, for the approval of the members of the Company at the 70th AGM, for a term of five consecutive years from the conclusion of 70th AGM till the conclusion of 75th AGM of the Company to be held in the year 2027. The required details regarding the appointment of S R B C & Co. LLP, Chartered Accountants are provided in the Explanatory Statement to the Notice of 70th AGM.

SECRETARIAL AUDIT REPORTS AND CERTIFICATE

Mr. Pradeep Purwar (Membership No FCS-5769), from Pradeep Purwar and Associates, Company Secretaries ('Secretarial Auditor'), was appointed to conduct the Secretarial Audit of the Company for FY 2021-22 as per the provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 24A of Listing Regulations.

The Secretarial Auditor has submitted: (a) an unqualified Secretarial Audit report; and (b) a certificate confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by any statutory authority, which are annexed to this report as Annexure IV and Annexure V, respectively and forms part of this report.

The Secretarial Auditor has issued Secretarial Compliance Report under regulation 24A of Listing Regulations for FY 2021-22 which has been filed with the BSE Limited within the statutory time period.

COST AUDITORS

In accordance with the provisions of Sub-Section (1) of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the Company is required to maintain the cost records, and conduct the cost audit in respect of applicable products manufactured by the Company.

In accordance with the above, Joshi Apte & Associates, Cost Accountants (Firm Registration Number–00240) ("Cost Auditors") issued an unqualified Cost Audit report for the FY 2020-21 and the same was filed with Ministry of Corporate Affairs (MCA) within the due date.

The Cost Auditor will issue the Cost Audit Report for FY 2021-22 and the same will be reviewed by the Board and filed with MCA.

On the recommendation of the Audit Committee, the Board of Directors appointed Joshi Apte & Associates, Cost Accountants (Firm Registration Number–00240), as the Cost Auditor of the Company for the financial year ending March 31, 2023, to conduct the cost audit in respect of applicable products manufactured by the Company.

Pursuant to the provisions of Sub-Section (3) of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), members' consent is sought for payment of remuneration to the Cost Auditor, as mentioned in item no. 8 to the Notice of 70th AGM of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL RETURN

Pursuant to Sub-Section (3) of Section 92 read with clause (a) of Sub-Section (3) of Section 134 of the Act, a copy of Annual Return as on March 31, 2022, is available on the Company's website at https://www.fermentabiotech.com/annual-returns.php

CODE FOR PREVENTION OF INSIDER TRADING

Policies and codes adopted by the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, are displayed on the Company's website at https://fermentabiotech.com/policies.php

NOMINATION AND REMUNERATION POLICY

Pursuant to Sub-Section (4) of Section 178 of the Act, the Nomination and Remuneration Policy ('Remuneration Policy') of the Company, is available on Company's website at https://fermentabiotech.com/policies.php. The salient features of the Nomination and Remuneration Policy, *inter alia,* are: (a) Objectives, (b) Matters to be recommended by the Committee to the Board, (c) Criteria for appointment of Director / KMP / Senior management, (d) Additional Criteria for Appointment of Independent Directors, (e) Appointment and Remuneration of Directors, (f) Policy on Board Diversity, (g) Appointment, removal, and Remuneration of KMP / Senior management and other employees of the Company,

(h) Criteria for Evaluation of Independent Director and the Board, (i) Succession planning for appointment to the Board of Directors and Senior Management, (j) Directors' and Officers' (D & O) Liability Insurance.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of any loans or guarantees provided or investments made by the Company covered under the provisions of Section 186 of the Act and Rules made thereunder during FY 2021-22 are as provided in the financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2021-22 were on an arm's length basis and in the ordinary course of business. During FY 2021-22, the Company has not entered into any material related party transaction. In view of this, disclosure in form AOC-2 is not applicable. The brief particulars of the Company's policy on dealing with Related Party transactions ('RPT Policy') are covered in Corporate Governance report. The RPT policy is available on Company's website at https://fermentabiotech.com/policies.php

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per clause (m) of Sub-Section (3) of Section 134 of the Act read with Companies (Accounts) Rules, 2014 (as amended from time to time) forms part of this report and is given in Annexure VI to this report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of Listing Regulations, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr. Pradeep Purwar (COP No. 5918), from Pradeep Purwar and Associates, Company Secretaries, for the financial year 2021-22 is provided as Annexure III and forms part of this report. Details of number of Board meetings, board diversity and expertise, composition of the Audit Committee and establishment of Vigil Mechanism as required under the Act are provided in the Corporate Governance Report. All mandatory recommendations made by the committee(s) were accepted by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Based on CSR committee's recommendations and as per the CSR Policy of the Company, the Board approved the CSR activities vis-a-vis Annual Action Plan, amount to be spent on CSR activities, implementation and monitoring of the same for the FY 2021-22. Annual report on CSR activities of the Company for FY 2021-22 including composition of the CSR Committee is provided in Annexure VII to this report and forms part of this report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report, under Regulation 34 of Listing Regulations forms part of this report and attached as Annexure VIII.

INITIATIVES AGAINST COVID-19

During FY 2021-22, the Company continued implementing various measures to contain the spread of Coronavirus Covid-19 and ensure overall safety of its employees and stakeholders at large in compliance with the directions issued by the Government from time to time. The Company extended all necessary assistance to its employees and families of employees in this regard which include organising free vaccination camps for employees and their families - a campaign called TICA - The Injection for COVID. Since the onset of Covid-19, the Company provided work-from-home facility to its employees and wherever physical attendance was required, all safety measures, precautions and protocols were adhered to in accordance with the Government directives. The management of the Company regularly conducts and communicates COVID awareness protocols with its employees to boost their morale and face the challenges brought by these tough times.

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

During FY 2021-22:

I. There was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations;

II. No application was made or any proceedings were pending under the Insolvency and Bankruptcy Code, 2016; and

III. Valuation related details for FY 2021-22 in respect of one time settlement of loan from the Banks or Financial Institutions were not applicable.

SECRETARIAL STANDARDS

During FY 2021-22, the Company has complied with the provisions of applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.

DETAILS OF SHARES IN DEMATERIALISATION (DEMAT) SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 34 read with Schedule V of Listing Regulations, the details of the shares in the Dematerialization Suspense Account/ Unclaimed Suspense Account for FY 2021-22 are as follows:

Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from Suspense Account during the year	Number of shareholders to whom shares were transferred from Suspense Account during the year	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
185 number of shareholders and 80,830 Equity Shares of ₹5 each	2	1	184 number of shareholders and 79,770 Equity Shares of ₹5 each	79,770 Equity Shares of ₹5 each

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details and other information regarding unclaimed equity dividend that has been transferred to IEPF (upto FY 2013-14) are provided in the Notes Section to the Notice of 70th AGM.

ACKNOWLEDGEMENTS

The Board of Directors would like to express its appreciation to the employees of the Company at all levels, members, bankers, financial institutions, regulatory bodies and other business associates for their support during the year under review. The Board of Directors also expresses its deepest gratitude to all Covid warriors all across.

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

May 30, 2022, Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure I

Form AOC-I

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture entities

Part "A": Subsidiaries

Sl. No.	Particulars	(₹ In Lakhs)					
1.	Name of the subsidiary:	Fermenta Biotech GmbH	Aegean Properties Limited	G I Biotech Private Limited	Fermenta Biotech (UK) Limited	Fermenta Biotech USA LLC	Fermenta USA LLC
2.	The date since when subsidiary was acquired	05.09.2019	01.02.2002	25.08.2004	10.09.2002	27.05.2020	03.12.2020
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Euro € (Exchange Rate: 1 Euro = 83.85 INR for Assets & Liabilities, and 1 Euro = 86.51 INR for Profit and Loss account as on 31.03.2022)	INR	INR	Pound Sterling £ (Exchange Rate: 1 GBP = 99.52 INR for Assets & Liabilities, and 1 GBP = 101.71 INR for Profit and Loss account as on 31.03.2022)	US Dollar $ (Exchange Rate: 1 USD = 75.78 INR for Assets & Liabilities, and 74.50 INR for Profit and Loss account as on 31.03.2022)	US Dollar $ (Exchange Rate: 1 USD = 75.78 INR for Assets & Liabilities, and 74.50 INR for Profit and Loss account as on 31.03.2022)
5.	Share capital	19.33	30.00	1.00	183.59	1184.72	43.98
6.	Reserves & surplus	(1675.61)	120.03	1.66	(148.49)	(77.10)	(484.42)
7.	Total assets	3556.72	150.46	2.66	40.16	1761.37	1696.64
8.	Total Liabilities	5213.00	0.43	-	5.06	653.75	2137.09
9.	Investments	-	-	-	-	955.77	-
10.	Turnover	873.97	18.00	0.10	-	8.68	3573.49
11.	Profit before taxation	(1300.38)	11.96	(0.53)	(1.69)	(70.43)	(29.82)
12.	Provision for taxation	-	3.01	(0.12)	-	-	-
13.	Profit after taxation	(1300.38)	8.95	(0.41)	(1.69)	(70.43)	(29.82)
14.	Proposed Dividend	-	-	-	-	-	-
15.	Extent of shareholding (%)	100%	100%	62.50%	100%	100%	52% subsidiary of Fermenta Biotech USA LLC

1.	Names of subsidiaries which are yet to commence operations:	N.A.
2.	Names of subsidiaries which have been liquidated or sold during the year:	CC Square Films Limited (struck off on November 26, 2021)

Part "B": Associates and Joint Ventures

Statement pursuant to Sub-Section (3) of Section 129 of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	Health and Wellness India Private Ltd.
Name of Joint Ventures	-
1. Latest audited Balance Sheet Date	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	02.02.2011
3. Shares of Associate/Joint Ventures held by the company on the year end	
Number	30,12,504 Equity Shares
Amount of Investment in Associates/Joint Venture (₹In Lakhs)	475.00
Extent of Holding (%)	47.15%
4. Description of how there is significant influence	-
5. Reason why the associate/joint venture is not consolidated share of Profit and loss is consolidated	Being an Associate
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	-
7. Profit / Loss for the year (₹In Lakhs)	-
Considered in Consolidation (₹In Lakhs)	-
Not considered in Consolidation (₹In Lakhs)	-

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

May 30, 2022, Thane
Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure II

Statement of Disclosure of Remuneration as required under Sub-Section (12) of Section 197 of the Companies Act, 2013 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2021-22:

Sl. No.	Name	Designation	Ratio of remuneration of director to median Remuneration of employees
1.	Mr. Krishna Datla	Executive Vice-Chairman	37.67
2.	Mr. Satish Varma	Executive Director	34.79
3.	Ms. Anupama Datla Desai	Executive Director	37.42
4.	Mr. Prashant Nagre	Managing Director	46.12

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:

Sl. No.	Name	Designation	% Increase
1.	Mr. Krishna Datla	Executive Vice-Chairman	-
2.	Ms. Anupama Datla Desai	Executive Director	26
3.	Mr. Satish Varma	Executive Director	-
4.	Mr. Prashant Nagre	Managing Director	-
5.	Mr. Sumesh Gandhi	Chief Financial Officer	11
6.	Mr. Srikant Sharma	Company Secretary	10

3. Percentage increase in the median remuneration of employees in the financial year 2021-22: 9%
4. Number of permanent employees on the rolls of the Company: 604
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

% increase made in the salaries of employees other than the managerial personnel:	10%
% increase in the managerial remuneration:	8%

6. Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

Information under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Krishna Datla	Satish Varma	Anupama Datla Desai	Prashant Nagre
Designation	Executive Vice-Chairman	Executive Director	Executive Director	Managing Director
Remuneration received (₹.)	₹13,667,258	₹13,706,078	₹12,151,098	₹14,899,097
Nature of employment, whether contractual or otherwise	Contractual	Contractual	Contractual	Contractual
Qualifications and Experience	B.Com. Over 21 years of experience	Computer Science Over 27 years of experience	Post-Graduate in Biotechnology from Mumbai University and Science Graduate from the Boston College, USA Over 15 years of experience	B.Pharm, Post Graduate Diploma in Foreign Trade, Post Graduate Diploma in International Trade, Masters in Management Science Over 32 years of experience
Date of commencement of employment	09.05.2021 as Whole-time Director designated as Executive Vice Chairman	27.09.2019 as Executive Director	27.09.2019 as Executive Director	09.05.2021 as Managing Director
Age (Years)	41	52	43	51
Last employment	-	Erstwhile Fermenta Biotech Limited	Erstwhile Fermenta Biotech Limited	Erstwhile Fermenta Biotech Limited
% of shares held	8.36%	0.08%	1.75%	Nil
Whether relative of director	Relative of Ms. Rajeshwari Datla and Ms. Anupama Datla Desai	No	Relative of Ms. Rajeshwari Datla and Mr. Krishna Datla	No

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

May 30, 2022, Thane
Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure III

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that corporate governance is a key element in improving efficiency and growth as well as enhancing investors' confidence. The Company constantly strives towards betterment of aspects such as transparency, professionalism and accountability and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society at large. The Company is committed to good corporate governance in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board of Directors of your Company reviews corporate governance norms from time to time and recommends implementation thereof.

BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors including three women directors, out of which one is an independent woman director as stipulated under Regulation 17 of the Listing Regulations. The Chairman of the Board is an Independent Director. The Board of Directors confirm that the Independent Directors fulfill the conditions specified in terms of Schedule V of Regulation 34(3) of the Listing Regulations and are independent of the management. The composition of the Board as on March 31, 2022 is as follows:

Name of Director	Category	Directorships in all other companies	Chairmanship in other Committees *[Audit Committee and Stakeholder Relationship Committee only]* in all other companies	Membership in other Committees *[Audit Committee and Stakeholder Relationship Committee only]* in all other companies	Name of other Listed entities in which the Director holds Directorship and the Category of such Directorship
Mr. Sanjay Buch (DIN: 00391436)	Chairman (Independent Director)	4	NIL	NIL	NIL
Ms. Rajeshwari Datla (DIN: 00046864)	Non-Executive Director	2	NIL	NIL	NIL
Mr. Vinayak Hajare (DIN: 00004635)	Independent Director	7	NIL	NIL	NIL
Mr. Krishna Datla (DIN: 00003247)	Executive Vice-Chairman (w.e.f. May 9, 2021)	4	NIL	NIL	NIL
Mr. Satish Varma (DIN: 00003255)	Executive Director	3	NIL	NIL	NIL
Dr. Gopakumar Nair (DIN: 00092637)	Independent Director	NIL	NIL	NIL	NIL
Ms. Anupama Datla Desai (DIN: 00217027)	Executive Director	2	NIL	NIL	NIL
Ms. Rajashri Ojha (DIN: 07058128)	Independent Director	1	NIL	NIL	NIL
Mr. Prashant Nagre (DIN: 09165447)	Managing Director (w.e.f. May 9, 2021)	NIL	NIL	NIL	NIL

Note: The Board of Directors appointed Mr. Pramod Kasat (DIN: 00819790) as an Additional Director w.e.f. May 30, 2022 to hold the office up to the date of 70th Annual General Meeting.

None of the Directors hold office of directorship in any other listed entities.

Disclosure of relationships between directors inter-se

Mr. Krishna Datla is one of the Promoters of the Company. Ms. Rajeshwari Datla and Ms. Anupama Datla Desai are relatives of Mr. Krishna Datla as per the provisions of Sub-Section (77) of Section 2 of the Companies Act, 2013.

Following are the skills/ expertise/ core competencies of the Board members as identified for its effective functioning in terms of Schedule V of Sub-Regulation (3) of Regulation 34 of the Listing Regulations:

Skills/ expertise/ core competencies identified by the Board for Company's effective functioning

- Leadership / Operational experience
- Corporate and business laws, mergers and acquisitions
- Mediation and arbitration
- Pharmaceuticals
- Investment Banking and Corporate Finance
- Real Estate
- Licensing and technology transfer
- Research & Development and Innovation
- Intellectual Property Rights
- Regulatory compliance
- Corporate Governance

Skills/ expertise/ core competencies available to the Board Members for effective functioning of the Company:

Names	Core Competencies
Mr. Sanjay Buch	Corporate and business laws, Mergers and acquisitions Corporate Governance
Ms. Rajeshwari Datla	Leadership / Operational experience Pharmaceuticals
Mr. Vinayak Hajare	Investment Banking Corporate Finance
Mr. Krishna Datla	Leadership / Operational experience Pharmaceuticals Real Estate
Mr. Satish Varma	Leadership / Operational experience Pharmaceuticals Real Estate
Dr. Gopakumar Nair	Pharmaceutical industry, Mediation and arbitration Licensing and technology transfer Intellectual Property Rights
Ms. Anupama Datla Desai	Leadership / Operational experience Pharmaceuticals
Ms. Rajashri Ojha	Pharmaceuticals Regulatory compliance
Mr. Prashant Nagre	Leadership / Operational experience Pharmaceuticals Research & Development and Innovation
Mr. Pramod Kasat*	Investment banking, Capital Markets and Global Market Solutions.

*The Board of Directors appointed Mr. Pramod Kasat (DIN: 00819790) as an Additional Director w.e.f. May 30, 2022 to hold the office up to the date of 70th Annual General Meeting.

The number of directors who have the core competencies is 10, as on the date of the report.

Information regarding appointment / reappointment of Directors, as required under sub-regulation (3) of regulation 36 of the Listing Regulations and secretarial standard on general meetings specified by the Institute of Company Secretaries of India and approved by the Central Government is provided in page number 255 of 70th Annual Report and forms parts of this Corporate Governance Report.

BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING

- During the financial year under review, eight Board Meetings were held on May 6, 2021, June 29, 2021, August 13, 2021, October 11, 2021, November 12, 2021, January 31, 2022, February 14, 2022 and March 15, 2022. The maximum gap between any two board meetings was less than 120 days, as stipulated under sub-regulation (2) of regulation 17 of the Listing Regulations.

Attendance at the eight Board meetings and previous Annual General Meeting (AGM) held on September 3, 2021 is as follows:

Name	Board Meetings attended	Attendance at previous AGM
Mr. Sanjay Buch	8	Yes
Ms. Rajeshwari Datla	8	Yes
Mr. Vinayak Hajare	8	Yes
Mr. Krishna Datla	8	Yes
Mr. Satish Varma	8	Yes
Dr. Gopakumar Nair	8	Yes
Ms. Anupama Datla Desai	8	Yes
Ms. Rajashri Ojha	8	Yes
Mr. Prashant Nagre *(appointed as an Additional Director and Managing Director w.e.f. May 6, 2021 and May 9, 2021, respectively)*	8	Yes

AUDIT COMMITTEE

During the year under review, seven Audit Committee meetings were held on June 29, 2021, August 13, 2021, October 11, 2021, November 12, 2021, January 31, 2022, February 14, 2022 and March 15, 2022. The representatives of the Auditor(s), Chief Financial Officer (CFO) and other invitees also attended the Audit Committee meeting(s).

The composition of the Audit Committee as on March 31, 2022 and the attendance of the Audit Committee members at the Committee meetings held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. Sanjay Buch	Chairman	7
Ms. Rajeshwari Datla	Member	7
Mr. Vinayak Hajare	Member	7
Dr. Gopakumar Nair	Member	7

The composition of the Audit Committee complies with the requirements laid down in Regulation 18 of the Listing Regulations. Mr. Sanjay Buch and Mr. Vinayak Hajare possess expertise in accounting and financial management. The Company Secretary acts as Secretary to the Audit Committee.

- **Terms of reference:**
  The powers, role and functions of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and sub-regulation (3) of regulation 18 read with Schedule II (Part C) of the Listing Regulations, which, *inter alia* include the following:

  1. Review company's financial reporting process and accounting policies and practices.
  2. Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and fixation of auditors remuneration and other fees, including terms of appointment.
  3. Review with management of quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval with particular reference to:
     (a) Director's Responsibility Statement as per clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013;
     (b) changes, if any, in accounting policies and practices and reasons for the same;
     (c) major accounting entries involving estimates based on the exercise of judgment by management;
     (d) significant adjustments made in the financial statements arising out of audit findings;
     (e) compliance with listing and other legal requirements relating to financial statements;
     (f) disclosure of any related party transactions;
     (g) modified opinion(s) in the draft audit report;
  4. Review: (a) adequacy of internal control systems (including internal financial controls) and risk management systems; (b) the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; (c) reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken; (d) findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; (e) and monitor the auditor's independence and performance, and effectiveness of audit process; (f) with the management, performance of statutory and internal auditors, adequacy of the internal control systems; (g) financial statements of subsidiary companies, joint venture and associate companies; (h) substantial defaults in payments to stakeholders and creditors; (i) functioning of the Vigil mechanism;
  5. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern; and discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
  6. Examination of disclosure aspects of related party transactions and approval or any subsequent modification of transactions of the Company with related parties;
  7. Other functions like Scrutiny of inter-corporate loans and investments; valuation of undertakings or assets wherever necessary; Monitoring the end use of funds raised through public offers and related matters;
  8. Approval of appointment of CFO;
  9. Any other functions as may be statutorily required.

NOMINATION AND REMUNERATION COMMITTEE

- During the year under review, two Committee meetings were held on May 6, 2021 and June 29, 2021.
- The Composition of the said Committee as on March 31, 2022 and the attendance of the Committee members in its meeting held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. Vinayak Hajare	Chairman	2
Mr. Sanjay Buch	Member	2
Dr. Gopakumar Nair	Member	2

The composition of the Nomination and Remuneration Committee complies with the requirements laid down in Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

- **Terms of reference:**

  The terms of reference include:

  1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.
  2. Carry out evaluation of every director's performance.
  3. Devising a policy on diversity of Board of Directors.
  4. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
  5. Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees.
  6. Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  7. Any other terms of reference, role, responsibility and powers as may be prescribed from time to time (i) under the Companies Act, 2013 and rules made thereunder, the Listing Regulations, and any other regulations as may be applicable, Nomination and Remuneration Committee Policy of the Company; and/or (ii) by the Board of Directors of the Company.

- **Nomination and Remuneration policy and performance evaluation of Board and individual Directors:**

  As per the Nomination and Remuneration policy of the Company ('Remuneration Policy'), the Director(s), KMP, Senior management personnel in addition to the criteria mentioned in the Act and Listing Regulations, should *inter alia* possess (a) relevant qualification, experience and expertise; (b) strong analytical and excellent communication skills; (c) collaborative and flexible style, with a high level of professionalism; and (d) leadership skills.

  Performance evaluation criteria for independent directors is as mentioned in Remuneration Policy which is available to Company's website at https://fermentabiotech.com/policies.php

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

Pursuant to provisions of the Act, Listing Regulations and Remuneration Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and Individual Directors (excluding the Director being evaluated).

A meeting of Independent Directors of the Company was held to: (a) review the performance of Chairperson, Non Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation was done through a structured process and forms, covering various aspects such as composition of Board, professional knowledge and expertise, performance of individual roles and duties including contribution in Board / Committee meetings, protection of interest of all stakeholders etc.

DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022 ARE AS FOLLOWS:

Name of Director	Sitting Fees * (₹)	Salary (₹)	Contribution to PF and other funds (₹)	Benefits & Perquisites (₹)	Total (₹)	No. of shares held *(FV of ₹5)*
Nature	Fixed (per meeting)	Fixed	Fixed	Variable	-	-
Mr. Sanjay Buch Independent Director	12,30,000	-	-	-	12,30,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	11,50,000	-	-	-	11,50,000	5,95,818
Mr. Vinayak Hajare Independent Director	12,50,000	-	-	-	12,50,000	NIL
Mr. Krishna Datla ** Executive Vice-Chairman +	-	1,01,86,097	22,24,880	12,56,281	1,36,67,258	24,61,074
Mr. Satish Varma*** Executive Director +	-	1,04,40,000	17,35,685	1,530,393	1,37,06,078	23,160
Dr. Gopakumar Nair Independent Director	12,00,000	-	-	-	12,00,000	6,000
Ms. Anupama Datla Desai*** Executive Director +	-	98,20,000	14,11,846	9,19,252	1,21,51,098	5,13,792
Mr. Rajashri Ojha Independent Director	8,20,000	-	-	-	8,20,000	NIL
Mr. Prashant Nagre**** Managing Director +	-	1,36,92,166	9,58,817	2,48,114	1,48,99,097	NIL
TOTAL	**56,50,000**	**4,41,38,263**	**63,31,228**	**39,54,040**	**6,00,73,531**	**35,99,844**

* Sitting Fees include fees for – Board, Audit Committee and other Committee Meetings @ ₹1,00,000; ₹50,000 and ₹10,000 per meeting respectively.

** The agreement between the Company and the Executive Vice-Chairman is for a period of three years effective May 9, 2021 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.

*** The agreement between the Company and the Executive Directors is for a period of three years effective September 27, 2019 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.

**** The agreement between the Company and the Managing Director is for a period of three years effective May 9, 2021 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.

\+ The remuneration details include the benefits and perquisites paid to the Managing Director, Executive Directors and Executive Vice-Chairman for FY 2021-22.

The Company has not granted any Stock Option to any Director. 2,17,410 Stock Options were granted to Mr. Prashant Nagre in financial year 2019-20 when he was Chief Executive Officer of the Company which shall vest and be exercisable in tranches after a period of 3, 4 and 5 years from the date of grant. ESOP related disclosure is available at Company's website under https://fermentabiotech.com/investor_relations.php

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive / Independent Directors during the year under review, except as stated above.

The Non-Executive Directors receive sitting fees for attending the meetings of Board of Directors and its Committees. Criteria of making payments to non-executive directors is as mentioned in Remuneration Policy which is available to Company's website at https://fermentabiotech.com/policies.php

STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review, five Stakeholders Relationship Committee meetings were held on June 29, 2021, August 13, 2021, November 12, 2021, February 14, 2022 and March 15, 2022. The composition of the Committee as on March 31, 2022 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. Sanjay Buch	Chairman	5
Mr. Vinayak Hajare	Member	5
Mr. Krishna Datla	Member	5
Mr. Satish Varma	Member	5

The composition of the Stakeholders Relationship Committee complies with the requirements laid down in Regulation 20 of the Listing Regulations. The Company Secretary acts as a Secretary to Stakeholders Relationship Committee.

- **Terms of Reference:**

  The Committee, *inter alia*, deals in matters relating to:

  1. Redressal of Members' grievances.
  2. Issue of duplicate Share Certificates.
  3. Review of Dematerialized shares.
  4. Transfer and Transmission of shares.
  5. Non-receipt of Annual Reports and declared dividends.
  6. Other matters related to shares and/or investor grievances.
  7. Any other matter as may be statutorily required including under Schedule II Part D of Listing Regulations.

SHAREHOLDER INFORMATION

- Name and designation of Compliance Officer: Mr. Srikant N. Sharma - Company Secretary and Vice-President (Legal)

  Investor Helpdesk:

  Mr. Srikant Sharma

  Fermenta Biotech Limited, A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India

  Tel No.022-67980800 Fax:-022-67980899

  e-mail: srikant.sharma@fermentabiotech.com

  Investor Complaints and their redressal

  - number of shareholders' complaints received during the financial year: NIL
  - number of complaints not solved to the satisfaction of shareholders: NIL
  - number of pending complaints as on March 31, 2022 were NIL.

RISK MANAGEMENT COMMITTEE:

During the year under review, the Company constituted Risk Management Committee (RMC) and amended the Risk Management policy of the Company to meet with the requirements of Listing Regulations. During the year under review, two Risk Management Committee meetings were held on November 12, 2021 and February 14, 2022. The composition of the Committee as on March 31, 2022 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. Vinayak Hajare	Chairman	2
Dr. Gopakumar Nair	Member	2
Mr. Satish Varma	Member	2
Mr. Prashant Nagre	Member	2

The composition of the Risk Management Committee complies with the requirements laid down in Regulation 21 of the Listing Regulations. The Company Secretary acts as a Secretary to Risk Management Committee.

- **Terms of Reference:**

  The Committee, *inter alia*, deals in matters relating to:

1. RMC shall meet at least twice in a year.
2. The quorum for a meeting of the RMC shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the Board of directors in attendance.
3. The meetings of RMC shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.
4. RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
5. RMC shall formulate a detailed Risk Management Policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
6. RMC shall ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
7. RMC shall monitor and oversee implementation of the Policy, including evaluating the adequacy of risk management systems.
8. RMC shall periodically review the Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
9. RMC shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
10. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by RMC.
11. RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of directors.
12. RMC shall fulfil such responsibilities as may be entrusted to it by the Board from time to time.

No sitting fees is paid to the RMC members for attending RMC meetings.

GENERAL BODY MEETINGS

a) Details of the last three Annual General Meetings of the Company and Special Resolution(s) passed are as follows:

Year	Date and Time	Venue	Special Resolution(s) passed
FY 2018-19	July 08, 2019 at 04:45 p.m.	Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610.	1) Re-appointment of Mr. Sanjay Buch, as an Independent Director of the Company for a period of five years effective from April 1, 2019; 2) Re-appointment of Mr. Vinayak Hajare, as an Independent Director of the Company for a period of five years effective from April 1, 2019; 3) Appointment of Dr. Gopakumar Nair, as an Independent Director of the Company for a period of five years effective from May 17, 2019.
FY 2019-20	October 17, 2020 at 2:00 p.m.	Meeting held through Video conferencing/ Other Audio Visual Means	1) Appointment of Ms. Rajashri Ojha, as an Independent Director of the Company for a period of five years effective from April 1, 2020; 2) Appointment of Ms. Anupama Datla Desai, as an Executive Director of the Company for a period of three years effective from September 27, 2019; 3) Appointment of Mr. Satish Varma, as an Executive Director of the Company for a period of three years effective from September 27, 2019; 4) Commission to Non-Executive Directors.
FY 2020-21	September 03, 2021 at 11:30 a.m.	Meeting held through Video conferencing/ Other Audio Visual Means	1) To appoint Mr. Krishna Datla as a Whole-time Director of the Company, designated as Executive Vice-Chairman, for a period of 3 years w.e.f. May 9, 2021; 2) To appoint Mr. Prashant Nagre as Managing Director of the Company for a period of 3 years w.e.f. May 9, 2021; 3) Commission to Non-Executive Directors.

b) Whether any special resolution passed last year (FY 2020-21) through postal ballot – details of voting pattern: NIL

c) Person who conducted the postal ballot exercise – Not applicable

d) Whether any special resolution is proposed to be conducted through postal ballot – NIL

e) Procedure for postal ballot – Procedure stipulated under Companies Act, 2013 and Listing Regulations shall be applicable for postal ballot activity undertaken by the Company.

COMPANY POLICIES

VIGIL MECHANISM POLICY

The Company has adopted a Whistle Blower Policy as part of Vigil Mechanism for Directors and employees to report instances of unethical acts, actual or suspected fraud or violation of Company's Code or other similar genuine concerns or grievances. The Vigil Mechanism Policy is displayed on the Company's website at https://fermentabiotech.com/policies.php The Board affirms that no personnel has been denied access to the chairperson / members of audit committee.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS ('RPT Policy')

The RPT Policy of the Company lays down the process to be adopted by the Company for: (a) identification of potential Related Party/ies; (b) materiality thresholds for RPT(s); (c) manner of dealing with and approving the transactions between the Company and its related parties. The RPT Policy also lays down the disclosure requirements of related party transactions, if any, and the criteria for determining ordinary course of business and arm's length transactions.

The RPT Policy can be viewed at the Company's website at https://fermentabiotech.com/policies.php

During the year under review, there were no materially significant related party transactions entered by the Company with Promoters, Directors or Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. Except as provided in this Annual report, none of the Directors has any pecuniary relationships or transactions with the Company.

Loans and advances in the nature of loans to firms/companies in which Directors are interested, if any, as required under Schedule V (c) (10) (m) of the Listing Regulations are shown in the Financial Statements.

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

The Company has adopted a policy for determining material subsidiary as required by the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy is uploaded on the website of the Company and can be viewed at https://fermentabiotech.com/policies.php

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted 'Familiarization Programme' for Independent Directors to ensure that the Independent Directors are familiarized with the Company's business operations, strategies, business model, nature of industry in which Company operates and role, duties and responsibilities of an Independent Director of the Company. The details of Familiarisation Programme are available at https://fermentabiotech.com/policies.php

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in page number 63 of this annual report.

DISCLOSURES

- During the year under review, the risk management reports were placed before the Audit Committee and Board of Directors for review.

- Pursuant to sub regulation 8 of Regulation 17 read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2022. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

- **Reconciliation of Share Capital Audit**

  Share Capital Audit for the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company has been done by a Practising Company Secretary on a quarterly basis and the Reconciliation of Share Capital Audit Reports were issued thereon during the year under review. The audit confirms that the total issued / paid – up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

- **Compliance with Mandatory Requirements**

  The Company has complied with all the mandatory requirements, as applicable in terms of Schedule V of the Listing Regulations.

- **Compliance with Discretionary Requirements as per Part E of Schedule II of the Listing Regulations**

  The Company has adopted Discretionary requirements as provided in Part E (E) of Schedule II of the Listing Regulations i.e. the internal auditor reports directly to the audit committee. A, B, C and D of the Discretionary requirements as provided in Part E of Schedule II of the Listing Regulations have not been adopted.

MEANS OF COMMUNICATION

- The Quarterly, Half Yearly and Annual results, published in the proforma prescribed under the Listing Regulations, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The approved results are forthwith sent to BSE Limited in prescribed format where the Company's shares are listed.

Newspapers wherein quarterly results are published:	Business Standard (English), Sakal (Marathi) and Navakal (Marathi)
Any website, where displayed:	Yes, BSE website (www.bseindia.com) and the Company's website (www.fermentabiotech.com)
Online filing with BSE Listing Centre:	All periodical compliances of the Company as per Listing Regulations are filed online with the BSE Listing Centre.
SEBI Complaints Redress System (SCORES) :	The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralized web-based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
Whether it also displays official news releases and presentations made to institutional investors or to analysts:	Yes.
Management discussion and analysis report (MD&A) is a part of the Annual report or not:	MD&A Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

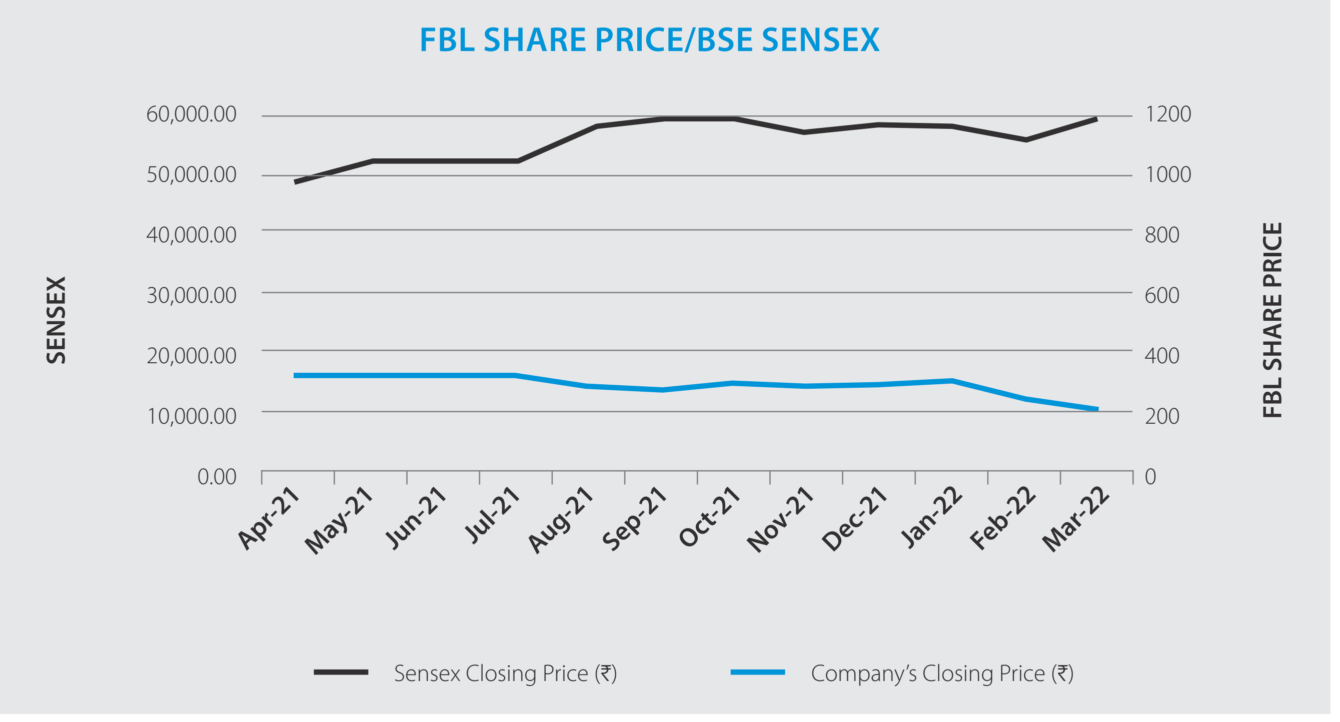
Annual General Meeting	:	Friday, August 12, 2022 at 04:00 p.m. (IST) through Video Conferencing or Other Audio-Visual Means, without the physical presence of the members at a common venue. The venue of the AGM shall be deemed to be A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra.
Financial Year	:	April 1 to March 31
Financial reporting for the quarter ending June 30, 2022	:	By August 14, 2022
Financial reporting for the quarter ending September 30, 2022	:	By November 14, 2022
Financial reporting for the quarter ending December 31, 2022	:	By February 14, 2023
Financial reporting for the year ending March 31, 2023 (Audited)	:	By May 30, 2023
Dividend Payment Date	:	August 22, 2022
Listing on Stock Exchanges	:	BSE Limited (Listing fees for the year 2022-23 have been paid) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: +91 22 22721233/34 | Fax: +91 22 22721919
Stock/ Scrip Code on BSE Limited	:	506414

- Market Price Data: High / low of the Company's Stock Price during each month in the financial year ended March 31, 2022

Month	Fermenta Biotech Limited	
	High (₹)	Low (₹)
April 2021	354.00	251.00
May 2021	343.80	305.00
June 2021	370.00	311.25
July 2021	337.50	307.55
August 2021	323.40	270.00
September 2021	291.80	267.30
October 2021	334.00	267.00
November 2021	322.00	265.00
December 2021	306.00	268.10
January 2022	320.00	275.75
February 2022	305.00	233.00
March 2022	243.80	204.30

- Performance in comparison to broad-based indices such as BSE Sensex.

Month	Company's Closing Price (₹.)	Sensex Closing Price (₹)	No. of shares of the Company traded
April 2021	315.55	48,782.36	15,10,039
May 2021	326.40	51,937.44	9,61,578
June 2021	322.80	52,482.71	14,44,546
July 2021	313.35	52,586.84	9,03,534
August 2021	287.35	57,552.39	4,68,273
September 2021	270.55	59,126.36	2,85,960
October 2021	287.00	59,306.93	10,51,299
November 2021	288.05	57,064.87	6,91,669
December 2021	290.15	58,253.82	2,69,425
January 2022	304.75	58,014.17	4,40,416
February 2022	244.00	56,247.28	2,91,314
March 2022	205.70	58,568.51	6,17,945



Registrar and Transfer Agents : Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083
Maharashtra, India
Tel No.: +91 22 49186000
Fax No: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

Share Transfer System:

To enhance ease of dealing in securities markets by investors, SEBI vide circular number SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition and other shareholders' requests ("Shareholders' requests"). The Shareholders' requests are processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. Shareholders' requests are processed within a stipulated time from the date of receipt, provided the documentation is in order. In order to expedite the Shareholders' requests, the Board of Directors has delegated the powers to Mr. Sanjay Buch, Chairman of the Stakeholders Relationship Committee and/ or Mr. Vinayak Hajare, Member of the Stakeholders Relationship Committee and/or Mr. Srikant Sharma, Company Secretary, who attends and resolves Shareholders' requests within the stipulated time. The meeting of Stakeholders Relationship Committee is also held once in every three months.

Distribution of the Company's equity shareholding as on March 31, 2022:

Sr. No.	Range in no. of Shares	Holding (no. of shares)	Amount (₹.)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	14,38,762	71,93,810	4.89	15,352	85.72
2	501 - 1000	10,65,102	53,25,510	3.62	1,424	7.95
3	1001 - 2000	9,47,501	47,37,505	3.22	658	3.67
4	2001 - 3000	4,13,291	20,66,455	1.41	163	0.91
5	3001 - 4000	2,91,194	14,55,970	0.99	83	0.46
6	4001 - 5000	1,86,754	9,33,770	0.63	40	0.22
7	5001 -10000	6,83,890	34,19,450	2.32	93	0.52
8	10001 and above	2,44,04,493	12,20,22,465	82.92	99	0.55
	Total	**2,94,30,987**	**14,71,54,935**	**100**	**17,912**	**100**

Equity Shareholding Pattern as on March 31, 2022

	Shareholding (no. of shares)	% of holding
Promoters	1,75,36,392	59.58
Clearing Members	34,994	0.12
Foreign Banks & NRIs	3,50,018	1.19
Other Bodies Corporate and Funds	6,02,926	2.05
Nationalized Banks	120	0
General Public	99,66,677	33.87
Hindu Undivided Family	2,03,165	0.69
IEPF	1,41,862	0.48
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	5,83,665	1.98
Trusts	11,168	0.04
TOTAL	**2,94,30,987**	**100**

- **Dematerialisation of Shares and liquidity:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialised form in the Stock Exchange. Presently 98.78% of the equity shares of the Company are dematerialized. The Company's Equity Shares are liquid and actively traded on the stock exchange.

- **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not applicable

- **Commodity price risk or foreign exchange risk and hedging activities:** The Company does not have any significant exposure on commodities directly. Currency risks arises mainly where receivable, payables and borrowings exist due to foreign currency transactions. Around 70% of the Company's income is by way of exports and it enjoys natural hedge to a large extent. The exposure to currency risk is explained in detail in the notes to the financial statements.

- **Plant locations:**
  Village Takoli, P.O. Nagwain,
  Dist. Mandi - 175 121, Himachal Pradesh, India.

  Z - 109 B & C, SEZ II, Dahej, Taluka - Vagara,
  Dist: Bharuch - 392130, Gujarat, India.

- **Address for Correspondence :**
  Link Intime India Private Limited
  C 101, 247 Park
  L B S Marg, Vikhroli West,
  Mumbai – 400 083.
  Maharashtra, India
  Tel No.: +91 22 49186000
  Fax No.: +91 22 49186060
  Email : rnt.helpdesk@linkintime.co.in
  Email: srikant.sharma@fermentabiotech.com

  Fermenta Biotech Limited
  A -1501, Thane One, DIL Complex,
  Ghodbunder Road, Majiwade,
  Thane (West) – 400 610
  Maharashtra, India.
  ISIN: INE225B01021
  Tel No.: + 91 22 66230800
  Fax No.: + 91 22 6798 0899

- List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. – Not applicable

- **Details of non-compliance by the Company and penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets during the last three years:-**

Years	Details
2019-20	A prior intimation for considering interim dividend (Regulation 29 of Listing Regulations) for the board meeting of November 13, 2019 was not communicated to BSE Limited and an amount of Rupees Ten Thousand plus GST was levied by the exchange and the company duly complied with it.
2020-21	Nil
2021-22	Nil

- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable

- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹52.79 Lakhs.

- A certificate regarding debarring or disqualification of directors is available at page 86 of this Annual Report.

- Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof - Nil

- During the year under review, there were no instances of Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V to the Listing Regulations.

- During the year under review, the Company is in compliance of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

- Compliance certificate regarding the compliance with corporate governance requirements is available at page 83 of this Annual Report.

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

May 30, 2022, Thane
Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Corporate Governance Compliance Certificate

for the Financial Year ended 31st March, 2022

UDIN: F005769D000424541

TO

THE MEMBERS OF FERMENTA BIOTECH LIMITED

We have examined the compliance of conditions of Corporate Governance by Fermenta Biotech Limited (the Company) for the year ended 31st March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of SEBI Listing Regulations during the year ended 31st March, 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Pradeep Purwar & Associates**
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: 30th May, 2022

CODE OF CONDUCT

For the financial year 2021-22

Declaration as required under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Directors and senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2022.

For **Fermenta Biotech Limited**

Prashant Nagre
Managing Director

May 30, 2022, Thane.

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

UDIN: F005769D000424671

To,
The Members,
Fermenta Biotech Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fermenta Biotech Limited [hereinafter called 'the Company']. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws:

(a) Drugs and Cosmetics Act, 1940

(b) The Environment (Protection) Act, 1986

(c) The Water (Prevention and Control of Pollution) Act, 1974

(d) The Air (Prevention and Control of Pollution) Act, 1981

(e) Hazardous Wastes (Management and Handling) Rules, 1989

(f) Fatal Accidents Act 1955

We have been informed that the compliance of the above laws is monitored on monthly basis by the Compliance officer and necessary action is initiated for non-compliance, if any. Additionally, we have been informed that a status report signed by the Company Secretary and the Chief Financial Officer on compliance of various statues is submitted to the Board at its every meeting.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with BSE Limited.

Provisions of the following Act, Regulations and Guidelines were not attracted to the Company for the financial year under review: -

(i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above, to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' views which were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Pradeep Purwar & Associates**
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: 30th May, 2022

Annexure V

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

UDIN: F005769D000424627

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Fermenta Biotech Limited
A -1501, Thane One,
DIL Complex, Ghodbunder Road,
Majiwade, Thane (West) - 400 610

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Fermenta Biotech Limited** having CIN L99999MH1951PLC008485 and having registered office at A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Krishna Datla Vasantkumar	00003247	09/05/2010
2	Satish Varma Azad Nadimpally	00003255	01/07/2003
3	Vinayak Manohar Hajare	00004635	18/06/2009
4	Rajeshwari Datla	00046864	21/07/2005
5	Gopakumar Gopalan Nair	00092637	17/05/2019
6	Anupama Datla Desai	00217027	27/09/2019
7	Sanjay Buch Ramakant	00391436	28/04/2007
8	Rajashri Santosh Kumar Ojha	07058128	01/04/2020
9	Prashant Prabhakar Nagre	09165447	06/05/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pradeep Purwar & Associates**
Company Secretaries
[Unique Identification No. S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Place: Thane
Date: 30th May, 2022

Annexure VI

Energy conservation, technology absorption and foreign exchange earnings and outgo

A.Conservation of energy –

(i) the steps taken or impact on conservation of energy:

a. Installed energy-efficient components.

b. Replaced high-pressure sodium vapour lamps with energy-saving lights i.e LEDs.

c. Installation of systems that have reduced resultant air pollution.

(ii) the steps taken by the company for utilising alternate sources of energy:

a. Infrastructure installed for reducing electricity consumption.

b. Potential diversification of our energy portfolio by evaluating renewable energies.

(iii) the capital investment on energy conservation equipments: Brine systems separated as per temperature to reduce electricity consumption.

B.Technology absorption –

(i) the efforts made towards technology absorption: Not Applicable

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

(a) the details of technology imported: Not Applicable

(b) the year of import: Not Applicable

(c) whether the technology been fully absorbed: Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) The expenditure incurred on Research and Development –

Capital: ₹257.20 lakhs

Recurring: ₹818.71 lakhs

Total expenditure: ₹1,075.91 lakhs

C. Foreign exchange earnings and outgo:

Total Foreign exchange used and earned in 2021-22:

Foreign exchange earned: ₹22,867.37 Lakhs

Foreign exchange used: ₹7,790.23 Lakhs

Annexure VII

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of Sub-Section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

Continuing with the legacy of practicing CSR activities of our founder members, the Company has been committed to the cause of CSR for many years. Over the years, CSR activities of the Company have diversified and expanded into new communities and in turn benefitted more and more stakeholders. Today, our Company firmly believes that corporate citizens have a vital role to play in empowering and enriching the communities and its stakeholders.

The CSR Policy of the Company is available on Company's website at https://fermentabiotech.com/policies.php

Brief of CSR activities: Contribution towards visually challenged and differently abled persons, heart surgeries, promoting animal welfare, protecting art and culture, promoting education and contribution towards health care and covid preparedness.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Buch	Independent Director, Chairman	1	1
2	Mr. Vinayak Hajare	Independent Director, Member	1	1
3	Mr. Satish Varma	Executive Director, Member	1	1
4	Mr. Krishna Datla	Executive Vice-Chairman, Member	1	1
5	Dr. Gopakumar Nair	Independent Director, Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR committee - https://fermentabiotech.com/about-us.php#board_members

CSR Policy - https://www.fermentabiotech.com/policies.php

CSR projects - https://www.fermentabiotech.com/policies.php

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any –

Sr. No.	Financial year	Amount available for set-off from preceding financial years (in ₹.)	Amount required to be set-off for the financial year, if any (in ₹.)
1	2020-21	3.57 lakhs	-

6. Average net profit of the company as per Sub-Section (5) of Section 135: ₹9,330.13 lakhs (for FY 2018-19, FY 2019-20 and FY 2020-21)

7. (a) Two percent of average net profit of the company as per Sub-Section (5) of Section 135: ₹186.60 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹186.60 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 189.60 Lakhs	NIL	N.A.	N.A.	NIL	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)		Location of the Project	Project Duration	Amount allocated for the project (in ₹.)	Amount spent in the current financial Year (in ₹.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District							Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹.)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1	National Association of Blind	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	15,00,000	Yes	N.A.	N.A.
2	Pediatric heart surgeries	Promoting health care including preventive health care	Yes	Maharashtra	Thane	25,00,000	Yes	N.A.	N.A.
3	Paraplegic Rehabilitation Centre	Contribution for the benefit of armed forces veterans	No	Maharashtra	Pune	3,24,854	Yes	N.A.	N.A.
4	Sanjay Gandhi National Park	Contribution towards animal protection/welfare	Yes	Maharashtra	Mumbai	50,45,619	Yes	N.A.	N.A.
5	Wildlife Rahabilitaion center	Contribution towards animal protection/welfare	Yes	Maharashtra	Mumbai	2,40,000	Yes	N.A.	N.A.
6	Support to Gujarat and Maharashtra Police	Social welfare and Covid care support	Yes	Gujarat and Maharashtra	Bharuch, Thane and Raigad	34,05,346	Yes	N.A.	N.A.
7	Wadia Hospital	Promoting health care	Yes	Maharashtra	Mumbai	28,76,094	Yes	N.A.	N.A.
8	TATA Memorial Hospital	Promoting health care	Yes	Maharashtra	Mumbai	20,00,000	Yes	N.A.	N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹.)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
9	Temple Trust	Protection of art and culture	Yes	Maharashtra and Gujarat	Pune and Bharuch	1,02,000	Yes	N.A.	N.A.
10	Rotary Club	Protection of art and culture	Yes	Gujarat	Bharuch	15,000	Yes	N.A.	N.A.
11	Donation to Karjat School	Promoting education	Yes	Maharashtra	Raigad	4,98,500	Yes	N.A.	N.A.
12	Donation to Health Department in Kullu	Promoting health care	Yes	Himacha Pradesh	Mandi	4,52,910	Yes	N.A.	N.A.
	TOTAL					**1,89,60,323**			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹189.60 lakhs.

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹.)
(i)	Two percent of average net profit of the company as per Section 135(5)	186.60 lakhs
(ii)	Total amount spent for the Financial Year	189.60 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.00 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.00 lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹.)	Amount spent in the reporting Financial Year (in ₹.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹.)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹.)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year. (in ₹.)	Status of the project -Completed /Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
25.04.2021	3,24,854	Paraplegic Rehabilitation Centre	Equipments for day-to-day operations including communication equipments - Paraplegic Rehabilitation Centre, Park Road, Kirkee, Pune 411 020
31.03.2022	50,06,657	Sanjay Gandhi National Park	Equipments, construction of structures and signage boards - Sanjay Gandhi National Park, Borivali, Mumbai 400 066
29.11.2021	1,15,581	Law enforcing agency, Bharuch	Equipment – Marine Police Station, Luvara, Dahej, Tal: Vagra, Bharuch, Gujarat 392130
24.12.2021	4,15,405	Law enforcing agency, Khalapur Raigad	Equipments – Khalapur Police Station, District Raigad 410202
12.01.2022	20,00,000	Tata Memorial Centre	Medical equipments – Tata Memorial Hospital, Dr. Ernest Borges Road, Parel, Mumbai 400 012
30.03.2022	28,76,094	Wadia Hospital	Equipments and construction of structures – Wadia Hospital, Acharya Donde Marg, Parel, Mumbai - 400012, Opposite Kem Hospital
02.07.2021	4,52,910	Health Department in Kullu, Mandi	Medical and day-to-day equipments – Health Department, Kullu - Mandi
24.03.2022	4,98,500	Vavarle School, Khalapur Raigad	Construction of structures - Vavarle School, Khalapur Raigad
TOTAL	**1,16,90,001**		

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): N.A.

Prashant Nagre
Managing Director
(DIN: 09165447)
May 30, 2022, Thane

Sanjay Buch
Chairman CSR Committee
(DIN: 00391436)

Registered Office:
A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610
Maharashtra, India.

Annexure VIII

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION:

Fermenta Biotech Limited ('Fermenta') lays a strong emphasis on ethical corporate citizenship and believes that true business excellence can be achieved only by doing business following sound sustainability principles that are based on good corporate governance as well as social, environmental and economical Responsibilities. This report illustrates Fermenta's efforts towards creating enduring value for all its stakeholders in a responsible manner. The Business Responsibility Report (BRR) is in accordance with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, issued by Ministry of Corporate Affairs and regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L99999MH1951PLC008485
2. Name of the Company: Fermenta Biotech Limited
3. Registered address: A-1501, Thane One, DIL Complex, Ghodbunder Road Majiwade, Thane (West) 400 610, Maharashtra, India
4. Website: www.fermentabiotech.com
5. E-mail id: info@fermentabiotech.com
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

NIC Code	Product/service
21001	Vitamin D3 Product Range, Phenyramidol HCl and Silicon Dry Powder

8. List three key products/services that the Company manufactures/provides (as in balance sheet): (1) Manufacturer of Vitamin D3 product range, (2) Other niche APIs (Phenyramidol HCl and Silicon Dry Powder, (3) Integrated Biotechnology products (Enzyme technologies).
9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Provide details of major 5) –
      1. Fermenta Biotech GmbH: C/o - InterGest Germany GmbH, Straßenbahnring 13, 20251 Hamburg, Germany (Subsidiary company)
      2. Fermenta Biotech USA LLC: 919, North Market Street, Suite 950, Wilmington, Delaware, 19801, the United States of America (Subsidiary company)
      3. Fermenta USA LLC: 3524 NE Stallings Dr., Ste. 300, Nacogdoches, Texas 75965 (Subsidiary company)
      4. Fermenta Biotech (UK) Limited: Charter House, 8-10 Station Road, Manor Park, London E12 5BT (Subsidiary company)

   (b) Number of National Locations –
      1. Registered office at Thane, Maharashtra;
      2. R&D Centre at Thane, Maharashtra;
      3. Manufacturing facility at Kullu, Himachal Pradesh;
      4. Manufacturing facility at Dahej, Gujarat.
10. Markets served by the Company – Local/State/National/International – The Company's products are available nationally as well as exported internationally. Fermenta is one of the leading Vitamin D players globally and supplies Vitamin D3 to more than 350 customers across 60 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 14,71,54,935 (as on March 31, 2022)
2. Total Turnover (INR): ₹ 39,548.68 lakhs (as on March 31, 2022)
3. Total profit after taxes (INR): ₹ 3,023.73 lakhs (as on March 31, 2022)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Fermenta spent ₹189.60 Lakhs for FY 2021-22 accounting to more than 2% of average net profit for last three financial years in terms of Section 135 of the Companies Act, 2013.
5. List of activities in which expenditure in 4 above has been incurred: (a) Promoting health care including preventive health care; (b) Animal welfare; (c) Protection of wildlife; (d) Contribution for the benefit of armed forces veterans; (e) Social welfare and Covid care support; (f) Protection of art and culture; and (g) Promoting education.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes, as on March 31, 2022, the Company has 6 subsidiary companies.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Yes, subsidiary companies participate in the Company's BR initiatives.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - The Company encourages all its business associates to participate in BR initiatives, however, it has not tracked such actual participation of other business entities and, therefore, on assumption it can be said that the percentage of such entities who participate in BR initiatives is less than 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:
   (a) Details of the Director/Director responsible for implementation of the BR policy/policies
      1. DIN Number - 09165447
      2. Name – Mr. Prashant Nagre
      3. Designation – Managing Director

(b) Details of the BR head

No.	Particular	Details
1	DIN Number (if applicable)	09165447
2	Name	Mr. Prashant Nagre
3	Designation	Managing Director
4	Telephone number	+91-22-6798 0888
5	e-mail id	info@fermentabiotech.com

2. Principle-wise (as per NVGs) BR Policy/policies:

Nine principles (shown as P1 to P9 below) are set out under National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released in July, 2011, which guide businesses towards responsible business conduct.

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the well-being of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect, and make efforts to restore the environment

P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for.... (#1)	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? (#2)	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	N	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? (#3)	Y (Board Director)	Y (ED)	Y (Board Director)	Y (Ch.)	Y (Board Director)	Y (ED)	N	Y (Ch.)	Y (MD)
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6	Indicate the link for the policy to be viewed online? (#4)	-	-	-	-	-	-	N	-	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	N	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (#5)	Y	Y	Y	Y	Y	Y	N	Y	Y

#1: There may not be formal consultation with all stakeholders. However, the policies take into consideration rights, interests and safety of all concerned stakeholders, based on good governance principles.

The following Company policies inter alia cover the principles enumerated above.

P1	Code of conduct	P6	Environment, Health and Safety Policy / Sustainability policy
P2	Environment, Health and Safety Policy / Sustainability policy	P7	N.A.
P3	Code of Conduct, Nomination and Remuneration Policy & Internal HR Policies for Employees, POSH	P8	CSR Policy
P4	CSR Policy	P9	Customer Policy
P5	Code of Conduct	-	-

#2: Policies comply with the principles and conditions stipulated in various laws, rules and regulations applicable to the Company in its conduct of business nationally as well as globally.

#3: MD=Managing Director, ED = Executive Director, CEO = Chief Executive Officer, Ch. = Chairman

#4: https://www.fermentabiotech.com/policies.php

https://fermentabiotech.com/sustainability.php#Environment_Health_Safety

#5: The Company has not carried out independent audit of the policies by an external agency. However, the Internal Audit function periodically reviews the implementation of Company policies. The management reviews compliance of policies at the time of considering the Board's report each year.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	NA	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	NA	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	NA	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	NA	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	NA	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	NA	-	-

3. Governance related to BR

   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year- BR is reviewed annually at the time of approving the Business Responsibility Report which forms part of the Annual Report.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? - The Company publishes Business Responsibility Report, as applicable, which forms part of the Annual Report. The same is made available at https://www.fermentabiotech.com/annual-report.php

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? - No. Policy principles relating to human rights, environmental sustainability, ethics, bribery and corruption shall also extend to Company's employees and business associates including its suppliers, contractors to the extent applicable.

   Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? – Yes, as stated above.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so: No complaint received during the FY 2021-22

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (a) Vitamin D: Essential micronutrient for human and animal nutrition. Documented evidence for its role in immune support and protection against respiratory illnesses.

   (b) Enzymes for biocatalysis: Enables green synthesis across pharmaceuticals, fine chemicals, leather, food and fragrances as well as biodiesel industries.

   (c) Bioproduct for waste-water treatment and odour removal.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Fermenta possesses a multi-facility, multi-product production system and hence, it is not possible to determine product-wise resource consumption. Resource consumption patterns may vary depending upon various factors like product mix, batch size and time cycle, among others. Since the consumption of resource per unit depends on the product mix and other variable factors, it is difficult to set specific standards to ascertain reduction achieved at each product level.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. - The company has procedures in place for sustainable sourcing which specify that business needs for materials, goods, utilities and services are met in an environment-friendly, responsible and ethical way. All these factors are considered while selecting the suppliers locally and globally. Around 60% of our inputs are sourced sustainably. The Company contracts in place to buy key raw materials, thereby de-risking the dependency. At Fermenta, 100% of our transportation services are sourced locally which helps Fermenta in reducing costs, compliance and mitigating business risk in supply chain.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The company is engaged in procurement of goods and services from local & small producers. In order to improve the capacity and the capability of local & small producers, the steps taken are as follows:

   - To ensure the yearly supply assurance and clarity on the yearly volumes in understanding the financial limits,
   - support in payment terms consideration.
   - Periodic factory visits and support in quality and process improvement for competitiveness.

   For all manufacturing facilities, Fermenta sources transportation services locally from small vendors, startups and local transport unions. Fermenta collaborates with service providers to raise the bar of service. Fermenta also shares the standards and best practices with business partners to increase their capacity and capability thereby making a positive impact on their business.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.- Yes, Manufacturing process is actively reviewed to identify opportunities for waste minimization and resource optimization/resource recovery. Both the manufacturing facilities have well defined system to recycle waste and recycling of products waste is more than 10%. Fermenta has adopted focused strategy towards waste management through waste minimization and conservation of resources. Mixed solvent generated during product processing is recycled through recovery plant and reutilized. A substantial percentage of solvents were recovered and recycled into the process. Hazardous chemicals are being segregated and neutralized properly for safe disposal. Waste

generation is contained within the limits prescribed by the Centre Pollution Control Board (CPCB) and applicable State Pollution Control Boards (SPCBs) across all divisions.

Principle 3

At Fermenta, we care for the well-being of our employees, by providing a safe, inclusive and engaging work environment. Our corporate values are imbibed in our company culture, and our certification as a Great Place to Work® is a reflection of the trust our employees place in the company.

1. Please indicate the total number of employees. - 604
2. Please indicate the total number of employees hired on temporary/contractual/casual basis. - 249
3. Please indicate the number of permanent women employees - 37
4. Please indicate the number of permanent employees with disabilities - 4
5. Do you have an employee association that is recognized by management – Yes
6. What percentage of your permanent employees is members of this recognized employee association? – 16%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
   (a) Permanent Employees – 100%
   (b) Permanent Women Employees - 100%
   (c) Casual/Temporary/Contractual Employees - 100%
   (d) Employees with Disabilities - 100%

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes. Stakeholder identification is a continuous and on-going process at Fermenta.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes, the company has identified the disadvantaged, vulnerable and marginalized stakeholders.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. – Fermenta, through CSR initiatives, has undertaken several activities for the empowerment of local communities by partnering with primary as well as special schools. It has also collaborated with the National Association for the Blind to support their work for the visually impaired. Fermenta has also contributed towards rehabilitation of injured personnel of the Armed Forces of India, paediatric cardiac surgeries for the underprivileged, covid care support and other such activities in an attempt to enable the vulnerable to lead better lives.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others? - The Company's Code of Conduct inter alia lays out the principles to conduct business in a true and fair manner by maintaining transparency and accountability in its operations. The Company also adheres to the corporate governance principles enumerated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding rights of its stakeholders. Further the Company has in place a Social Compliance Policy mainly covering parties engaged through and in relation to the supply chain. The BR policy of the Company mandates the Company to respect and promote human rights. The Company intends to extend the above principles and policies to the group companies, Suppliers, Contractors and all business associates, in letter and spirit.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? - No complaint received during the FY 2021-22.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others – The policy principles extend to the group companies and Company's business associates including its suppliers, contractors to the extent applicable. The Company also has Environment, Health, and Safety (EHS) Policy in place.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. - Our Sustainable Development Framework includes an EHS Policy and Environmental Management Standards addressing key environmental aspects e.g. conserving natural resources like water, fuel, and energy. All our operating sites are ISO 14001:2015 certified. ISO 14001:2015 system implementation helps us to regularly review the environmental aspects and potential impact of our operation, contractors, and suppliers (present at our site), and setting environmental targets, monitoring and communicating performance, conduct an internal audit and develop a corrective action plan, capability development, and management review.

Fermenta understands the implications of energy consumption, both in terms of its cost to our operations and the price the environment pays for it. We are committed to investing in newer technologies and processes to enhance our energy efficiency. Our energy management approach hinges on a two-pronged strategy: improving energy and process efficiency while diversifying our energy portfolio at all locations. Fermenta continues to remain committed to decreasing our carbon footprint. We expect to reduce our GHG intensity by 10% objectives for the reduction of greenhouse gas (GHG Gas) initiated with Environment-friendly gas. We will continue to focus on GHG emission reduction efforts to ensure that we are able to meet our commitment in FY2023.

In our manufacturing process, water is used everywhere from cleaning the equipment to raw materials. Given this criticality, we follow the classical '4R' strategy of Reduce, Reuse, Recycle, and Recover for waste management. We focus on reducing waste at the source and find ways to maximize recycling. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at the source and finding ways of reusing the treated effluent. The Company has initiated measures across business units to ensure waste minimization, segregation at source, and recycling. 100% of the non-hazardous waste generated at our factories was recycled or reused or sent for energy recovery in environment-friendly ways.

3. Does the company identify and assess potential environmental risks? Y/N.

   Yes, environmental risks form a part of our operational risks in the Integrated Risk Management framework. Our Environment, Health, and Safety Management System (EHSMS), guides our efforts in managing the environmental impacts of our operations. Our manufacturing facilities are ISO 14001:2015 certified for their Environment Management System (EMS). As part of EMS, each facility monitors the environmental risks through an Aspect-Impact study of various activities. Contingency plans have been developed and implemented to prevent, mitigate and control environmental disasters. ISO 14001:2015 system implementation helps us to regularly review the environmental aspects and potential impact of our operation, contractors, and suppliers (present at our site), and setting environmental targets, monitor and communicate performance, conduct an internal audit and develop a corrective action plan, capability development, and management review. Risk Management Plans are developed. Deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? - No projects are undertaken specifically under Clean Development Mechanism; however, the Company continues to invest in reducing air emission levels through the adoption of cleaner technologies/ fuels, monitoring of combustion efficiencies, and investments in state-of-the-art pollution control equipment. Its units monitor significant air emission parameters, such as Particulate Matter (PM), Nitrogen oxide (NOX), and Sulphur Dioxide (SO2), to ensure compliance with the applicable standards. The Company regularly files environmental compliance reports as per the applicable law.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company adopts a cross-business approach to reduce its environmental footprint. It focuses on the areas of clean air and water, preventing soil contamination, optimal utilization of resources, and digitization of operations by utilizing technology for direct energy savings. The Company's state-of-the-art facilities and seamless adoption of technology solutions ensure the sustainability of operations.

   In line with FBL's sustainability commitments, Company's vision is to grow the business whilst decoupling the environmental footprint from growth and increasing the positive social impact. The company has been implementing environmental best practices adopted across the manufacturing operations and has achieved a significant reduction in waste, water usage, and greenhouse gas (CO2) emissions.

   The company also segregates and disposes of the waste generated in manufacturing operations in an environmentally friendly manner. All our manufacturing sites have not sent any non-hazardous waste to landfills. Company maintained the status of 'zero non-hazardous waste to landfill' in both the manufacturing and offices. 100% of the non-hazardous waste generated at our factories was recycled or reused or sent for energy recovery in environment-friendly ways.

   The company has undertaken multiple sustainability initiatives, which are elaborated as under:

   - Water: The factories have made all possible efforts to reduce water footprint by efficient water usage in non-product applications such as utilities, cleaning activities, gardening, and domestic purposes. At the Kullu facility, we have provided the Zero liquid discharge facility (ZLD). All the wastewater is being treated in-house and reused within the facility.
   - Waste: Factories have identified creative reuse opportunities for various waste streams. For example, reusing packaging material such as drums after washing and cleaning, developing an in-house composting facility for organic waste, sludge reduction by improving the efficiency of the cleaning process, and introducing sludge drying facilities. All factories have provided segregation at source facilities to improve recyclability.
   - Energy: Reduction in total energy footprint through the up-gradation of equipment is an ongoing activity. During the year some of the key energy optimization projects carried out are the installation of energy-efficient motors, installation of VFDs (advanced digital drives for motors), and centralization of vacuum pumps at manufacturing sites. Air compressor efficiency improvement and pressure optimization with excellent results. All the manufacturing

units consistently work towards diminishing specific energy consumption. Some of our major initiatives include:

(i) Adopted new technologies which helped us to decrease energy consumption in process operation.

(ii) Replaced reciprocating type air compressor with screw type air compressor which has inbuilt VFD facility in place.

(iii) Replaced water ring vacuum pump with dry vacuum pump

(iv) Air blowers of Air Handling Unit (AHU) system has been installed with energy-efficient components i.e VFDs.

(v) Replaced high-pressure sodium vapour lamp with energy-saving lights i.e LEDs

(vi) We have installed an automated breather/cum vent valve system in the solvent storage tanks and centrifuge units in order to prevent a loss of energy due to continuous nitrogen purging.

In addition to optimizing our consumption, we are also looking at diversifying our energy portfolio. Mindful of the long-term impact of traditional grid energy, we are evaluating renewable energies like solar etc.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? - Yes, emissions/waste generated by the Company is monitored on regular basis and are within the limits prescribed by CPCB / SPCB. We comply with all applicable environmental legislation in the locations we operate from. We monitor and track all parameters as defined by CPCBs or SPCBs and ensure they are maintained within norms. All sites are regularly monitored for emissions. Ambient air quality including noise is monitored on regular basis.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. - Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Major trade and chamber or associations of which the Company is a member are:

(a) Indian Drug Manufacturers Association (IDMA)

(b) Maharashtra Chamber of Commerce, industry & Agriculture (MACCIA)

(c) Indo German Chamber of Commerce (IGCC)

(d) Pharmaceuticals Export Promotion Council of India (Pharmexcil)

(e) Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil)

(f) Confederation of Indian Industry (CII)

(g) Small and Medium Business Development Chamber of India (SME)

(h) Federation of Pharma Entrepreneurs India (FOPE)

(i) Indian Merchant Chambers (IMC).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - No.

Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

a. Empowering visually impaired: In collaboration with the National Association for the Blind, India (NAB), Fermenta contributed towards corneal transplant, squint surgery, educational Braille kits distribution, D.Ed. course grant, support to NAB DVK Music Academy, monthly wages for visually challenged during COVID-19.

b. Pediatric cardiac surgeries: Fermenta contributed towards pediatric cardiac surgeries for the underprivileged, in collaboration with Rotary Club of Thane, Premium and Jupiter Hospital.

c. Nurture Nature: Fermenta has signed a Memorandum of Understanding with Sanjay Gandhi National Park (SGNP), Borivali, Mumbai with the objective of ensuring environmental sustainability, protection of flora and fauna, animal welfare, conservation of natural resources and other related activities. As part of the Nurture Nature program, the company has contributed towards infrastructure for maintaining wildlife diversity and forest conservation, requirements for the staff and has also adopted a female leopard cub.

d. Veterans: Fermenta contributed towards wheelchairs for injured defence veterans.

e. Beyond CSR: Our association with Vitamin Angels allows us to contribute towards their activities to eliminate Vitamin A deficiency in mothers and children under five.

f. Help protect our protectors: Fermenta supplied Vitamin D for the benefit of 200,000 Maharashtra Police personnel, as part of the CSR initiative "Help Protect Our Protectors".

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Sr. No.	Activity	Implementation
1	Empowering visually impaired	Through National Association for Blind
2	Pediatric cardiac surgeries	In collaboration with Jupiter Hospital and Rotary Club of Thane, Premium
3	Nurture Nature	In collaboration with Sanjay Gandhi National Park (SGNP)
4	Defence Veterans	Through Paraplegic Rehabilitation Centre, Kirkee, Pune
5	Beyond CSR	Through Vitamin Angels
6	Help protect our protectors	In house

3. Have you done any impact assessment of your initiative? Fermenta is committed to maintaining transparency and accountability in its initiatives. We conduct reviews for all programmes conducted, in order to assess the impact of each activity carried out.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. – Please refer to the Section of the Board's report titled "Annual Report on Corporate Social Responsibility (CSR) Activities".

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. - Fermenta includes the participation of local communities as a part of its initiatives, to ensure that they align with the needs of the people. For example, our programs for the visually impaired are routed through NAB, which understands the needs of these stakeholders. Our CSR activities in areas near our manufacturing facilities are conducted in coordination our local team members so as to ensure integration with the local community.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. - No customer complaints/cases were pending as on March 31, 2022.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information). - Yes, Fermenta ensures to disclose on or in relation to its products all required information, truthfully and factually, through labelling and other means, including the risks, if any, from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. All necessary information is disclosed including but not limited to the product's shelf life, strength, intended use, safe and responsible use and storage conditions.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. – No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends? - Fermenta conducted a customer survey of a significant sample size of its client base, region-wise, to understand its customers' satisfaction levels and areas of concern. It plans to continue the same in the coming years as a continuous improvement exercise for enabling customer-centricity.

For and on behalf of the Board of Directors
Sanjay Buch
Chairman
(DIN: 00391436)

May 30, 2022, Thane
Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

FINANCIAL SECTION

Independent Auditor's Report

To
The Members of
Fermenta Biotech Limited
(formerly known as DIL Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Fermenta Biotech Limited (formerly known as DIL Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company 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 statements under the provisions of the Act and the Rules made 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recoverability of MAT credit entitlement - (See Notes 48 C to the standalone financial statements) Unused tax credits in the form of MAT credits is recognized to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which such MAT credits can be utilized. The Company has recognised MAT credit entitlement amounting to ₹ 5,292.47 Lakhs (presented within deferred tax asset) as at 31st March, 2022. The recoverability of such MAT credit entitlement is considered as a key audit matter as it involves significant management judgement including accounting estimates relating to profitability forecasts, availability of sufficient taxable income in the future and recoverability within the specified period of time.	**Our principal audit procedures performed included, among others:** 1. Evaluated the design and implementation and tested the operating effectiveness of controls related to the assessment of recoverability of MAT credit entitlement. 2. Evaluated and discussed with the Management, the appropriateness of assumptions and evidences supporting the underlying profitability forecasts. Assessed the assumptions used in the profitability forecasts along with the Company's tax position including the timing of future taxable profits. We also performed retrospective review and sensitivity analysis on the key assumptions used in aforementioned profitability forecasts for recoverability of MAT credit entitlement. 3. Assessed the adequacy of disclosures made in the standalone financial statements of the Company.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example, Management discussion & analysis, Board's Report, Corporate Governance Report, etc. but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 standalone financial statements, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 Company's ability 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 statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 standalone financial statements.

We communicate with those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - See Note 43 to the standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 68 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the

Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with section 123 of the Act, as applicable.

As stated in note 58 to the financial statements, the Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified inparagraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN 22036920AJWCBO2216)

Place: Thane
Date: May 30, 2022

Annexure "A" To The Independent Auditor's Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Fermenta Biotech Limited (formerly known as DIL Limited)]

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Fermenta Biotech Limited (formerly known as DIL Limited) ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN 22036920AJWCBO2216)

Place: Thane
Date: May 30, 2022

Annexure "B" To The Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Fermenta Biotech Limited (formerly known as DIL Limited)]

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment properties and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) The Company has a program of verification of property, plant and equipment, capital work- in-progress, investment properties and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain, Property, Plant and Equipment, capital work- in-progress, investment properties and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(i) (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements and included in property, plant and equipment, capital work-in progress and investment property, according to the information and explanations given to us and based on the examination of the registered sale deed / lease deed and other documents provided to us by the Management of the Company and based on the confirmation directly received by us from the lender, in case of the title deeds and lease deeds that have been pledged as security for loans taken by the Company, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
	Gross carrying value (in Lakhs)	Carrying value in the financial statements (in Lakhs)				
Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres	8.06	8.06	The land is held in trust in the name of Mr. Krishna Datla (Executive Vice-Chairman) and Ms. Rajeshwari Datla (Director/ relative of Executive Vice-Chairman)	Yes	Various dates from 27th December 1992 to 4th July 1994	The plot of land is an agricultural land lying in the industrial zone and as explained to us, required to register in individual names.

(i) (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(i) (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods-in- transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.

(ii) (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at various points of time during the year, from banks and financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/ other receivables, and other stipulated financial information filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) (a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

(₹ in Lakhs)

		Loans	Advances in nature of loans
A.	**Aggregate amount granted/provided during the year:**		
-	Subsidiaries	642.26	-
-	Associates	-	-
-	Others	-	287.63
B.	**Balance outstanding as at balance sheet date in respect of above cases:**		
-	Subsidiaries	642.26	819.71
-	Associates	37.00*	-
-	Others	-	1,107.34

*The amount reported are at gross amounts, without considering provisions made.

The Company has not made any investment in, provided any guarantee or security to any other entity during the year.

(iii) (b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans, during the year are, according to the information and explanation given to us, in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not made any investments in, provided any guarantee or security to any other entity during the year.

(iii) (c) The Company has granted loans or provided advances in the nature of loan which are payable on demand. During the year, the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion, the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below)

(iii) (d) In respect of the following loans granted and advances in the nature of loans provided by the Company, which have been overdue for more than 90 days at the balance sheet date, the Management has not taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue (In Lakhs)	Interest overdue (in lakhs)	Total overdue	Remarks, if any
1	37.00	-	37.00	The Company during the earlier year, made and an allowance of ₹ 37 Lakhs to fully impair the loan; interest was not being accrued on this loan.

(iii) (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

(₹ in Lakhs)

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	1788.94	-	679.26
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**1788.94***	**-**	**679.26***
Percentage of loans/advances in nature of loans to the total loans	-	-	37.97%

* The amounts reported are at gross amounts, without considering provisions made.

(iv) The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 of the Companies Act, 2013.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (₹) (₹ In Lakhs)*	Period to which the Amount Relates	Forum where Dispute is Pending	Amount paid under protest (₹ In Lakhs)	Remarks, if any
The Gujarat Sales Tax Act	Sales tax and penalty	4.63	1992-1994	Sales Tax Appellate Tribunal	-	-
Central Excise Act, 1944	Service tax and penalty	18.75	2000-2001	High Court, Bombay	3.75	-

*net of amount paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture or associate company.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(x) (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(xi) (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(xiv) (b) We have considered, the internal audit report covering the period upto 31st March 2022, issued to the Company after the balance sheet date.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(xvi) (d) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN 22036920AJWCBO2216)

Place: Thane
Date: May 30, 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	19,346.87	15,375.65
(b) Capital work-in-progress	4	2,989.35	5,270.11
(c) Right-of-use assets	5	1,571.27	1,471.82
(d) Investment property	6	6,678.63	6,820.29
(e) Goodwill		411.65	411.65
(f) Other Intangible assets	7	667.95	877.44
(g) Intangible assets under development	8	467.16	420.55
(h) Investments			
i) Investments in subsidiaries	9A	1,270.02	1,270.02
ii) Investments in an associate	9B	-	-
(i) Financial assets			
(i) Investments	9C	28.71	24.94
(ii) Share application money	10	-	-
(iii) Loans	11	643.11	1.85
(iv) Other financial assets	12	669.16	219.25
(j) Deferred tax assets (net)	48C	3,329.12	3,811.18
(k) Non-current tax assets (net)	13	1,316.57	1,129.52
(l) Other non-current assets	14	350.31	353.25
Total non-current assets		**39,739.88**	**37,457.52**
Current assets			
(a) Inventories	15	12,957.95	13,279.27
(b) Financial assets			
(i) Trade receivables	16	11,782.62	9,611.96
(ii) Cash and cash equivalents	17	1,019.22	1,356.57
(iii) Bank balances other than (ii) above	18	2,055.31	2,773.80
(iv) Loans	19	1.50	476.60
(v) Other financial assets	20	507.18	795.01
(c) Other current assets	21	3,200.97	2,503.05
Total current assets		**31,524.75**	**30,796.26**
TOTAL ASSETS		**71,264.63**	**68,253.78**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	1,442.37	1,442.37
(b) Other equity	23	38,154.82	35,602.45
Total equity		39,597.19	37,044.82
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	11,468.25	11,043.80
(ii) Lease liabilities	46	371.77	349.01
(iii) Other financial liabilities	25	72.43	47.82
(b) Provisions	26	564.83	449.20
(c) Other non-current liabilities	27	524.43	34.04
Total non-current liabilities		**13,001.71**	**11,923.87**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	12,146.34	11,888.59
(ii) Lease liabilities	46	107.28	116.46
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises and;	29 & 52	224.72	78.34
(B) Total outstanding dues of creditors other than micro and small enterprises	29	4,331.92	4,491.51
(iv) Other financial liabilities	30	1,275.59	1,844.71
(b) Other current liabilities	31	469.81	758.60
(c) Provisions	32	78.06	74.87
(d) Current tax liabilities (net)	33	32.01	32.01
Total current liabilities		**18,665.73**	**19,285.09**
TOTAL EQUITY AND LIABILITIES		**71,264.63**	**68,253.78**
See accompanying notes to the Standalone financial statements	1-70		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Standalone Statement of Profit and Loss

for year ended March 31, 2022

(₹ in Lakhs)

	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from operations	34	38,796.06	37,282.15
Other income	35	752.62	661.81
Total income		**39,548.68**	**37,943.96**
Expenses			
Cost of materials consumed	36	13,312.90	13,883.49
Purchases of stock-in-trade		341.84	68.31
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	764.71	(1,587.56)
Employee benefits expense	38	5,936.02	5,749.88
Finance costs	39	1,722.60	1,807.48
Depreciation and amortisation expense	40	2,367.41	1,903.14
Other expenses	41	10,846.96	9,796.32
Total expenses		**35,292.44**	**31,621.06**
Profit before tax		4,256.24	6,322.90
Tax expense:			
Current tax		740.75	1,125.79
Deferred tax charge	48C	491.76	0.26
Total tax expense		**1,232.51**	**1,126.05**
Profit for the year		**3,023.73**	**5,196.85**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of defined benefit plan		(33.30)	(5.11)
(ii) Income tax relating to remeasurements of defined benefit plan		9.70	1.49
(b) Net fair value change in investment in equity instruments through other comprehensive income		3.77	(0.65)
Total other comprehensive (loss) for the year (a+b)		**(19.83)**	**(4.27)**
Total comprehensive income for the year		**3,003.90**	**5,192.58**
Earnings per equity share of ₹ 5 each	45		
Basic (in ₹)		10.48	18.02
Diluted (in ₹)		10.43	17.92
See accompanying notes to the Standalone financial statements	1-70		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Standalone Statement of Changes in Equity

for year ended March 31, 2022

(a) Equity share capital

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,442.37	1,442.37
Balance at the end of the year	**1,442.37**	**1,442.37**

(b) Other equity

(₹ in Lakhs)

	Reserves and Surplus							Items of other comprehensive income	Total
	Unrealised (loss) on dilution	Capital redemption reserve	Capital reserve pursuant to amalgamation	Capital reserve	General reserve	Share options outstanding account	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2020	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**607.49**	**27,599.39**	**23.17**	**29,817.82**
Profit for the year	-	-	-	-	-	-	5,196.85	-	5,196.85
Recognition of share based payments	-	-	-	-	-	592.05	-	-	592.05
Other comprehensive income for the year	-	-	-	-	-	-	(3.62) *	(0.65)	(4.27)
Balance as at March 31, 2021	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**1,199.54**	**32,792.62**	**22.52**	**35,602.45**
Profit for the year	-	-	-	-	-	-	3,023.73	-	3,023.73
Payment of dividend (Gross)	-	-	-	-	-	-	(721.18)	-	(721.18)
Recognition of share based payments	-	-	-	-	-	269.65	-	-	269.65
Other comprehensive income for the year	-	-	-	-	-	-	(23.60)*	3.77	(19.83)
Balance as at March 31, 2022	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**1,469.19**	**35,071.57**	**26.29**	**38,154.82**

*Represents remeasurement of defined benefit plan

See accompanying notes 1-70 to the Standalone financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Rajesh K. Hiranandani
Partner

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Thane, May 30, 2022

Standalone Cash Flow Statement

for year ended March 31, 2022

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,256.24	6,322.90
Adjustments for :		
Depreciation and amortisation expense	2,367.41	1,903.14
Net unrealised foreign exchange (gain)	(51.10)	(206.32)
Loss on sale / write off, of property, plant and equipment (net)	2.67	16.03
Allowance for doubtful debts	32.85	118.96
Share based payments to employees	269.65	592.05
Finance costs	1,722.60	1,807.48
Interest income	(141.66)	(354.61)
Dividend income	-	(0.58)
Liabilities / provisions no longer required written back	(223.94)	(54.21)
Trade receivable and advances written off	3.44	90.96
Net (gain)/Loss on fair value changes of derivatives measured at FVTPL	(86.58)	110.15
Operating profit before working capital changes	**8,151.58**	**10,345.95**
Movements in working capital:		
(Increase) in trade receivables	(1,856.39)	(1,561.90)
Decrease/(increase) in inventories	321.32	(1,924.84)
(Increase) / decrease in other assets	(582.62)	127.50
Increase / (decrease) in trade payables	186.63	(59.27)
Increase in provisions	85.51	57.37
(Decrease) / increase in other liabilities	(337.20)	659.67
	5,968.83	**7,644.48**
Income taxes paid	(927.80)	(1,348.73)
Net cash generated from operation (A)	**5,041.03**	**6,295.75**
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	(3,712.83)	(5,491.96)
Proceeds on sale of property, plant and equipment	9.08	1.32
Intercorporate deposits received back	476.10	1,655.00
Interest received	235.84	478.80
Loan given to a subsidiary	(642.26)	-
Purchase of investments in a subsidiary	-	(1,184.72)
Dividend received	-	0.58
Deposits (placed with) /received back from a financial institution (net)	(50.93)	400.00
Deposits received back from /(placed with) banks not considered as cash and cash equivalents (net)	438.98	(219.70)
Net cash used in investing activities (B)	**(3,246.02)**	**(4,360.68)**

Standalone Cash Flow Statement

for year ended March 31, 2022

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	2,430.46	2,916.54
Repayment of long term borrowings	(2,122.99)	(1,500.49)
Net Increase in short term borrowings	59.72	358.46
Finance costs	(1,667.44)	(1,753.43)
Repayment of Lease Liabilities	(154.58)	(153.41)
Dividends paid	(721.18)	-
Net cash used in financing activities (C)	**(2,176.01)**	**(132.33)**
Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)	**(381.00)**	**1,802.74**
Cash and cash equivalents at the beginning of the year	(93.74)	(1,896.48)
Cash and cash equivalents at the end of the year	**(474.74)**	**(93.74)**
Components of cash and cash equivalents		
Cash on hand	7.05	4.77
Balances with banks		
In current accounts	898.77	1,022.65
In deposits accounts with original maturity for less than 3 months	113.40	329.15
Cash and cash equivalents (Refer Note 17)	1,019.22	1,356.57
Cash credit and Bank overdraft facilities included under loans repayable on demand (Refer Note 28)	(1,493.96)	(1,450.31)
Total cash and cash equivalents considered for cash flows	**(474.74)**	**(93.74)**
See accompanying notes to the Standalone financial statements 1-70		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Notes to the Standalone financial statements

for year ended March 31, 2022

1. Corporate information

Fermenta Biotech Limited (Formerly Known as DIL Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange. The registered office of the Company is located at A- 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400610. The Company is engaged in the business of manufacturing and marketing of chemicals, bulk drugs, enzymes, pharmaceutical formulations and environmental solution products and renting properties. The Company caters to both domestic and international markets. The Company also has strategic investments in subsidiaries / associate companies primarily dealing in manufacturing and marketing bulk drugs and providing services of sporting and health awareness activities / education activities.

2. Significant accounting policies

2.1 Statement of compliance

The standalone financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other provisions of the Companies Act, 2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plan – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied accounting policies to all periods presented in these Standalone financial statements.

(b) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes to the Standalone financial statements

for year ended March 31, 2022

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(d) Foreign currencies

Foreign currency transactions

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) Employee Benefits

i) Defined contribution plans: The Company contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and labour welfare fund to all applicable employees and superannuation scheme for eligible employees. The Company has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii) Defined benefit plan: The employees' gratuity fund scheme represents the defined benefit plan. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expenses or income; and

iii) remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

iii) Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 60.

(a) Includes impact of market performance conditions (e.g. entity's share price)

(b) Excludes impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

(c) Excludes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time)

Notes to the Standalone financial statements

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share options outstanding account".

(iv) Short term and other long term employee benefits: : A liability is recognised for benefits accruing to employees in respect of wages, salaries and bonus in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are actuarially measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(g) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Notes to the Standalone financial statements

for year ended March 31, 2022

(h) Revenue recognition

The Company derives revenues primarily from sale of manufactured chemicals, bulk drugs, enzymes, pharmaceutical formulations, environmental solution products and rental income from investment property. Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts collected on behalf of third parties such as Goods and Services Tax are excluded from revenue.

Sale of Goods:

The Company recognises revenue when it transfers control of a product or service to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer:

- when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery,
- the customer has full discretion over the manner of distribution and price to sell the goods,
- the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Rental income from investment in property

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essentials. Revenue from such services are recognised in accordance with the terms of the agreement entered into with individual lessees.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognised on receipt of refund order.

Dividend income is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

Export Incentives:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit under the Duty Drawback, Mercantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head "Other Operating Revenue" in the standalone statement of profit and loss and is accounted in the year of export.

(i) Property, plant and equipment (PPE)

Measurement at recognition:

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the Standalone financial statements

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and based on assessment / estimate made by management. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful
life (in years)	
Buildings	30-60
Lease hold improvements (included in buildings)	5-10
Plant and equipment	5-20
Office Equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	6-10
Vehicles	8

(j) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

(b) commencement of development with a view to sale, for a transfer from investment property to inventories

(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;

(d) commencement of an operating lease to another party, for a transfer from inventories to investment property

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The estimated useful lives of Investment property are as follows:

Assets	Estimated useful life (in years)
Building	60
Plant and equipment	15

(k) Intangible assets

(a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in standalone statement of profit and loss when the assets is derecognised.

Notes to the Standalone financial statements

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(b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the asset and use or sell it;

(iii) its ability to use or sell the asset;

(iv) how the asset will generate probable future economic benefits;

(v) the availability of adequate resources to complete the development and to use or sell the asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the standalone statement of profit and loss in the period in which incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible as intangible assets that are acquired separately.

The estimated useful lives of intangible assets are as follows:

Assets	Estimated useful life (in years)
Computer software	3-6
Product know-how	3-5

(l) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

[The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.]

For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the standalone statement of profit and loss.

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(m) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(n) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

(o) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets are financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

(1) Debt instruments at amortised cost

(2) Debt instruments at fair value through other comprehensive income (FVTOCI)

(3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss.

(2) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI, if both of the following criteria are met:

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- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument that give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognise interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(4) Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1) The contractual rights to receive cash flows from the asset have expired, or

2) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (a) The Company has transferred substantially all the risks and rewards of the asset, or

   (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement; in that case the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchase or originated credit-impaired financial assets). The Company estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Notes to the Standalone financial statements

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The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Company's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

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A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 53A.

Financial liabilities at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Leasing

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for Residential premises, Office Premises, Godown, Industrials land and Vehicle. The Company assesses whether a contract contains a lease, at inception of a contract.

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At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets and lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes to the Standalone financial statements

for year ended March 31, 2022

Also refer Note 46.

In respect of short-term leases and leases of low-value assets, the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Earnings per share

The Company presents basic and diluted earnings per share data for its equity shares.

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(s) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of cash credit balances and bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Company and accordingly is identified as the chief operating decision maker.

(u) Cash dividends to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Notes to the Standalone financial statements

for year ended March 31, 2022

(v) Use of estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Useful lives of property, plant and equipment, investment property and intangible assets:

Property, plant and equipment, investment property and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets and obligations relating to employee benefits:

The employment benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense: [refer note 2(g) and note 48]

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists

Valuation of investment property [refer note 59]

Impairment of tangible and intangible assets other than goodwill [refer note 2(l)]

Impairment of Goodwill [refer note 2(m)]

Provisions: [refer note 2(q)]

Write down in value of inventories: (refer note 15)

Estimation of uncertainty relating to COVID-19 global health pandemic – (refer note 67)

Notes to the Standalone financial statements

for year ended March 31, 2022

3. Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold Improvements	Total
At cost or deemed cost as at April 01, 2020	**34.30**	**4,187.99**	**8,291.82**	**427.65**	**279.93**	**447.51**	**13,669.20**
Additions	-	1,461.52	4,594.08	71.02	161.24	-	6,287.86
Disposals	-	-	(37.89)	(9.05)	(0.45)	-	(47.39)
Balance as at March 31, 2021	**34.30**	**5,649.51**	**12,848.01**	**489.62**	**440.72**	**447.51**	**19,909.67**
Additions	-	1,364.73	3,770.97	160.84	301.52	51.05	5,649.11
Disposals	-	-	(16.80)	(2.81)	(7.52)	-	(27.13)
Balance as at March 31, 2022	**34.30**	**7,014.24**	**16,602.18**	**647.65**	**734.72**	**498.56**	**25,531.65**
Accumulated depreciation							
As at April 01, 2020	**-**	**661.62**	**2,234.87**	**175.71**	**121.85**	**79.96**	**3,274.01**
Depreciation expense	-	217.93	897.52	76.67	34.57	63.36	1,290.05
Disposals	-	-	(20.59)	(9.05)	(0.40)	-	(30.04)
Balance as at March 31, 2021	**-**	**879.55**	**3,111.80**	**243.33**	**156.02**	**143.32**	**4,534.02**
Depreciation expense	-	277.36	1,159.71	89.33	62.71	77.02	1,666.13
Disposals	-	-	(5.71)	(2.81)	(6.85)	-	(15.37)
Balance as at March 31, 2022	**-**	**1,156.91**	**4,265.80**	**329.85**	**211.88**	**220.34**	**6,184.78**
Carrying amount							
As at March 31, 2021	**34.30**	**4,769.96**	**9,736.21**	**246.29**	**284.70**	**304.19**	**15,375.65**
As at March 31, 2022	**34.30**	**5,857.33**	**12,336.38**	**317.80**	**522.84**	**278.22**	**19,346.87**

(Refer Notes 24 and 28- For details of assets pledged as security)

4. Capital work-in-progress

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Project in progress	2,989.35	5,270.11
Projects temporarily suspended	-	-
Total	**2,989.35**	**5,270.11**

(Refer Notes 24 and 28- For details of assets pledged as security)

Ageing of Capital work-in-progress

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2021					
Project in progress	4,122.71	1,139.40	7.61	0.39	5,270.11
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2022					
Project in progress	2,664.76	193.47	131.12	-	2,989.35
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule for project overdue: as at March 31, 2022

Project overdue	To be completed in				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Capacity enhancement of Biotech Plant at Kullu Plant	137.81	-	-	-	137.81
Modification of existing Admin office and expansion of ground floor at Dahej plant	119.04	-	-	-	119.04
Others	9.32	-	-	-	9.32

Notes to the Standalone financial statements

for year ended March 31, 2022

5 Right-of-Use Assets

(₹ in Lakhs)

Particulars	Leasehold land	Buildings	Vehicles	Total
At cost as at April 01, 2020	**1,055.85**	**546.50**	**166.21**	**1,768.56**
Additions	-	13.73	-	13.73
Disposals	-	-	-	-
Balance as at March 31, 2021	**1,055.85**	**560.23**	**166.21**	**1,782.29**
Additions	-	272.17	-	272.17
Disposals	-	-	-	-
Balance as at March 31, 2022	**1,055.85**	**832.40**	**166.21**	**2,054.46**
Accumulated depreciation				
As at April 01, 2020	18.38	83.19	51.29	152.86
Depreciation expense	18.33	85.98	53.30	157.61
Disposals	-	-	-	-
Balance as at March 31, 2021	**36.71**	**169.17**	**104.59**	**310.47**
Depreciation expense	18.33	106.82	47.57	172.72
Disposals	-	-	-	-
Balance as at March 31, 2022	**55.04**	**275.99**	**152.16**	**483.19**
Carrying amount				
As at March 31, 2021	**1,019.14**	**391.06**	**61.62**	**1,471.82**
As at March 31, 2022	**1,000.81**	**556.41**	**14.05**	**1,571.27**

(Refer Notes 24 and 28- For details of assets pledged as security)

(also Refer Note 46)

6 Investment property

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Total
At cost or deemed cost as at April 01, 2020	**20.79**	**6,033.19**	**2,039.74**	**8,093.72**
Additions	-	-	-	-
Balance as at March 31, 2021	**20.79**	**6,033.19**	**2,039.74**	**8,093.72**
Additions	-	140.89	-	140.89
Disposal	-	-	-	-
Balance as at March 31, 2022	**20.79**	**6,174.08**	**2,039.74**	**8,234.61**
Accumulated depreciation				
As at April 01, 2020	**-**	**492.25**	**526.47**	**1,018.72**
Depreciation expense	-	122.84	131.87	254.71
Balance as at March 31, 2021	**-**	**615.09**	**658.34**	**1,273.43**
Depreciation expense	-	150.71	131.84	282.55
Balance as at March 31, 2022	**-**	**765.80**	**790.18**	**1,555.98**
Carrying amount				
As at March 31, 2021	**20.79**	**5,418.10**	**1,381.40**	**6,820.29**
As at March 31, 2022	**20.79**	**5,408.28**	**1,249.56**	**6,678.63**

Refer Notes 24 and 28 - For details of assets pledged as security

Notes to the Standalone financial statements

for year ended March 31, 2022

6 Investment property (Contd.)

Title deeds of immovable property not held in the name of the company: (₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment property	Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres	8.06	Mr. Krishna Datla "held in trust"on behalf of the Company	Executive Vice-Chairman	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.
			Ms. Rajeshwari Datla "held in trust" on behalf of the Company	Non-Executive Director (relative of Executive Vice-Chairman)	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.

7 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer software	Product know -how #	Total
At cost or deemed cost as at April 01, 2020	**349.95**	**59.72**	**409.67**
Additions	2.99	891.15	894.14
Balance as at March 31, 2021	**352.94**	**950.87**	**1,303.81**
Additions	36.51	-	36.52
Balance as at March 31, 2022	**389.45**	**950.87**	**1,340.33**
Accumulated amortisation			
As at April 01, 2020	**170.34**	**55.27**	**225.61**
Amortisation expense	65.66	135.10	200.76
Balance as at March 31, 2021	**236.00**	**190.37**	**426.37**
Amortisation expense	67.78	178.23	246.01
Balance as at March 31, 2022	**303.78**	**368.60**	**672.38**
Carrying amount			
As at March 31, 2021	**116.94**	**760.50**	**877.44**
As at March 31, 2022	**85.67**	**582.27**	**667.95**

Refer Note 54

8 Intangible assets under development

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Project in progress	467.16	420.55
Projects temporarily suspended	-	-
Total	**467.16**	**420.55**

Notes to the Standalone financial statements

for year ended March 31, 2022

8 Intangible assets under development (Contd.)

(₹ in Lakhs)

Ageing of Intangible assets under development

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2021					
Project in progress	145.31	275.24	-	-	**420.55**
Projects temporarily suspended	-	-	-	-	**-**
Balance as at March 31, 2022					
Project in progress	64.00	142.59	260.57	-	**467.16**
Projects temporarily suspended	-	-	-	-	**-**

There is no variation in respect of assets/projects forming part of intangible assets under development and which have become overdue compared to their original plans or where cost is exceeded compared to original plans.

9A Investments in subsidiaries - in equity instruments unquoted (Fully paid up) (At cost less impairment in the value of investments, if any)

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
a)	G. I. Biotech Private Limited 6,250 Equity shares of ₹ 10/- each. (as at March 31, 2021: 6,250 Equity shares of ₹ 10/- each) (Refer Note 1 below)	0.63	0.63
b)	Fermenta Biotech (UK) Limited 220,001 Equity Shares of G.B.Pound 1/- each. (as at March 31, 2021: 220,001 Shares of G.B.Pound 1/- each)	183.99	183.99
	Less: Impairment in the value of investment	(148.65)	(148.65)
		35.34	35.34
c)	Aegean Properties Limited 30,000 Equity shares of ₹ 100/- each (as at March 31, 2021: 30,000 Equity shares of ₹ 100/- each)	30.00	30.00
d)	C.C. Square Films Limited 50,000 Equity shares of ₹ 10/- each. (as at March 31, 2021: 50,000 Equity shares of ₹ 10/- each.) (Refer Note 2 below)	-	5.00
	Less: Impairment in the value of investment	-	(5.00)
		-	-
e)	Fermenta Biotech GmbH 25,000 Equity shares of Euro 1/- each. (as at March 31, 2021:25,000 Equity shares of Euro 1/- each)	19.33	19.33
f)	Fermenta Biotech USA LLC Contribution towards membership interest USD 1600000 (as at March 31, 2021: Contribution towards membership interest USD 1600000)	1,184.72	1,184.72
		1,270.02	**1,270.02**
	Aggregate amount of unquoted investments before impairment	**1,418.67**	**1,423.67**
	Aggregate amount of impairment in value of investments	**148.65**	**153.65**

Notes

1 During the year ended March 31, 2009, the Company had entered into an agreement for transfer of the throat lozenge business along with the trademark "Astrasept" and the related movable assets for a consideration of ₹ 8.00 lakhs to its wholly owned subsidiary G.I.Biotech Private Limited (G.I). Simultaneously, the Company also entered into a share transfer agreement with Ronator Investments Limited (R I), a company incorporated under the legal provisions of Cyprus, to transfer its entire shareholding in G.I in four instalments to be completed by February 10, 2009 for a total consideration of USD 4.00 lakhs. In accordance with the share transfer agreement, the Company sold 3750 shares for consideration of USD 1.50 lakhs and recorded a profit of ₹ 70.60 lakhs in the year ended March 2009. The time limit for completion of the share transfer agreement and completion of transaction was extended by parties.

2 The name of M/s CC Square Films Limited has been struck off from the register of companies on November 26, 2021. (Refer Note 63)

Notes to the Standalone financial statements

for year ended March 31, 2022

9B Investment in associate - In equity instruments Unquoted (Fully paid up) (At cost less impairment in value of investments, if any)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Health and Wellness India Private Limited		
30,12,504 Equity shares of ₹ 10/- each (as at March 31, 2021 - 30,12,504 Equity shares of ₹ 10/- each)	475.00	475.00
Less: Impairment in the value of investment	(475.00)	(475.00)
	-	-
Aggregate amount of unquoted investments before impairment.	475.00	475.00
Aggregate amount of impairment in value of investments.	475.00	475.00

9C Investments (non-current)

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
	Investment in other entities - In equity instruments:		
(i)	**Unquoted Investments (all fully paid up)**		
	Investments in equity instruments at FVTOCI		
	Shivalik Solid Waste Management Limited	4.11	4.11
	20,000 Equity shares of ₹ 10/- each. (as at March 31, 2021: 20,000 Equity shares of ₹ 10/- each)		
	Zela Wellness Private Limited	126.52	126.52
	58,048 Equity shares of ₹ 10/- each. (as at March 31, 2021: 58,048 Equity shares of ₹ 10/- each)		
	Less: Impairment in the value of investment	(126.52)	(126.52)
		-	-
	Total aggregate unquoted investments (A)	**4.11**	**4.11**
(ii)	**Quoted Investment (all fully paid)**		
	Investment in equity instruments at FVTOCI		
	Abbott India Limited	24.60	20.83
	139 Equity shares of ₹ 10/- each. (as at March 31, 2021: 139 Equity shares of ₹ 10/- each)		
	Total aggregate quoted investments (B)	**24.60**	**20.83**
	Total Non-current investments (A+B)	**28.71**	**24.94**
	Aggregate carrying value of unquoted investments before impairment	**130.63**	**130.63**
	Aggregate amount of quoted investments and market value thereof	**24.60**	**20.83**
	Aggregate amount of impairment in value of investments	**126.52**	**126.52**

10 Share application money

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Health and Wellness India Private Limited	309.86	309.86
Less: Impairment in the value of share application money	(309.86)	(309.86)
Total	-	-

Notes to the Standalone financial statements

for year ended March 31, 2022

11 Loans (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Loan to employees, considered good - unsecured	0.85	1.85
Inter corporate deposit - considered doubtful - unsecured	37.00	37.00
Less : Allowance for doubtful inter corporate deposit	(37.00)	(37.00)
Loan to a subsidiary	642.26	-
Total	**643.11**	**1.85**

	All Parties	Promoters	Related Parties
Related Parties			
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	1,788.94	-	679.26
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	1788.94*#	-	679.26*
Percentage of loans /advances in nature of loans to the total loans [(including loans (current) of ₹ 1.50 Lakhs (Refer Note 19)]			37.97%

* The amounts reported are at gross amounts, without considering provisions made.

Includes advances in the nature of loans of ₹ 1107.34 Lakhs (Refer Note 21 and 68)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Amount outstanding as at year end		
Health and Wellness India Private Limited - (Associate)	37.00	37.00
Fermenta Biotech USA LLC - (wholly owned subsidiary)	642.26	-
Inter Gest Germany GmbH - (Others)	1,107.34	819.71
Maximum amount outstanding during the year		
Health and Wellness India Private Limited - (Associate)	37.00	37.00
Fermenta Biotech USA LLC - (wholly owned subsidiary)	642.26	-
Inter Gest Germany GmbH - (Others)	1,107.34	819.71
The Inter corporate deposit was granted to an associate and wholly owned subsidiary for the purpose of their business (Refer Note 68)		
Movement in the Allowance for doubtful inter corporate deposit		
Balance at the beginning of the year	37.00	37.00
Addition during the year	-	-
Written back during the year	-	-
Written off during the year	-	-
Balance at the end of the year	**37.00**	**37.00**

12 Other financial assets (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Security deposits	46.66	165.08
Bank deposits with remaining maturity of more than 12 months*	299.30	15.50
Deposits with a financial institution with remaining maturity of more than 12 months #	250.93	-
Interest accrued but not due from banks	9.91	3.31
Interest accrued but not due from a financial institution	11.37	-
Others	50.99	35.36
Total	**669.16**	**219.25**
*This includes deposits		
kept for fund based bank guarantee with Bank of Baroda	-	1.00
kept for fund based bank guarantee with Union Bank of India	89.62	14.50
# Fixed deposits are placed with Bajaj Finance Limited		

Notes to the Standalone financial statements

for year ended March 31, 2022

13 Non-current tax assets (net)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Advance income-tax (net of provision for tax ₹ 6,167.99 lakhs [as at March 31, 2021 ₹ 5,417.88])	1,316.57	1,129.52
Total	**1,316.57**	**1,129.52**

14 Other assets (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Capital advances	336.63	317.64
Advances recoverable in cash or kind		
Unsecured, considered good	-	-
Unsecured, considered doubtful	23.21	23.35
	23.21	23.35
Less: Allowance for doubtful advances	(23.21)	(23.35)
	-	-
Deferred rent	1.57	5.00
Balance with government authorities	3.75	3.75
Prepaid expenses	8.36	26.86
Total	**350.31**	**353.25**

15 Inventories

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes stock in transit of ₹ 10.51 Lakhs) (as at March 31, 2021: ₹95.89 Lakhs)	4,616.06	4,526.95
Work-in-progress (includes stock in transit of ₹ 43.27 Lakhs) (as at March 31, 2021: ₹ Nil)	6,065.47	6,751.98
Finished goods (includes stock in transit of ₹ 23.70 Lakhs) (as at March 31, 2021: ₹ Nil)	1,258.65	1,336.85
Stores and spares (includes stock in transit of ₹ 4.04 Lakhs) (as at March 31, 2021: ₹ Nil)	1,017.77	663.49
Total	**12,957.95**	**13,279.27**

Notes :

(i) The cost of inventories recognised as an expense is disclosed in notes 36, 37, 41 and as purchase of stock-in-trade in the Standalone statement of profit and loss.

(ii) Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹ 99.38 Lakhs (as at March 31, 2021: ₹ 191.87 Lakhs). The changes in write downs are recognised as an expense in the Standalone statement of profit and loss.

16 Trade receivables (unsecured)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Undisputed Trade receivables – considered good	11,782.62	9,611.96
Undisputed Trade Receivables – which have significant increase in credit risk	-	-
Undisputed Trade Receivables – credit impaired	421.31	481.24
Disputed Trade Receivables – considered good	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-
Disputed Trade Receivables – credit Impaired	-	-
	12,203.93	10,093.20
Less : Allowance for doubtful debts (Expected credit loss allowance)	(421.31)	(481.24)
Total	**11,782.62**	**9,611.96**

Notes to the Standalone financial statements

for year ended March 31, 2022

16 Trade receivables (unsecured) (Contd.)

Ageing of trade receivables :as at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,078.46	2,822.10	266.77	25.48	589.81	-	11,782.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.72	77.69	329.90	421.31
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**8,078.46**	**2,822.10**	**266.77**	**39.20**	**667.50**	**329.90**	**12,203.93**

Ageing of trade receivables : as at March 31, 2021

Particulars	Not Due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,724.19	1,142.36	764.95	977.93	2.53	-	9,611.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired				157.38	23.79	300.07	481.24
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**6,724.19**	**1,142.36**	**764.95**	**1,135.31**	**26.32**	**300.07**	**10,093.20**

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Movement in the expected credit loss allowance		
Balance at the beginning of the year	481.24	366.61
Addition during the year	32.85	118.96
Written off during the year	-	(4.33)
Reversal during the year	(92.78)	-
Balance at the end of the year	**421.31**	**481.24**

Notes to the Standalone financial statements

for year ended March 31, 2022

17 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balances with banks		
In current accounts	898.77	1,022.65
In deposit accounts with original maturity for less than 3 months	113.40	329.15
Cash on hand	7.05	4.77
Total	**1,019.22**	**1,356.57**

18 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balances with banks		
In Unpaid Dividend accounts	14.11	9.82
In escrow account	1.32	0.86
In deposit accounts with original maturity for more than 3 months but less than 12 months*	2,039.88	2,763.12
Total	**2,055.31**	**2,773.80**

*This includes deposits held under lien by bank against guarantees and other commitments amounting to ₹ 776.17 Lakhs (as at March 31, 2021: ₹ 1015.10 Lakhs)

19 Loan (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Unsecured, considered good		
Inter corporate deposit # [Refer Note 65]		
D.K.Biopharma Private Limited	-	475.00
Loans to employees	1.50	1.60
Total	**1.50**	**476.60**

The inter-corporate deposits were granted to the entity for the purpose of its business.

20 Other financial assets (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest accrued but not due		
On fixed deposits from banks	16.40	43.07
On fixed deposits with a financial institution	-	48.54
On Inter corporate deposits (Refer Note 65)	-	46.96
Deposits with a financial institution	-	200.00
Expenses recoverable from related parties	469.44	447.18
Interest receivable from a subsidiary	10.03	-
Others		
Unsecured, considered good	11.31	9.26
Unsecured, considered doubtful	-	-
	11.31	9.26
Total	**507.18**	**795.01**

Notes to the Standalone financial statements

for year ended March 31, 2022

21 Other current assets

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Advance for supply of goods and services (Refer Note 68)		
Considered good	1,384.29	745.47
Considered doubtful	6.28	11.99
Less: Allowance for doubtful advances	(6.28)	(11.99)
	1,384.29	745.47
Deferred rent	44.58	15.55
Prepaid expenses	239.65	182.07
Travel advances to employees	5.85	6.37
Export incentive receivables		
Considered good	773.90	921.85
Considered doubtful	3.24	3.24
Less: Allowance for doubtful export incentive receivables	(3.24)	(3.24)
	773.90	921.85
Balances with government authorities	752.70	631.74
Total	**3,200.97**	**2,503.05**
Movement in the Allowance for doubtful advances and export incentive receivables.		
Balance at the beginning of the year	15.23	40.78
Addition during the year	-	-
Written off during the year	-	(1.18)
Reversal during the year	(5.71)	(24.37)
Balance at the end of the year	**9.52**	**15.23**

22 Equity share capital

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Authorised		
498,40,000 Equity shares of ₹ 5/- each (as at March 31, 2021 - 498,40,000 Equity shares of ₹ 5/- each)	2,492.00	2,492.00
1,60,000 Unclassified shares of ₹. 5/- each (as at March 31, 2021 - 1,60,000 Unclassified shares of ₹.5/- each)	8.00	8.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid-up		
29,430,987 Equity shares of ₹. 5/- each (as at March 31, 2021 - 29,430,987 Equity shares of ₹. 5/- each)	1,471.55	1,471.55
Less: 5,83,665 Equity shares held by FBL ESOP Trust (as at March 31, 2021 5,83,665 Equity shares held by FBL ESOP Trust) [Refer Note (f) below]	(29.18)	(29.18)
	1,442.37	**1,442.37**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2022		March 31, 2021	
	No of Equity Shares	₹ In Lakhs	No of Equity Shares	₹ In Lakhs
At the beginning of the year	28,847,322	1,442.37	28,847,322	1,442.37
At the end of the year	28,847,322	1,442.37	28,847,322	1,442.37

Notes to the Standalone financial statements

for year ended March 31, 2022

22 Equity share capital (Contd.)

(b) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholders	March 31, 2022		March 31, 2021	
	No of Equity Shares	₹ In Lakhs	No of Equity Shares	% Holding
DVK Investments Private Limited, the Holding Company	15,075,318	51.22%	15,075,318	51.22%
Mr. Krishna Datla	2,461,074	8.36%	2,419,074	8.22%

(c) Shares held by Holding Company

Out of the equity shares issued by the Company, shares held by its Holding Company are as below:

Name of the shareholders	March 31, 2022		March 31, 2021	
	No of Equity Shares	₹ In Lakhs	No of Equity Shares	% Holding
DVK Investments Private Limited, the Holding Company	15,075,318	51.22%	15,075,318	51.22%

(d) Details of Shares held by promoters at the end of the year

Name of the shareholders	March 31, 2022			March 31, 2021		
	No of Equity Shares	% Holding	% Change during the year	No of Equity Shares	% Holding	% Change during the year
DVK Investments Private Limited, the Holding Company	15,075,318	51.22%	-	15,075,318	51.22%	-
Mr. Krishna Datla	2,461,074	8.36%	0.14%	2,419,074	8.22%	-

(e) Rights, preferences and restrictions

The Company has issued only one class of equity shares having par value of ₹ 5/- per share (March 31, 2021; - ₹ 5/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays the dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting, except in case of interim dividend.

During the year, the Board of directors have declared dividend of 25% (₹ 1.25 per equity share of ₹ 5/- each) for the financial year 2021-22. (Refer Note 58)

During the previous year, the Board of directors had declared an interim dividend of 50% (₹ 5.00 per equity share of ₹ 5/- each) for the financial year 2020-21 which has been paid during the year 2021-22. (Refer Note 58)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(f) FBL ESOP Trust :

The Company had formulated Employee Stock Option Scheme namely Fermenta Biotech Limited - Employee Stock Option 2019 (ESOP 2019) in terms of the Scheme of amalgamation of erstwhile FBL with the Company. The equity shares are held by FBL ESOP Trust (Refer Note 60).

	March 31, 2022	March 31, 2021
	No. of Equity Shares	No. of Equity Shares
Outstanding at the beginning of the year	583,665	583,665
Outstanding at the end of the year	583,665	583,665

Notes to the Standalone financial statements

for year ended March 31, 2022

23 Other equity

(₹ in Lakhs)

	Reserves and Surplus							Items of other comprehensive income	Total
	Unrealised (loss) on dilution	Capital redemption reserve	Capital reserve pursuant to amalgamation	Capital reserve	General reserve	Share options outstanding account	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2020	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**607.49**	**27,599.39**	**23.17**	**29,817.82**
Profit for the year	-	-	-	-	-	-	5,196.85	-	5,196.85
Recognition of share based payments	-	-	-	-	-	592.05	-	-	592.05
Other comprehensive income for the year	-	-	-	-	-	-	(3.62)*	(0.65)	(4.27)
Balance as at March 31, 2021	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**1,199.54**	**32,792.62**	**22.52**	**35,602.45**
Profit for the year	-	-	-	-	-	-	3,023.73	-	3,023.73
Payment of dividend (gross)	-	-	-	-	-	-	(721.18)	-	(721.18)
Recognition of share based payments	-	-	-	-	-	269.65	-	-	269.65
Other comprehensive income for the year	-	-	-	-	-	-	(23.60)*	3.77	(19.83)
Balance as at March 31, 2022	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**3,545.80**	**1,469.19**	**35,071.57**	**26.29**	**38,154.82**

*Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

Unrealised gain/(loss) on dilution: This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary.

Capital redemption reserve : This reserve was created for redemption of preference shares of ₹ 70.00 lakhs in the financial year 2010-2011.

Capital reserve pursuant to amalgamation : This reserve created consequent to amalgamation of a subsidiary with the Company.

Capital reserve: Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Company's brands for which non compete fees were received and treated as a capital receipt.

General reserve: This reserve arises on transfer portion of the net profit pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Share options outstanding account : The fair value of the equity settled share based payment transactions is recognised to share options outstanding account.

Retained earnings: Profits generated by the Company that are not distributed to shareholders as dividends but are reinvested in the business.

Equity instruments through other comprehensive income: This represents the cumulative gains/losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Notes to the Standalone financial statements

for year ended March 31, 2022

24 Borrowings (Non-current)

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Non-current	Current	Non-current	Current
Secured				
Term Loans				
From Banks				
For Kullu facility [Refer Note below (a)]	462.54	15.95	-	-
For Dahej facility [Refer Note below (b)]	407.20	487.99	915.42	499.03
For Dahej facility [Refer Note below (c)]	1,394.53	561.51	1,824.89	561.51
For Dahej facility [Refer Note below (d)]	727.61	701.68	1,314.13	734.90
For Vehicles [Refer Note below (e)]	264.52	72.82	105.97	31.02
For WCTL [Refer Note below (f)]	1,700.00	-	-	-
For Dahej facility [Refer Note below (g)]	162.86	27.14		
From others				
For business operations [Refer Note below (h)]	2,961.23	-	2,957.57	-
For business operations [Refer Note below (i)]	3,387.76	531.75	3,925.82	432.18
	11,468.25	2,398.84	11,043.80	2,258.64
Amount disclosed under the head "Borrowings (Current)" (Refer Note 28)	-	(2,398.84)	-	(2,258.64)
Total	**11,468.25**	**-**	**11,043.80**	**-**

Notes

a) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Premix Plant to be set up at Kullu with interest rate EURIBOR plus 3.0% (effective rate 3.0%), (previous year effective rate is NIL) repayable in 60 equal monthly instalments starting from Feb-2023. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

b) Term loan (External Commercial Borrowing) is taken from Yes Bank Limited for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.5% (effective rate 3.5%), (previous year effective rate is 3.5%) repayable in 48 equal monthly instalments starting from February 2020. The said ECB loan is secured by way of first pari-passu charge on the project financed along with Union Bank of India, first pari-passu charge along with Union Bank of India and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited , which is not to be shared with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC Bank Limited on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

c) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Plant 4 at Dahej SEZ with interest rate EURIBOR plus 3.9% (effective rate 3.9%), (previous year effective rate is 3.9%) repayable in 16 equal quarterly instalments starting from July 2021. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

d) Term loan (Foreign Currency Term Loan and INR Term Loan) is taken from Union Bank of India for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.10% (effective rate 3.10%) (previous year effective rate is 3.10%) for FCTL, MCLR + 2% (effective rate 9.43% to 10.48%) (previous year effective rate is 10.00% to 10.65%) for Rupee Term Loan repayable in 48 equal monthly instalments starting from April 2020. The said loan is secured by way of first pari-passu charge on the project financed along with Yes Bank Limited, first pari-passu charge along with Yes Bank Limited and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited, which is not to be shared with HDFC Bank. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC bank on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

Notes to the Standalone financial statements

for year ended March 31, 2022

24 Borrowings (Non-current) (Contd.)

e) Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2020 with interest rates 7.35%, (previous year at 7.35%). The charge for such security is yet to be created.

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2021 with interest rates 7.65%, (previous year in the range of NIL).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from July-2021 with interest rates 7.65%, (previous year in the range of NIL).

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2021 with interest rates 7.35%, (previous year at 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 7.35%, (previous year in the range of NIL)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 7.35%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 7.30%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Mar-2022 with interest rates 7.40%, (previous year in the range of NIL)

f) Working Capital Term Loan is taken from Union Bank of India for business purpose with interest rate 1 Year MCLR+0.60% effective rate 7.85%(previous year effective rate is NIL) repayable in 48 equal quarterly instalments starting from Dec -23. The said loan is secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipments of the Company and second charge on the existing securities of the company except plant 4 at Dahej and Premix Plant at Kullu.

g) Term loan is taken from HDFC Bank Limited for financing the capital expenditure at Dahej SEZ with interest rate 7.7% (Previous year effective rate is NIL) repayable in 28 equal quarterly instalments starting from Apr 2022. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

h) Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited the effective rate for the current year in the range of 8.00% to 9.00% (previous year in the range of 9.00% to 9.75%) repayable after 156 months on August 15, 2030 in one instalment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the loan has been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the Holding Company, DVK Investment Private Limited.

i) Loan against property and loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited, the effective rate for the current year in the range of 8.00% to 9.57% (previous year effective rate in the range of 9.57% to 10.00%) The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company. Further these loans have been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the holding company, DVK Investment Private Limited.

25 Other financial liabilities (Non current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deposits from tenants	72.43	47.82
Total	**72.43**	**47.82**

Notes to the Standalone financial statements

for year ended March 31, 2022

26 Provisions (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Provisions for employee benefits:		
Gratuity [Refer Note 47 (c)]	188.47	127.44
Compensated absences	376.36	321.76
Total	**564.83**	**449.20**

27 Other liabilities (Non current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deferred rent	24.43	34.04
Deposits from Developers (Refer Note 62)	500.00	-
Total	**524.43**	**34.04**

28 Borrowings (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Loans repayable on demand		
From banks (Secured)		
Cash credit and Bank overdraft	1,493.96	1,450.31
Packing credit	3,743.92	5,606.23
Short term working capital loan	4,509.62	2,573.41
From banks (Secured)		
Current maturities of long term debts (Refer Note 24)	1,867.09	1,826.46
From others (Secured)		
For business operations (Refer Note 24)	531.75	432.18
Total	**12,146.34**	**11,888.59**

Packing credit, cash credit from Union Bank of India, are secured by first pari-passu charge on hypothecation of stocks, book debts and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 3.00% to 3.60% (EURO PCFC - EURIBOR+3.10%, USD PCFC - 6M LIBOR+3.10%) and average interest rate for cash credit is 10.86 %.

Packing credit, cash credit and Working Capital Demand Loan from Yes Bank Limited is secured by first pari-passu charge on current assets of the Company and by equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and HDFC Bank Limited and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 2.75%. and Working Capital Demand Loan is 7.25% average interest rate for cash credit is 1 YR MCLR+0.95 (form 10.5% to 9.95%)

Packing credit and Working Capital Demand Loan from HDFC Bank Limited is secured by First pari-passu charge on current assets, exclusive charge on assets of plant 4 at Dahej and Premis Plant at Kullu, moveable property, plant and equipment of the Company and equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and Yes Bank Limited (excluding the plant and building financed through term loan from Union Bank of India and Yes Bank Limited).The average interest rate for packing credit in foreign currency is 2.7% and Working Capital Demand Loan from 8.7% to 7.35%

Short term working capital loan taken from Union Bank of India are secured against the lien of fixed deposits. The average interest rate is in the range of 3.90% to 4.20% .

Notes to the Standalone financial statements

for year ended March 31, 2022

29 Trade payables (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Dues of micro and small enterprises (MSME) (Refer Note 52)	224.72	78.34
Dues of creditors other than MSME	4,331.92	4,491.51
Disputed dues of MSME	-	-
Disputed dues of creditors other than MSME	-	-
Total	**4,556.64**	**4,569.85**

Ageing of trade payables: as at March 31, 2022

Particulars	Not due	Outstanding for the following period from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of MSME	72.16	152.56	-	-	-	224.72
Dues of creditors other than MSME	2,546.03	1,676.07	40.55	28.50	40.77	4,331.92
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**2,618.19**	**1,828.63**	**40.55**	**28.50**	**40.77**	**4,556.64**

Ageing of trade payables: as at March 31, 2021

Particulars	Not due	Outstanding for the following period from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of MSME	30.50	45.48	2.36	-	-	78.34
Dues of creditors other than MSME	3,457.51	785.58	204.28	19.91	24.23	4,491.51
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**3,488.01**	**831.06**	**206.64**	**19.91**	**24.23**	**4,569.85**

30 Other financial liabilities (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deposits from tenants	540.89	548.71
Interest accrued but not due on borrowings	57.40	48.22
Payable to employees / directors	336.29	723.00
Liability for capital expenditure	303.33	404.81
Derivatives not designated as hedge	23.57	110.15
Unclaimed dividend	14.11	9.82
Total	**1,275.59**	**1,844.71**

Notes to the Standalone financial statements

for year ended March 31, 2022

31 Other current liabilities

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Advances from customers	351.12	552.22
Statutory dues	97.27	164.39
Deferred rent	21.42	41.99
Total	**469.81**	**758.60**

32 Provisions (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Provisions for employee benefit:		
Compensated absences	78.06	61.85
Other Provisions		
Provision for share of loss in a joint venture in excess of cost of investment	-	13.02
Total	**78.06**	**74.87**

33 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for income tax (net of advance tax for tax ₹ 2072.42 lakhs [as at March 31, 2021 ₹ 2072.42])	32.01	32.01
Total	**32.01**	**32.01**

34 Revenue from Operations

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Sale of products	37,048.57	34,901.40
Rent Income	1,323.80	1,429.97
Amortised deferred rent	43.49	56.97
Service income (infrastructure support services to tenants)	256.66	257.97
Sale of services	88.22	41.88
Other operating revenues		
Export incentive	5.85	563.71
Scrap sales	29.47	30.25
Total	**38,796.06**	**37,282.15**

35 Other income

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest income on financial assets carried at amortised cost:		
Bank deposits	100.96	191.06
Other financial assets	40.70	163.55
	141.66	**354.61**
Dividend income on investment in equity instruments designated as at fair value through other comprehensive income	-	0.58
Foreign exchange gain (net)	300.34	251.99
Net gain on fair value changes of derivatives at FVTPL	86.58	-
Insurance claims	0.09	0.11

Notes to the Standalone financial statements

for year ended March 31, 2022

35 Other income (Contd.)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Liabilities / provisions no longer required written back:	-	-
From Trade receivables	92.78	-
From Others	131.16	54.21
	223.94	**54.21**
Miscellaneous income	0.01	0.31
Total	**752.62**	**661.81**

36 Cost of materials consumed

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Inventories of raw materials / packing materials at the beginning of the year	4,526.95	4,461.92
Add : Purchases	13,402.01	13,948.52
Less : Inventories of raw materials / packing materials at the end of the year	4,616.06	4,526.95
Total	**13,312.90**	**13,883.49**

37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Inventories at the end of the year		
Work-in-progress	6,065.47	6,751.98
Finished goods	1,258.65	1,336.85
	7,324.12	**8,088.83**
Inventories at the beginning of the year		
Work-in-progress	6,751.98	5,140.05
Finished goods	1,336.85	1,361.22
	8,088.83	**6,501.27**
	764.71	**(1,587.56)**

38 Employee benefits expense

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Salaries and wages	4,775.60	4,464.16
Contribution to provident and other funds [Refer Note 47]	284.14	230.58
Gratuity expense [Refer Note 47]	65.19	54.52
Share based payments to employees [Refer Note 60]	269.65	592.05
Staff welfare expenses	541.44	408.57
Total	**5,936.02**	**5,749.88**

39 Finance costs

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest on		
Term loans	959.76	892.35
Loans repayable on demand	579.33	565.62
Liabilities carried at amortised cost (Unwinding of interest)	47.35	59.38
Lease liabilities	45.98	48.99
Others	8.61	10.62
Other borrowing costs	81.57	230.52
Total	**1,722.60**	**1,807.48**

Notes to the Standalone financial statements

for year ended March 31, 2022

40 Depreciation and amortisation expense

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment (Refer Note 3)	1,666.13	1,290.05
Depreciation on right-of-use assets (Refer Note 5)	172.72	157.62
Depreciation of investment property (Refer Note 6)	282.55	254.71
Amortisation of intangible assets (Refer Note 7)	246.01	200.76
Total	**2,367.41**	**1,903.14**

41 Other expenses

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
GST other than recovered on sales		116.95		159.38
Contract labour charges		618.96		482.54
Power and fuel		1,984.17		1,360.44
Processing charges		1,138.12		1,228.53
Repairs to buildings		134.74		46.30
Repairs to machinery		241.80		202.50
Stores and spare parts consumed		1,221.15		930.92
Water charges		50.85		62.42
Advertising and sales promotion		249.55		196.39
Freight and forwarding charges		820.68		794.27
Commission on sales		196.20		758.68
Rent (including lease rentals)		32.40		32.51
Repairs and maintenance - others		1,010.36		714.82
Insurance		295.42		260.98
Rates and taxes		329.34		354.44
Allowance for doubtful debts		32.85		118.96
Trade receivable loans and advances written off	9.15		96.53	
Less: Allowance held	(5.71)	3.44	(5.57)	90.96
Non current investment written off	5.00		5.90	
Less: Allowance held	(5.00)	-	(5.90)	-
Travelling and conveyance		658.65		348.63
Professional and legal fees		739.50		534.69
Payment to auditors (Refer Note 44)		52.79		47.85
Postage and telephone		44.02		33.26
Printing and stationery		76.61		89.83
Net loss on fair value changes of derivatives at FVTPL		-		110.15
Security Expenses		118.81		84.79
Staff recruitment expenses		29.02		28.92
Bank charges		88.34		102.40
Initial cost for operating leases		48.14		58.31
Analytical Charges		88.57		92.26
Loss on sale/ write off, of property, plant and equipment (net)		2.67		16.03
Corporate social responsibility expenses (Refer Note 51)		189.60		217.56
Miscellaneous expenses		233.26		236.60
Total		**10,846.96**		**9,796.32**

Notes to the Standalone financial statements

for year ended March 31, 2022

42 Related parties disclosures as per Ind AS 24

A) Names of the related parties and description of relationships

	Country of Incorporation	Proportion of ownership interest as at	
		March 31, 2022	March 31, 2021
a) Holding Company:			
DVK Investments Private Limited	India		
Subsidiaries:			
Aegean Properties Limited	India	100%	100%
CC Square Films Limited (Struck off w.e.f. November 26, 2021)	India	-	100%
Fermenta Biotech Gmbh	Germany	100%	100%
Fermenta Biotech (UK) Limited	United Kingdom	100%	100%
Fermenta USA LLC (w.e.f. December 01, 2020)	United States of America	52%	52%
Fermenta Biotech USA LLC (w.e.f. May 27, 2020)	United States of America	100%	100%
G.I. Biotech Pvt Limited	India	62.50%	62.50%

b) Key Management Personnel

Name of Key Management Personnel	Designation
Mr. Krishna Datla (also a person controlling the holding company)	Managing Director (up to May 08, 2021) ExecutiveVice-Chairman (w.e.f. May 09, 2021)
Mr. Satish Varma	Executive Director
Mr. Sanjay Buch	Non-Executive Director
Ms. Rajeshwari Datla (also relative of the Executive Vice-Chairman)	Non-Executive Director
Ms. Anupama Datla Desai (also relative of the Executive Vice-Chairman)	Executive Director
Dr. Gopakumar Nair	Non-Executive Director
Mr. Vinayak Hajare	Non-Executive Director
Ms. Rajashri Ojha	Non-Executive Director
Mr. Prashant Nagre	Chief Executive Officer (up to May 08, 2021) Managing Director (w.e.f. May 09, 2021)
Mr. Sumesh Gandhi	Chief Financial Officer
Mr. Srikant N Sharma	Company Secretary

c) Associate

Health and Wellness India Private Limited

Silk Road Communications Private Limited (Associate of Holding Company - up to March 29, 2021)

d) Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited

Dupen Laboratories Private Limited

Lacto Cosmetics (Vapi) Private limited

Silk Road Communications Private Limited (w.e.f. March 30, 2021)

Notes to the Standalone financial statements

for year ended March 31, 2022

42 Related parties disclosures as per Ind AS 24 (Contd.)

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives	Associates
1	**Remuneration to Directors and Key Management Personnel (including commission)***					
	Mr. Krishna Datla	-	-	**129.81**	-	-
		(-)	(-)	(274.65)	(-)	(-)
	Mr. Satish Varma	-	-	**131.78**	-	-
		(-)	(-)	(225.31)	(-)	(-)
	Ms. Anupama Datla Desai	-	-	**117.47**	-	-
		(-)	(-)	(160.68)	(-)	(-)
	Mr. Prashant Nagre	-	-	**146.02**	**(-)**	**(-)**
		(-)	(-)	(224.36)	(-)	(-)
	Mr. Sumesh Gandhi	-	-	**89.95**	-	**(-)**
		(-)	(-)	(81.07)	(-)	(-)
	Mr. Srikant N Sharma	-	-	**62.60**	-	-
		(-)	(-)	(80.14)	(-)	(-)
	Commission to non-executive directors (excluding statutory levy)					
	Mr. Sanjay Buch	-	-	-	-	-
		(-)	(-)	(13.21)	(-)	(-)
	Dr. Gopakumar Nair	-	-	-	-	-
		(-)	(-)	(13.21)	(-)	(-)
	Ms. Rajeshwari Datla	-		-	-	-
		(-)	(-)	(13.21)	(-)	(-)
	Mr. Vinayak Hajare	-		-	-	-
		(-)	(-)	(13.21)	(-)	(-)
	Ms. Rajashri Ojha	-		-	-	-
		(-)	(-)	(13.21)	(-)	(-)
2	**Directors sitting fees**					
	Mr. Sanjay Buch	-	-	**12.30**	-	-
		(-)	(-)	(8.10)	(-)	(-)
	Mr. Gopakumar Nair	-	-	**12.00**	-	-
		(-)	(-)	(7.70)	(-)	(-)
	Ms. Rajeshwari Datla	-	-	**11.50**	-	-
		(-)	(-)	(7.50)	(-)	(-)
	Mr. Vinayak Hajare	-	-	**12.50**	-	-
		(-)	(-)	(8.10)	(-)	(-)

Notes to the Standalone financial statements

for year ended March 31, 2022

42 Related parties disclosures as per Ind AS 24 (Contd.)

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives	Associates
	Ms. Rajashri Ojha	-	-	**8.20**	-	-
		(-)	(-)	(5.00)	(-)	(-)
3	**Rent and service income**					
	Aegean Properties Limited.	-	**0.30**	-	-	-
		(-)	(0.30)	(-)	(-)	(-)
	DVK Investments Private Limited.	**0.30**	-	-	-	-
		(0.30)	(-)	(-)	(-)	(-)
	Magnolia FNB Private Limited.	-	-	-	**0.30**	-
		(-)	(-)	(-)	(0.30)	(-)
	Silk Road Communications Private Limited.	-	-	-	**1.35**	-
		(-)	(-)	(-)	(-)	(1.35)
4	**Rent paid**					
	Aegean Properties Limited.	-	**18.00**	-	-	-
		(-)	(18.00)	(-)	(-)	(-)
5	**Expenditure incurred on behalf of related parties**					
	Aegean Properties Limited.	-	**16.62**	-	-	-
		(-)	(16.62)	(-)	(-)	(-)
	Fermenta Biotech Gmbh	-	-	-	-	-
		(-)	(19.00)	(-)	(-)	(-)
	Fermenta Biotech USA LLC	-	-	-	-	-
		(-)	(6.70)	(-)	(-)	(-)
6	**Sale of products**					
	Dupen Laboratories Private Limited	-	-	-	**34.66**	-
		(-)	(-)	(-)	(25.51)	(-)
	Fermenta Biotech Gmbh	-	**921.76**	-	-	-
		(-)	(852.12)	(-)	(-)	(-)
	Fermenta USA LLC	-	**2,126.06**	-	-	-
		(-)	(1,327.95)	(-)	(-)	(-)
7	**Purchase of raw materials and packing materials**					
	Fermenta Biotech Gmbh	-	**19.58**	-	-	-
		(-)	(-)	(-)	(-)	(-)

Notes to the Standalone financial statements

for year ended March 31, 2022

42 Related parties disclosures as per Ind AS 24 (Contd.)

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives.	Associates
8	**Interest on loan given**					
	Fermenta Biotech USA LLC	- (-)	**10.03** (-)	- (-)	- (-)	- (-)
9	**Investment made**					
	Fermenta Biotech USA LLC	- (-)	- (1184.72)	- (-)	- (-)	- (-)
10	**Loans given**					
	Fermenta Biotech USA LLC	- (-)	**642.26** (-)	- (-)	- (-)	- (-)

(Figures in brackets are the corresponding figures in respect of the previous year.)

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

C) Balance outstanding as at the end of the year :

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
a.	**Trade payables and reimbursement payables**		
	Subsidiary		
	Aegean Properties Limited.	99.63	89.77
	Fermenta Biotech Gmbh	19.58	-
b.	**Trade receivables and reimbursement receivables**		
	Subsidiary		
	Aegean Properties Limited.	-	2.18
	Fermenta Biotech Gmbh	3175.33	2278.96
	Fermenta USA LLC	1156.97	1847.27
	Fermenta Biotech USA LLC	6.70	6.70
	Enterprises under significant influence of key management personnel or their relatives:		
	Dupen Laboratories Pvt Ltd	8.66	26.59
c.	**Allowance for doubtful debts/advances**		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00
d.	**Deposit from tenants**		
	Associate of Holding Company		
	Silk Road Communications Private Limited	-	0.20

Notes to the Standalone financial statements

for year ended March 31, 2022

42 Related parties disclosures as per Ind AS 24 (Contd.)

C) Balance outstanding as at the end of the year :

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
	Enterprises under significant influence of key management personnel or their relatives:		
	Silk Road Communications Private Limited	0.20	-
e.	**Provision for diminution in value of investments**		
	Associate		
	Health and Wellness India Private Limited (including share application money)	784.86	784.86
	Subsidiary		
	CC Square Films Limited	-	5.00
	Fermenta Biotech (UK) Limited	148.65	148.65
f.	**Other financial liabilities**		
	Key management personnel		
	Mr. Krishna Datla	40.00	132.43
	Mr. Satish Varma	-	112.31
	Ms. Anupama Datla Desai	-	79.28
	Mr. Prashant Nagre	-	66.92
	Dr. Gopakumar Nair	-	13.21
	Ms. Rajeshwari Datla	-	13.21
	Mr. Vinayak Hajare	-	13.21
	Mr. Sanjay Buch	-	13.21
	Ms. Rajashri Ojha	-	13.21
g.	**Inter corporate deposits**		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00
h.	**Loan given**		
	Subsidiary		
	Fermenta Biotech USA LLC	642.26	-

D) The Company has granted ESOP options to Key management personnel as mentioned below and for terms Refer to note 60 , balance outstanding as at the end of the year

a) Mr.Prashant Nagre – Nil Options (March 31, 2021 – 217,410 Options)

b) Mr. Sumesh Gandhi – 16,064 Options (March 31, 2021 – 40,161 Options)

c) Mr. Srikant Sharma – 12,047 Options (March 31, 2021 – 30,117 Options)

Note - Out of the above category of options a) options - 217,410, b) options - 9,639 and c) options - 7,228 are vested on 25.02.2022 and options are cancelled a) options - Nil, b) options - 14,458 and c) options - 10,842.

Notes to the Standalone financial statements

for year ended March 31, 2022

43 Commitments and Contingent liabilities

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
(i) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,445.41	688.71
(b) Lease commitments	162.66	261.66
(ii) Contingent liabilities:		
Claims against the company not acknowledged as debts		
(a) Tax matters		
Service tax department raised demand of ₹ 22.50 Lakhs consisting of Service Tax of ₹ 7.50 Lakhs and penalty of ₹ 15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. The Company has preferred an appeal to Bombay High Court.	22.50	22.50
The Deputy Commissioner of sales tax has confirmed the order of the Assistant Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Assistant Commissioner pending final disposal.	4.63	4.63
(b) Letter of comfort on behalf of a subsidiary, to the extent of limits	301.46	301.46

Note:- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

44 Payment to auditors excluding statutory levies

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
For audit	27.00	27.00
For limited review	15.00	15.00
For other services	10.35	5.14
Reimbursement of expenses	0.44	0.71
	52.79	**47.85**

45 Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Profit for the year used for computation of basic and diluted earnings per share (₹ in Lakhs)	3,023.73	5,196.85
Weighted average number of equity shares used in calculating basic EPS [Refer Note 22(a)]	28,847,322	28,847,322
Effect of dilutive potential equity shares	155,011	157,464
Weighted average number of equity shares used in calculating diluted EPS	29,002,333	29,004,786
Basic earnings per equity share [nominal value of share ₹ 5 (March 31, 2021: ₹ 5)]	**10.48**	**18.02**
Diluted earnings per equity share [nominal value of share ₹ 5 (March 31, 2021: ₹ 5)]	**10.43**	**17.92**

Notes to the Standalone financial statements

for year ended March 31, 2022

46 Leases

(A) Assets taken on operating lease

The Company had entered into agreements for taking on leave and license basis certain residential and office premises and also taken vehicles on lease basis. The Company also has lease arrangements for lands taken on lease at Dahej and Saykha. The lease term in respect of these lease ranges from 2 to 99 years. In respect of the said leases, the additional information is as under

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Depreciation charge for right-of-use assets	172.72	157.61
Expenses relating to leases of low-value assets accounted for on straight line basis (included in Rent expenses in Note 41)	32.40	32.51
Total cash outflow for leases	154.58	153.41
Maturity analysis of lease liabilities (on undiscounted basis)		
Less than one year	147.40	154.57
One to five years	251.93	264.01
More than five years	771.62	702.00
Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date.	10%	10%

The following is the summary of practical expedients elected on initial application:

i) The Company has not reassessed whether a contract is or contains a lease at the date of initial application.

ii) The Company has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.

iii) The Company has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

iv) Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application

The difference between the operating lease commitments as of March 31, 2019, disclosed applying Ind AS 17 and the value of the lease liability recognised in the balance sheet at the date of initial application is primarily on account of inclusion of extension options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

General description of significant leasing agreements

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions

(B) Assets given on operating lease

The Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease period expiring on December 2022.

The Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring up to December 2026.These agreements have a non-cancellable period at the beginning of the period for 3 to 5 years and have rent escalation provisions 5% every year or 12 % to 23% after 2 to 3 years.

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
a)	Rent income recognised in the Standalone statement of profit and loss for the year [Includes rentals on sub-lease of ₹ 211.79 lakhs (March 31, 2021 ₹ 219.48 lakhs)]	1,323.80	1,429.97
b)	Future minimum lease income under the non-cancellable leases in the aggregate and for each of the following periods:		
	i) Not later than one year	456.64	199.66
	ii) Later than one year and not later than five years	1,433.39	419.46
	iii) More than five years	-	-

Notes to the Standalone financial statements

for year ended March 31, 2022

47 Employee benefits

The Company operates following employee benefit plans

(I) Defined contribution plans: Provident fund, superannuation fund, employee state insurance scheme (ESIC) and labour welfare fund.

(II) Defined benefit plan: Gratuity (funded)

(III) Other long term benefit plan: Compensated absences (unfunded)

I) Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees of the Company. The contribution to defined contribution plan, recognised as expenses in the Standalone statement of profit and loss for the year is as under (Refer Note 38).

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Employer's contribution to provident fund	269.60	217.40
Employer's contribution to superannuation fund	1.91	1.53
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	12.53	11.56
Employer's contribution to labour welfare fund	0.10	0.09

II) Defined benefit plan

The Company operates a defined benefit plan, viz., gratuity.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in the gratuity fund.

(a) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	**452.59**	**395.05**
Interest cost	28.29	25.00
Current service cost	57.71	48.29
Benefits paid	(16.03)	(19.79)
Actuarial (Gain)/loss on obligations - due to changes in financial assumptions	(11.87)	-
Actuarial (Gain)/loss on obligations - due to changes in demographic assumptions	-	-
Actuarial (Gain)/loss on obligations - due to changes in experience adjustment	48.68	4.04
Closing defined benefit obligation	**559.37**	**452.59**

(b) Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	**325.15**	**290.95**
Employer's contributions	37.47	36.29
Interest income	20.80	18.77
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	3.51	(1.07)
Benefit paid	(16.03)	(19.79)
Closing fair value of plan assets	**370.90**	**325.15**

Notes to the Standalone financial statements

for year ended March 31, 2022

47 Employee benefits (Contd.)

(c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the Standalone financial statements arising from the Company's obligation in respect of its defined benefit obligation plan is as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Fair value of plan assets	370.90	325.15
Present value of defined benefit obligation	559.37	452.59
Amounts recognised in the Standalone balance sheet surplus/(deficit)	**(188.47)**	**(127.44)**

(d) The amount recognised in Standalone statement of profit and loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Current service cost	57.71	48.29
Net interest expense / (income)	7.48	6.23
Components of defined benefit costs recognised in Standalone statement of profit and loss	**65.19**	**54.52**

(e) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	3.51	(1.07)
Actuarial gains /(losses) arising from changes in financial assumptions	11.87	-
Actuarial gains /(losses) arising from changes in demographic assumptions	-	-
Actuarial gains /(losses) arising from changes in experience adjustments	(48.68)	(4.04)
Components of defined benefit recognised as income / (loss) in other comprehensive income	**(33.30)**	**(5.11)**

f) The principal assumptions used for the purpose of the actuarial valuations are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.05%	6.80%
Salary escalation rate (per annum)	5.00%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	6.80%
Retirement Age	58 Years	58 Years
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)
Leaving Service (age groups)	21-30 years- 4%	21-30 years- 4%
	31-40 years - 3%	31-40 years - 3%
	41-50 years - 2%	41-50 years - 2%
	Above 50 years - 1%	Above 50 years - 1%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC) .

The expected contributions for defined benefit plan for the next financial year is ₹ 35 Lakhs (March 31, 2021: ₹ 35.00 Lakhs).

Notes to the Standalone financial statements

for year ended March 31, 2022

47 Employee benefits (Contd.)

g) Maturity analysis of projected benefit obligation

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Expected benefits for Year 1	113.31	73.67
Expected benefits for Year 2	40.18	40.12
Expected benefits for Year 3	24.92	33.35
Expected benefits for Year 4	35.80	20.25
Expected benefits for Year 5	54.15	29.78
Expected benefits for Year 6	68.46	45.42
Expected benefits for Year 7	42.70	61.71
Expected benefits for Year 8	17.73	34.93
Expected benefits for Year 9	28.66	13.12
Expected benefits for Year 10 and above	747.33	595.12

h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Insurer managed funds	100%	100%

i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	March 31, 2022 (Decrease)/increase in DBO*	March 31, 2021 (Decrease)/increase in DBO*
Discount rate (- 0.50%)	4.33%	4.53%
Discount rate (+ 0.50%)	-4.02%	-4.20%
Salary escalation rate (- 0.50%)	-3.90%	-4.01%
Salary escalation rate (+ 0.50%)	4.17%	4.30%

*'DBO: Defined benefit obligation

j) Inherent risks:

The inherent risk for the Company mainly are adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and provision is made as per Company rules with corresponding charge / (credit) to the Standalone statement of profit and loss amounting to ₹ 110.09 Lakhs [March 31, 2021: (₹71.95 Lakhs)] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined at the year end using the "Projected unit credit model". Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in OCI where as gains and losses in respect of other long term employee benefit plans are recognised in the Standalone statement of profit and loss.

Notes to the Standalone financial statements

for year ended March 31, 2022

48 Income tax

48A Tax expense recognised in the Standalone statement of profit and loss and other comprehensive income consists of:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Tax expenses:		
Current tax	740.75	1,125.79
Deferred tax charge	491.76	0.26
Income tax expense recognised in the Standalone statement of profit and loss	**1,232.51**	**1,126.05**
Tax expense recognised in other comprehensive income	(9.70)	(1.49)
Total Tax expense	**1,222.81**	**1,124.56**

48B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Profit before tax	4,256.24	6,322.90
Enacted income tax rate in India (%) #	29.120	34.944
Income tax expense calculated at enacted income tax rate	1,239.42	2,209.47
Effect of tax on:		
Impact of change in tax rates on Deferred tax assets	-	(302.73)
Expenses disallowed under income Tax	55.21	76.02
Income that is exempt from tax	-	(1,037.87)
Incremental deduction on account of research and development	(74.90)	(7.35)
Differential tax effect due to effective tax rate difference	-	326.85
Others	12.78	(138.35)
	(6.91)	**(1,083.43)**
Total income tax expense	**1,232.51**	**1,126.05**
Tax expenses recognised in Standalone statement of profit and loss	**1,232.51**	**1,126.05**
Tax expense recognised in other comprehensive income	**(9.70)**	**(1.49)**
Total tax expense	**1,222.81**	**1,124.56**

The tax rate used for reconciliation above is the corporate tax rate of 29.12% (March 31, 2021: 34.944%) at which the Company is liable to pay tax on taxable income under the Indian tax Laws.

48C The major components of deferred tax liabilities/(assets) arising on account of temporary differences are as follows:

(₹ in Lakhs)

Particulars	April 01, 2021	March 31, 2022		
		Statement of profit and loss	Other comprehensive income	March 31, 2022
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, plant and equipment and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,040.94)	(383.05)	-	(2,423.99)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	135.30	48.99	9.70	193.99
Allowance for doubtful debts and advances	163.26	(19.15)	-	144.11
Allowance for impairment in the value of non current investment and share application money	138.32	-	-	138.32
MAT Credit entitlement	5,398.99	(106.52)	-	5,292.47
Others	16.25	(32.03)	-	(15.78)
Deferred tax charge/(credit)		**(491.76)**	**9.70**	
Net deferred tax assets	**3,811.18**			**3,329.12**

Notes to the Standalone financial statements

for year ended March 31, 2022

48 Income tax (Contd.)

48C The major components of deferred tax liabilities/(assets) arising on account of temporary differences are as follows:

(₹ in Lakhs)

Particulars	April 01, 2020	March 31, 2021		
		Statement of profit and loss	Other comprehensive income	March 31, 2021
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, plant and equipment and intangible assets: Impact of difference between written down value as per books of account and income tax	(1,533.78)	(507.16)	-	(2,040.94)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	121.99	11.82	1.49	135.30
Allowance for doubtful debts and advances	142.16	21.10	-	163.26
Allowance for impairment in the value of non current investment and share application money	-	138.32	-	138.32
MAT Credit entitlement	5,072.14	326.85	-	5,398.99
Others	7.44	8.81	-	16.25
Deferred tax charge/(credit)		**(0.26)**	**1.49**	
Net deferred tax assets	**3,809.95**			**3,811.18**

48D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Unused tax losses (capital in nature)	124.35	124.35

The unused tax losses (capital in nature) will expire from financial year 2021-22 to financial year 2027-28.

Pursuant to scheme of amalgamation, during the financial year 2018-19 (assessment year 2019-2020) Company has through revised income tax return filed on July 26, 2020, recognised an intangible assets of ₹ 60,390.05 Lakhs in the form of Goodwill in its income tax block of assets and has claimed under section 32(1) of the Income Tax Act, 1961 ('the Act') depreciation of ₹ 15,097.51 Lakhs for assessment year 2019-2020 and for assessment year 2020-2021, ₹ 11,323.15 Lakhs. Pending the outcome of the assessment by the income tax authorities, the aforesaid amount of depreciation has not been considered as deduction for arriving at the provision for taxation and also deferred tax assets has not been created on the amount recognised as goodwill for the purposes of the Act.

49 Research and development expenditure

Research and development expenditure of ₹ 818.71 Lakhs (March 31, 2021: ₹ 560.25 Lakhs) (excluding interest and depreciation) has been charged to the Standalone statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹ 257.20 Lakhs (March 31, 2021: ₹ 21.03 Lakhs).

50 During the year ended March 31, 2022, Commission of ₹ Nil to the Managing Director and Executive Directors and directors sitting fees and commission to Non-Excecutive Directors aggregating ₹ 56.50 Lakhs has been charged to the Standalone statement of profit and loss. During the year ended March 31, 2021, Commission of ₹ 324.02 Lakhs to the Managing Director and Executive Directors and directors sitting fees sitting fees and commission aggregating ₹ 102.45 Lakhs to the Non-Executive directors has been charged to the Standalone statement of profit and loss.

Notes to the Standalone financial statements

for year ended March 31, 2022

51 Details of CSR expenditure

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Gross amount required to be spent by the Company	186.60	206.53

Particulars	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Amount spent during the year #						
i) Construction/acquisition of any asset	95.76	-	95.76	16.60	-	16.60
ii) On purposes other than (i) above	93.85	-	93.85	200.95	-	200.95

'Excess payment of ₹ 3.00 Lakhs spent in the financial year March 31, 2022, will be set-off in the subsequent year expenses

Nature of CSR activities undertaken

Nature of CSR activities	Amount Spent	
	March 31, 2022	March 31, 2021
Promoting health care including preventive health care	40.00	79.45
Contribution for the benefit of armed forces veterans	3.24	31.05
Contribution towards animal protection/ welfare	52.86	56.44
Social welfare and Covid care support	-	17.61
Covid care support	34.05	0.50
Promoting health care	53.29	24.37
Promoting education	4.99	-
Protection of art and culture	1.17	-
Administrative Overheads	-	0.68

52 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a (i) Principal amount remaining unpaid to any supplier at the end of the accounting year	224.72	78.34
(ii) Interest due on above	-	-
The Total of (i) and (ii)	224.72	78.34
b The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes to the Standalone financial statements

for year ended March 31, 2022

53A Categories of the financial instruments

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Financial assets		
Financial assets measured at fair value through Other comprehensive income		
Investments in equity instruments -quoted	24.60	20.83
Investments in equity instruments -unquoted	4.11	4.11
Financial assets measured at amortised cost		
(i) Trade receivables	11,782.62	9,611.96
(ii) Cash and cash equivalents	1,019.22	1,356.57
(iii) Bank balances other than (ii) above	2,055.31	2,773.80
(iv) Loans	644.61	478.45
(v) Other financial assets	1,176.34	1,014.26
Total Financial assets	**16,706.81**	**15,259.98**
b) Financial liabilities measured at amortised cost		
(i) Borrowings	23,614.59	22,932.39
(ii) Lease liabilities	479.05	465.47
(iii) Trade payables	4,556.64	4,569.85
(iv) Other financial liabilities	1,324.45	1,782.38
Financial liabilities measured at fair value through profit or loss		
Derivatives not designated as hedge	23.57	110.15
Total Financial liabilities	**29,998.30**	**29,860.24**

53B Reconciliation of Level 3 fair value measurements:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening balance	4.11	4.11
Total gains or (losses)		
Recognised in standalone statement of profit and loss.	-	-
Closing balance	**4.11**	**4.11**

54 Additions of ₹ 860 Lakhs to product know-how represent development expenses incurred to achieve a predefined optimum yield on a product launched during the year ended March 31, 2021, where the application to patent this process is pending approval from Controller General of Patents, Designs and Trade Marks.

Notes to the Standalone financial statements

for year ended March 31, 2022

55 Fair value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

(₹ in Lakhs)

	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Trade receivables	11,782.62	9,611.96	11,782.62	9,611.96
Cash and cash equivalents	1,019.22	1,356.57	1,019.22	1,356.57
Bank balances other than cash and cash equivalents	2,055.31	2,773.80	2,055.31	2,773.80
Loans	644.61	478.45	644.61	478.45
Other financial assets	1,176.34	1,014.26	1,176.34	1,014.26
Total assets	**16,678.10**	**15,235.04**	**16,678.10**	**15,235.04**
Financial liabilities				
Trade payables	4,556.64	4,569.85	4,556.64	4,569.85
Lease liabilities	479.05	465.47	479.05	465.47
Borrowings	23,614.59	22,932.39	23,614.59	22,932.39
Other financial liabilities	1,324.45	1,782.38	1,324.45	1,782.38
Derivatives not designated as hedge	23.57	110.15	23.57	110.15
Total liabilities	**29,998.30**	**29,860.24**	**29,998.30**	**29,860.24**

The financial assets above do not include investments in subsidiaries which are measured at cost, investments in mutual funds measured at fair value through profit and loss and investments in equity instruments measured at fair value through OCI.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

Fair value hierarchy

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income				
Investments in equity shares-quoted	24.60	Level 1	20.83	Level 1
Investments in equity shares-unquoted	4.11	Level 3	4.11	Level 3
Financial Liabilities measured at fair value through profit or loss				
Derivatives not designated as hedge	23.57	Level 2	110.15	Level 2

56 Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Company. The Company has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted by the Company. Segment revenues, expenses and results include inter-segment transfers.

Notes to the Standalone financial statements

for year ended March 31, 2022

56 Segment information: (Contd.)

A) The primary reporting of the Company has been performed on the basis of business segments, viz:

Bulk Drugs/Chemicals - Manufacturing and selling of chemicals, primarily bulk drugs and enzymes.

Property - Renting of properties

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems.

(₹ in Lakhs)

		2021-2022		
		2020-2021		
		Bulk Drugs/ Chemicals	Property	Total
a.	**Revenue**			
1	Segment revenue	**37,172.11**	**1,623.95**	**38,796.06**
		35,537.24	1,744.91	37,282.15
	Less : Inter-segment revenue	**-**	**-**	**-**
		-	-	-
	Unallocated revenue (net)			**752.62**
				661.81
2	Total			**39,548.68**
				37,943.96
b.	**Result**			
1	Segment profit	**5,355.66**	**649.55**	**6,005.21**
		7,028.44	924.48	7,952.92
2	Finance costs			**1,722.60**
				1,807.48
3	Unallocable income/(expenditure) (net)			**(26.37)**
				177.46
4	Inter segment results			**-**
				-
5	Profit before tax			**4,256.24**
				6,322.90
6	Tax expense			
	- current tax			**740.75**
				1,125.79
	- deferred tax charge			**491.76**
				0.26
7	Profit after tax			**3,023.73**
				5,196.85
c.	**Other information**			
1.	Segment assets	**53,170.71**	**7,021.08**	**60,191.79**
		48,292.31	7,496.72	55,789.03
2	Unallocated corporate assets			**11,072.84**
				12,464.75
3.	Total assets			**71,264.63**
				68,253.78
4.	Segment liabilities	**6,094.59**	**1,507.18**	**7,601.77**
		6,824.54	802.95	7,627.49

Notes to the Standalone financial statements

for year ended March 31, 2022

56 Segment information: (Contd.)

(₹ in Lakhs)

	2021-2022 2020-2021		
	Bulk Drugs/ Chemicals	Property	Total
5. Unallocated corporate liabilities			**24,065.67**
			23,581.47
6. Total liabilities			**31,667.44**
			31,208.96
7. Cost incurred during the year to acquire			
- segment tangible and intangible assets	**3,712.83**	**-**	**3,712.83**
	5,491.97	-	5,491.97
- unallocated segment tangible and intangible assets			**-**
			-
8. Depreciation and amortization expense	**1,974.28**	**374.70**	**2,348.98**
	1,544.62	345.99	1,890.61
9 Unallocated depreciation			**18.43**
			12.53

(Figures in italics are the corresponding figures in respect of the previous year.)

B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Company's revenue by geographical market:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
India		
Bulk Drugs/Chemicals	12,159.94	8,852.93
Property	1,623.93	1,744.91
Europe - Bulk Drugs/Chemicals	10,598.95	12,415.26
USA - Bulk Drugs/Chemicals	3,563.52	4,815.99
Others countries - Bulk Drugs/Chemicals	10,849.71	9,453.06
	38,796.06	**37,282.15**

Assets by geographical area – The following is the carrying amount of segment non-current assets by geographical area in which the assets are located:

(₹ in Lakhs)

	Non-Current assets*	
	March 31, 2022	March 31, 2021
India		
Bulk Drugs/Chemicals	23,966.54	22,129.08
Property	8,166.34	8,518.43
Total	**32,132.88**	**30,647.51**

* Non-current assets exclude investments, loans, share application money, other financial assets, tax assets and other non current assets.

The Company's operating facilities are located in India.

During the year ended March 31, 2022, the Company has not generated revenue of 10% or more of the Company's total revenue from any customer. (March 31, 2021 ₹ 3,982.79 Lakhs from two customers).

Notes to the Standalone financial statements

for year ended March 31, 2022

57 Financial risk management objectives and policies

The Company is exposed to credit risk, liquidity risk and market risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings. The Company is exposed to market risks related to foreign exchange rate risk, commodity rate risk, interest rate risk and other price risks, such as equity price risks. Thus, the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

i) Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investments in securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve, all investments in the equity instruments.

As at March 31, 2022, the Company had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2021, the Company did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borrowings obligations with floating interest rates.

The Company manages it's interest rate risk by having a balanced portfolio of long term and short term borrowings.

For the years ended March 31, 2022 and March 31, 2021 every 50 basis point decrease in the floating interest rate component applicable to its loan and borrowings would increase the Company's profit by ₹ 113.28 Lakhs and ₹ 115.71 Lakhs respectively. A 50 basis point increase in floating interest rate would lead to an equal but opposite effect.

iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Company's raw materials generally are stable. Cost of raw materials forms the largest portion of the Company's cost of revenues. A large portion of the Company's sales are subject to commodity rate risk having a volatile pricing. The Company monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

iv) Foreign currency risk

The Company's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company largely uses the natural hedge to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

The year end foreign currency exposures that have not been hedged(before giving effects of natural hedge) by derivative instrument or otherwise are given below:

Notes to the Standalone financial statements

for year ended March 31, 2022

57 Financial risk management objectives and policies (Contd.)

A) Significant foreign currency risk exposure relating to trade receivables and cash and cash equivalents :

Particulars	March 31, 2022			March 31, 2021	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial assets					
Cash and cash equivalents (including EEFC)	EURO	-	-	2.77	238.12
	USD	2.04	153.86	5.40	396.16
	SGD	0.02	0.92	0.02	0.90
	AED	0.01	0.17	-	-
	CHF	0.00	0.23	-	-
	OMR	0.00	0.69	-	-
	RUB	0.01	0.01	-	-
Trade receivables and other financial assets	USD	49.39	4,988.71	70.19	5,145.28
	EURO	59.27	3,732.41	48.75	4,195.14

B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	March 31, 2022			March 31, 2021	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial liabilities					
Trade payables	USD	7.63	576.84	13.35	978.41
Borrowings (PCFC)	EURO	30.38	2,556.69	57.88	4,980.68
	USD	15.71	1,187.23	8.53	625.56
External Commercial borrowing (ECB)	EURO	10.77	906.56	16.65	1,432.31
Foreign Currency Term Loan (FCTL)	EURO	14.17	1,193.08	12.73	1,095.61

C) Foreign currency sensitivity

For the years ended March 31, 2022 and March 31, 2021, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Company's profit and increase the Company's total equity by approximately (net) ₹ 122.83 Lakhs and ₹ 21.07 Lakhs, respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

D) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars and Euros and foreign currency debts in US dollars and Euros. The Company uses cross currency interest rate swap (known as, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contract:

(₹ in Lakhs)

Particulars	Currency	Buy/Sell	Cross Currency	March 31, 2022	March 31, 2021
Derivatives not designated as hedges					
Cross currency interest rate swap	EUR	Buy	INR	23.57	28.32

Notes to the Standalone financial statements

for year ended March 31, 2022

57 Financial risk management objectives and policies (Contd.)

b) Credit risk

Credit risk is the risk of financial loss, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, loans and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Company evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for tradereceivables - Refer Note 16)

(₹ in Lakhs)

Trade receivables	March 31, 2022	March 31, 2021
Not due	8,078.46	6,724.19
Less than 6 months	2,822.10	1,142.36
6 months-1 year	266.77	764.95
1-2 years	39.20	1,135.32
2-3 years	667.50	26.31
Beyond 3 years	329.90	300.07
	12,203.93	**10,093.20**

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Credit risk in case of Intercorporate deposit given is managed by the Company in accordance with the Company's policy. ICD only be given out of surplus funds, are made only with the approval of the Board of Directors and are reviewed by the Board on an annual basis.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The Company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid banks deposits to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

i) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)

March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	12,146.34	7,634.77	3,833.48	23,614.59
Trade payables	4,446.82	109.82	-	4,556.64
Lease liabilities	107.28	112.75	259.02	479.05
Other financial liabilities (including derivatives not designated as hedge)	775.59	72.43	500.00	1,348.02
Total	**17,476.03**	**7,929.77**	**4,592.50**	**29,998.29**

Notes to the Standalone financial statements

for year ended March 31, 2022

57 Financial risk management objectives and policies (Contd.)

(₹ in Lakhs)

March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	11,888.59	6,360.48	4,683.32	22,932.39
Trade payables	4,569.85	-	-	4,569.85
Lease liabilities	116.46	164.16	184.85	465.47
Other financial liabilities	1,844.71	47.82	-	1,892.53
Total	**18,419.61**	**6,572.46**	**4,868.17**	**29,860.24**

The Company had unutilised credit limit of borrowing facilities as at March 31, 2022: ₹ 4881.51 lakhs and as at March 31, 2021 ₹ 2,084.00 lakhs from banks.

58 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less Cash and cash equivalents presented on the face of the standalone financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(i) The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Debts (Term loans and loans repayable on demand including current maturities of long term debts)	23,614.59	22,932.39
Less: Cash and cash equivalents (Refer Note 17)	1,019.22	1,356.57
Net debt	**22,595.37**	**21,575.82**
Total equity	39,597.19	37,044.82
Net debt to equity ratio	**57%**	**58%**

(ii) Dividend on equity shares paid during the year

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Dividend on equity shares		
Dividend for the year ended March 31, 2021 of ₹ 2.50 per share on 2,94,30,987 equity shares of ₹ 5.00/- each, fully paid up (net of 5,83,665 equity shares of ₹ 5.00/- each which were held by ESOP Trust) [Refer Note 22(a)]	721.18	-

Dividends not recognised at the end of the reporting period

The Board of Directors of the Company at its meeting held on May 30, 2022 have recommended dividend of ₹ 1.25 per share. The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting and hence not recognised as a liability.

59 Investment properties

The Company's investment properties consist of Thane One Building and freehold land located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to Thane One building and freehold land at Thane, the Company has freehold land at Takawe area.

Criteria used for classification of property as investment property

The Company has considered the following for classification of property as investment property:

(i) Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.

Notes to the Standalone financial statements

for year ended March 31, 2022

59 Investment properties (Contd.)

(ii) The properties that are not occupied by the Company for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Company has a building which is primarily meant for renting is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Company has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area.

Estimation of fair value

The fair value of the Investment Property has been determined as ₹ 31,564.54 Lakhs. (March 31, 2021 ₹ 40,547.70 Lakhs).The fair value has been determined by an external, independent property valuer, having appropriate professional qualification and recent experience in the location and category of the property being valued. The Company obtained independent valuation for its investment property and fair value measurement has been categorised as Level 3. The fair value has been arrived at by using comparable market rate approach. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village Majiwada area and Takawe area.

Amount recognised in Standalone statement of profit and loss

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Income from investment properties	1,412.16	1,525.43
Less: Direct operating expenses (including repairs and maintenance) generating income from investment properties	762.61	600.95
Income arising from investment properties	649.55	924.48
Less: Depreciation	(282.55)	(254.71)
Income/(loss) arising from investment properties after depreciation	367.00	669.77

Refer Note 46 (B) for operating lease arrangements and total future minimum lease rentals receivable

Refer Note 24 for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal

60 Share-based payments

Employee share option plan of the Company

1.1 Details of the employee share option plan of the Company

This ESOP 2019 scheme has been framed pursuant to the Scheme of Amalgamation between the erstwhile Fermenta Biotech Limited ("Transferor Company") with the DIL Limited ("Transferee Company") and their respective shareholders. The Transferor Company prior to the Scheme of Amalgamation had implemented the 'Fermenta Biotech Limited - Employee Stock Option Plan 2019' and were granted employee stock options to its eligible employees. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.398) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.398) and fractions rounded off to the next higher whole number. The terms and conditions of ESOP 2019 Scheme of DIL Limited are not less favourable than those of ESOP Scheme of erstwhile Fermenta Biotech Limited. Under the ESOP 2019 Scheme, stock options have been issued to the eligible employees of erstwhile Fermenta Biotech Limited.

In accordance with the terms of the plan, as approved by the erstwhile shareholders of Fermenta Biotech Limited at an extra general meeting, executives and senior employees with the Company were granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria.

Notes to the Standalone financial statements

for year ended March 31, 2022

60 Share-based payments (Contd.)

The following share-based payment arrangements were in existence during the current year:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Plan 1 (60% of options granted under ESOP 2019)	101,614	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2025, 12.08.2025 and 28.02.2025	83.67	421.71, 421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	49,526	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2026, 12.08.2026 and 28.02.2026	83.67	421.71, 421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	28,270	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2027, 12.08.2027 and 28.02.2027	83.67	421.71, 421.71 and 298.16
Plan 2 (100% of options granted under ESOP 2019)	217,410	25.02.2019	25.02.2025	83.67	418.22

Options granted under ESOP 2019 shall vest not before 1 (one) year and not later than maximum Vesting Period of 5 (five) years from the date of grant of such Options. Subject to the minimum vesting period of one year, the Nomination and Remuneration Committee of the Board at its discretion approve for acceleration of Vesting of any or all unvested Options of the Option Grantee.

The above number of options, fair value at grant dates and exercise price were adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

The above number of options, were adjusted for the Forfeited/ cancallation of option for fullment of year end assessment of ESOP vesting conditions.

1.2 Fair value of share options granted

The weighted average fair value of the share options granted during the financial year is Nil (previous year ₹ 298.16). Options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been calculated based on a weighted average of vests. Expected volatility is based on the historical share price information of similar listed entities.

	Option series			
Inputs into the model	Plan 1 (60% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 2 (100% of options granted under ESOP 2019)
Grant date share price	298.16 and 298.16	298.16 and 298.16	298.16 and 298.16	418.22
Exercise price	83.67	83.67	83.67	83.67
Expected volatility	69.28% and 65.33%	68.83% and 61.84%	68.08% and 60.02%	69.28%
Option life	4.51 years and 4 years	5.51 years and 5 years	6.51 years and 6 years	4.51 years
Dividend yield	0% and 0.57%	0% and 0.57%	0% and 0.57%	0.00%
Risk-free interest rate	7.14% and 5.22%	7.25% and 5.53%	7.35% and 5.78%	7.14%

1.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	485,258	83.67	427,647	83.67
Granted during the year	-	-	70,278	83.67
Forfeited during the year	88,437	83.67	12,667	83.67
Bonus options issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	**396,821**	**-**	**485,258**	**-**

The number of options, were adjusted for the Forfeited /cancallation of option for fullment of year end assessment of ESOP vesting conditions.

Notes to the Standalone financial statements

for year ended March 31, 2022

60 Share-based payments (Contd.)

No share options were exercised during the year .

1.4 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 83.67 (as at March 31, 2021: ₹ 83.67), and a weighted average remaining contractual life of 1.78 years.

61 Ratio

(₹ in Lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current Ratio	31,524.75	18,665.73	1.69	1.60	5.76%	*
	(30,796.26)	(19,285.09)				
Debt-Equity Ratio	23,614.59	39597.19	0.60	0.62	-3.66%	*
	(22,932.39)	(37,044.82)				
Debt Service Coverage Ratio	7,116.41	4,121.44	1.73	2.19	-21.32%	*
	(8,923.50)	(4,066.12)				
Return on Equity Ratio	3,023.73	38,321.01	0.08	0.15	-48.15%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit
	(5,196.85)	(34,152.51)				
Inventory turnover Ratio	38,796.06	13,118.61	2.96	3.03	-2.30%	*
	(37,282.15)	(12,316.85)				
Trade Receivables turnover Ratio	38,796.06	10,697.29	3.63	4.30	-15.58%	*
	(37,282.15)	(8,678.12)				
Trade payables turnover Ratio	13,743.84	4,563.25	3.01	3.02	-0.22%	*
	(14,016.83)	(4,643.62)				
Net capital turnover Ratio	38,796.06	12,859.02	3.02	3.24	-6.85%	*
	(37,282.15)	(11,511.16)				
Net profit Ratio	3,023.73	38,796.06	0.08	0.14	-44.09%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit
	(5,196.85)	(37,282.15)				
Return on Capital employed	5,978.84	62,076.68	0.10	0.14	-30.49%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit
	(8,130.38)	(58,679.22)				
Return on Investment	3.77	2,048.90	0.00	(0.00)	0.00	*
	(-0.07)	(2050.13)				

* Ratio variance below threshold limit defined as per Schedule III of Companies Act 2013.

Current Ratio :	Current Assets/ Current Liabilities
Debt – Equity Ratio :	Total Debt/Shareholder's Equity
Debt Service Coverage Ratio :	Earnings available for debt service/Debt Service
	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
	Debt service = Interest & Lease Payments + Principal Repayments

Notes to the Standalone financial statements

for year ended March 31, 2022

61 Ratio (Contd.)

Return on Equity (ROE) :	Net Profits after taxes – Preference Dividend (if any)/Average Shareholder's Equity
Inventory Turnover Ratio :	Sales/ Average Inventory
	Average inventory is (Opening + Closing balance / 2)
Trade receivables turnover Ratio :	Net Credit Sales/ Avg. Accounts Receivable
	Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bills receivables
	Average trade debtors = (Opening + Closing balance / 2)
Trade payables turnover Ratio :	Net Credit Purchases/ Average Trade Payables
Net capital turnover Ratio :	Net Sales / Working Capital
	Net sales is calculated as total sales minus sales returns.
	Working Capital is calculated as Current assets minus Current liabilities.
Net profit Ratio :	Net Profit/ Net Sales
	Net profit after tax.
	Net sales is calculated as total sales minus sales returns.
Return on capital employed (ROCE) :	Earning before interest and taxes/Capital Employed
	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
Return on investment	Income from Investments / Cost of investments

62 The Company ('Fermenta') has signed a Binding Term Sheet on January 31, 2022 with Mextech Property Developers LLP ('Mextech') and granted development rights to Mextech for construction of residential-cum-comercial buildings in the balance portion of Thane land. In lieu of this the Company would receive residential flats on an area sharing basis aggregating 120,000 square feet RERA carpet area along with amenities. The Company has sought shareholders' approval through Postal Ballot under section 180 of the Companies Act, 2013 for the same vide Postal Ballot Notice dated May 10, 2022, the result of which will be declared on or before June 10, 2022.

63 Relationship with Struck off companies

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
CC Square Films LTD.	Investments in securities	NIL	Subsidiary Company till 26th day of November 2021
	Receivables	NIL	
	Payables	NIL	
	Shares held by stuck off company	NIL	
	Other outstanding balances (to be specified)	NIL	

64 Capitalisation of borrowing costs

During the year ended March 31, 2022, the Company capitalised the following borrowing costs attributable to qualifying assets to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, finance costs disclosed under note 39 are net of amounts capitalised by the Company.

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Finance costs (Including forex revaluation)	81.29	328.44
Total	**81.29**	**328.44**

65 The Company had given (unsecured) Inter-corporate deposits aggregating ₹ 2,130.00 Lakhs in various tranches to another entity for the development of the new product i.e. cholesterol from Fish Oil. The amount outstanding as on 31st March, 2022 including interest is Nil (31st March, 2021 is ₹ 521.96 Lakhs, including interest of ₹ 46.96 Lakhs).

Notes to the Standalone financial statements

for year ended March 31, 2022

66 The accumulated losses at ₹ 1,709.92 lakhs (including loss of ₹ 193.58 lakhs for the quarter and ₹ 1,300.38 lakhs for the year ended March 31, 2022, respectively) in Fermenta Biotech GmbH, wholly owned subsidiary (WOS) of the Company at Germany exceed the equity share capital and the Company's investment at ₹ 19.33 lakhs. Further, the Company has trade receivables of ₹ 2,722.31 lakhs and expenses recoverable of ₹ 462.74 lakhs from this WOS as at March 31, 2022. The WOS was incorporated fairly recently on June 14, 2019 and there has been considerable delay in obtaining the required approvals to execute sales for procedural reasons in view of the global pandemic "Covid-19". The WOS had obtained the required approvals in the previous quarter ended December 31, 2021 and commenced sales of its products. The management of the Company is of the view that these losses have been incurred in view of the unusal circumstances explained and are temporary in nature. The WOS expects to gradually recoup the losses and be in a position to repay its dues to the Company.

67 As per the current assessment of the situation based on the internal and external information available up to the date of approval of these standalone 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. 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 the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

68 a) Details of funds advanced or loaned or the like provided to Intermediaries or on behalf of the Ultimate Beneficiaries as per Schedule III of Company act underRule 11 (e)

Date	Amount #	Currency	Name of intermediaries
10.01.2020	75,000	EURO	Inter Gest Germany GmbH
17.01.2020	1,00,000	EURO	Inter Gest Germany GmbH
03.02.2020	1,00,000	EURO	Inter Gest Germany GmbH
29.04.2020	1,75,000	EURO	Inter Gest Germany GmbH
01.10.2020	4,50,000	EURO	Inter Gest Germany GmbH
26.02.2021	60,000	EURO	Inter Gest Germany GmbH
22.04.2021	50,000	EURO	Inter Gest Germany GmbH
30.06.2021	40,000	EURO	Inter Gest Germany GmbH
05.08.2021	25,000	EURO	Inter Gest Germany GmbH
13.08.2021	35,000	EURO	Inter Gest Germany GmbH
09.09.2021	1,05,000	EURO	Inter Gest Germany GmbH
18.11.2021	75,000	EURO	Inter Gest Germany GmbH
08.12.2021	8,50,000	USD	Fermenta Biotech USA LLC

\# Total outstanding amount in Lakhs:

a) Inter Gest Germany GmbH as at March 31, 2022 ₹ 1107.34 (as at March 31, 2021 ₹ 819.71)

b) Fermenta Biotech USA LLC as at March 31, 2022 ₹ 642.26 (as at March 31, 2021 Nil)

b) Details of funds further advanced or loaned or the like provided by such Intermediaries to other intermediaries or Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount #	Currency	Name of intermediaries
20.01.2020	70,000	EURO	Fermenta Biotech GmbH
21.01.2020	20,000	EURO	Fermenta Biotech GmbH
23.01.2020	10,000	EURO	Fermenta Biotech GmbH
04.02.2020	25,000	EURO	Fermenta Biotech GmbH
05.02.2020	50,000	EURO	Fermenta Biotech GmbH
24.02.2020	25,000	EURO	Fermenta Biotech GmbH
30.04.2020	75,000	EURO	Fermenta Biotech GmbH
05.10.2020	4,50,000	EURO	Fermenta Biotech GmbH

Notes to the Standalone financial statements

for year ended March 31, 2022

68 (Contd.)

Date	Amount #	Currency	Name of intermediaries
01.03.2021	60,000	EURO	Fermenta Biotech GmbH
31.03.2021	1,75,000	EURO	Fermenta Biotech GmbH
01.06.2021	50,000	EURO	Fermenta Biotech GmbH
02.07.2021	40,000	EURO	Fermenta Biotech GmbH
06.08.2021	25,000	EURO	Fermenta Biotech GmbH
17.08.2021	35,000	EURO	Fermenta Biotech GmbH
14.09.2021	1,05,000	EURO	Fermenta Biotech GmbH
19.11.2021	75,000	EURO	Fermenta Biotech GmbH
20.12.2021	8,50,000	USD	Fermenta USA LLC

c) The Company has complied all the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act 2013 for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) under Rule 11 (e)

69 Quarterly returns and statements of current assets for loans taken from Banks and Financial Institutions on the basis of security of current assets are filed by the Company with banks and Financial Institutions are in agreement with the books of accounts no such variations found. (Refer Note 24 and 28)

70 The Standalone financial statements were approved for issue by the Board of Directors on May 30, 2022.

For and on behalf of the Board of directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Independent Auditor's Report

To
The Members of
Fermenta Biotech Limited
(formerly known as DIL Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements 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") which includes the Group's share of profit/loss in its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. 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 consolidated financial statements under the provisions of the Act and the Rules made 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 the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recoverability of MAT credit entitlement - (See Notes 59 C to the Consolidated financial statements) Unused tax credits in the form of MAT credits is recognized to the extent it is reasonably certain that sufficient taxable profits will be available in the future against which such MAT credits can be utilized. The Parent Company has recognised MAT credit entitlement amounting to ₹ 5,292.47 Lakhs (presented within deferred tax asset) as at 31st March, 2022. The recoverability of such MAT credit entitlement is considered as a key audit matter as it involves significant management judgement including accounting estimates relating to profitability forecasts, availability of sufficient taxable income in the future and recoverability within the specified period of time.	**Our principal audit procedures performed included, among others:** 1. Evaluated the design and implementation and tested the operating effectiveness of controls related to the assessment of recoverability of MAT credit entitlement. 2. Evaluated and discussed with the Parent's Management the appropriateness of assumptions and evidences supporting the underlying profitability forecasts. Assessed the assumptions used in the profitability forecasts along with the Parent Company's tax position including the timing of future taxable profits. We also performed retrospective review and sensitivity analysis on the key assumptions used in aforementioned profitability forecasts for recoverability of MAT credit entitlement. 3. Assessed the adequacy of disclosures made in the consolidated financial statements of the Group.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example, Management discussion & analysis, Board's Report, Corporate Governance Report, etc. but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associate in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 financial statements 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 the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, 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 also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements 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 consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 6,539.74 Lakhs as at March 31, 2022, total revenues of ₹ 4,465.56 Lakhs and net cash outflows amounting to ₹ 41.50 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The above figures are before giving effects 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 on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 2 subsidiaries, whose financial information reflect total assets of ₹40.16 lakhs as at March 31, 2022, total revenues of ₹NIL and cash outflows amounting to ₹0.06 lakhs for the year ended on that date, as considered in the consolidated financial statements. The above figures are before giving effects of any consolidation adjustments. The consolidated financial statements also include the Group's share of profit of ₹ NIL for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of an associate, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management of the Parent and our opinion on the consolidated financial statements, 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 Management of the Parent, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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 and the financial information certified by the Management of the Parent.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate- See Note 64 to the consolidated financial statements.

   ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.

   iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 71 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

   As stated in note 57 to the financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN 22036920AJWCMF8128)

Place: Thane
Date: May 30, 2022

Annexure "A" to the Independent Auditor's Report

[Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Fermenta Biotech Limited (formerly known as DIL Limited)]

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Fermenta Biotech Limited (formerly known as DIL Limited) (hereinafter referred to as "the Parent") and its subsidiary companies (excluding an associate which is unaudited), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Rajesh K. Hiranandani
Partner
(Membership No. 36920)
(UDIN 22036920AJWCMF8128)

Place: Thane
Date: May 30, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	19,347.38	15,378.50
b) Capital work-in-progress	4	2,989.34	5,270.11
c) Right-of-use assets	5	1,395.97	1,292.55
d) Investment property	6A	6,727.63	6,870.38
e) Goodwill	6B	1,095.45	1,071.35
f) Other intangible assets	7	1,292.36	1,680.35
g) Intangible assets under development	8	467.16	420.55
h) Investments in an associate	9	-	-
i) Financial assets			
i) Investments	10	28.71	24.94
ii) Share application money	11	-	-
iii) Loans	12	0.85	1.85
iv) Others financial assets	13	669.16	219.25
j) Deferred tax assets (net)	59C	3,599.43	4,031.01
k) Non-current tax assets (net)	14	1,318.51	1,131.38
l) Other non-current assets	15	350.31	353.25
Total non-current assets		**39,282.26**	**37,745.47**
Current assets			
a) Inventories	16	15,947.65	16,227.05
b) Financial assets			
i) Trade receivables	17	8,709.01	6,801.48
ii) Cash and cash equivalents	18	1,305.61	1,679.44
iii) Bank balances other than (ii) above	19	2,055.31	2,773.80
iv) Loans	20	1.50	476.60
v) Other financial assets	21	27.71	347.83
c) Other current assets	22	3,355.20	2,655.95
Total current assets		**31,401.99**	**30,962.15**
TOTAL ASSETS		**70,684.25**	**68,707.62**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	23	1,442.37	1,442.37
b) Other equity	24	35,771.10	34,616.65
Equity attributable to owners of the Company		**37,213.47**	**36,059.02**
Non-controlling interests		(68.28)	(29.63)
Total equity		**37,145.19**	**36,029.39**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	25	11,468.25	11,043.80
ii) Lease liabilities	45	196.78	170.02
iii) Other financial liabilities	26	72.43	47.82
b) Provisions	27	564.83	449.20
c) Other non-current liabilities	28	524.43	34.04
Total non-current liabilities		**12,826.72**	**11,744.88**
Current liabilities			
a) Financial liabilities			
i) Borrowings	29	12,146.34	11,888.58
ii) Lease liabilities	45	106.98	116.19
iii) Trade payables			
A) Total outstanding dues of micro and small enterprises and;	30 & 65	224.72	78.34
B) Total outstanding dues of creditors other than micro and small enterprises	30	6,233.25	6,135.37
iv) Other financial liabilities	31	1,275.62	1,844.71
b) Other current liabilities	32	590.38	770.33
c) Provisions	33	103.04	67.82
d) Current tax liabilities (net)	34	32.01	32.01
Total current liabilities		**20,712.34**	**20,933.35**
TOTAL EQUITY AND LIABILITIES		**70,684.25**	**68,707.62**
See accompanying notes 1 to 73 to the Consolidated financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Consolidated Statement of Profit and Loss

for year ended March 31, 2022

(₹ in Lakhs)

	Notes	March 31, 2022	March 31, 2021
Income:			
Revenue from operations	35	39,851.57	37,728.88
Other income	36	813.59	825.05
Total Income		**40,665.16**	**38,553.93**
Expenses:			
Cost of materials consumed	37	13,218.76	14,194.63
Purchases of stock-in-trade		1,469.72	2,117.36
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	627.42	(2,874.72)
Employee benefits expense	39	6,296.73	5,821.57
Finance costs	40	1,708.43	1,797.46
Depreciation and amortisation expense	41	2,556.16	2,030.84
Other expenses	42	12,093.63	10,303.73
Total expenses		**37,970.85**	**33,390.87**
Profit before tax		**2,694.31**	**5,163.06**
Tax expense:			
Current tax	59	743.71	1,129.02
Deferred tax charge / (credit)	59C	444.54	(219.00)
Total tax expense		**1,188.25**	**910.02**
Profit for the year before share of profit/(loss) of an associate		**1,506.06**	**4,253.04**
- Share of profit/(loss) of an associate		-	-
Profit for the year		**1,506.06**	**4,253.04**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
a) (i) Remeasurements of defined benefit plan		(33.30)	(5.11)
(ii) Income tax relating to remeasurements of defined benefit plan		9.70	1.49
b) Net fair value change in investment in equity instruments through other comprehensive income		3.77	(0.65)
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		81.13	(22.97)
Total other comprehensive income / (loss) for the year (a+b)		**61.30**	**(27.24)**
Total comprehensive income for the year		**1,567.36**	**4,225.80**
Profit for the year attributable to:			
- Owners of the Company		1,544.71	4,550.66
- Non-controlling interests		(38.65)	(297.62)
		1,506.06	**4,253.04**
Total other comprehensive income / (loss) for the year			
- Owners of the Company		61.30	(27.24)
- Non-controlling interests		-	-
		61.30	**(27.24)**
Total comprehensive income for the year attributable to:			
- Owners of the Company		1,606.01	4,523.42
- Non-controlling interests		(38.65)	(297.62)
		1,567.36	**4,225.80**
Earnings per equity share of ₹5 each	**43**		
Basic (in ₹)		5.35	15.77
Diluted (in ₹)		5.33	15.69
See accompanying notes 1 to 73 to the Consolidated financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Consolidated Statement of Changes in Equity

for year ended March 31, 2022

(a) Equity share capital

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	1,442.37	1,442.37
Balance at the end of the year	**1,442.37**	**1,442.37**

(b) Other equity

(₹ in Lakhs)

	Reserves and Surplus							Items of other comprehensive income		Attributable to the Owners of the Parent Company	Non Controlling Interest	Total
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Unrealised (loss) on dilution	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through OCI			
Balance as at April 01, 2020	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**607.49**	**27,291.07**	**(8.33)**	**23.17**	**29,501.17**	**1.24**	**29,502.41**
Profit for the year	-	-	-	-	-	-	4,550.66	-	-	4,550.66	(297.62)	4,253.04
Recognition of share based payments	-	-	-	-	-	592.05	-	-	-	592.05	-	592.05
Acquisition of a subsidiary (Refer Note 60)	-	-	-	-	-	-	-	-	-	-	266.75	266.75
Other comprehensive income for the year	-	-	-	-	-	-	(3.61)@	(22.97)	(0.65)	(27.23)	-	(27.23)
Balance as at March 31, 2021	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**1,199.54**	**31,838.12**	**(31.30)**	**22.52**	**34,616.65**	**(29.63)**	**34,587.02**
Profit for the year	-	-	-	-	-	-	1,544.71	-	-	1,544.71	(38.65)	1,506.06
Payment of dividend (Gross)	-	-	-	-	-	-	(721.18)	-	-	(721.18)	-	(721.18)
Recognition of share based payments	-	-	-	-	-	269.62	-	-	-	269.62	-	269.62
Other comprehensive income for the year	-	-	-	-	-	-	(23.60)@	81.13	3.77	61.30	-	61.30
Balance as at March 31, 2022	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**1,469.16**	**32,638.05**	**49.83**	**26.29**	**35,771.10**	**(68.28)**	**35,702.82**

'@Represents remeasurement of defined benefits plan

See accompanying notes 1 to 73 to the Consolidated financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Consolidated Cash Flow Statement

for year ended March 31, 2022

(₹ in Lakhs)

PARTICULARS	March 31, 2022	March 31, 2021
A. Cash flows from operating activities		
Profit before tax	2,694.31	5,163.06
Adjustments for:		
Depreciation and amortisation expense	2,556.16	2,030.84
Net unrealised foreign exchange (gain)	(52.14)	(226.06)
Loss on sale/write off, of property, plant and equipment (Net)	2.67	16.03
Allowance for doubtful debts	141.25	118.96
Share based payments to employees	269.65	592.05
Finance costs	1,708.43	1,797.46
Interest income	(131.63)	(354.61)
Dividend income	-	(0.58)
Liabilities / provisions no longer required written back	(92.78)	(214.20)
Trade receivables and advances written off	3.44	90.96
Net (gain)/Loss on fair value changes of derivatives measured at FVTPL	(86.58)	110.15
Operating profit before working capital changes	**7,012.78**	**9,124.06**
Movements in working capital:		
(Increase)/decrease in trade receivables	(1,701.66)	646.07
Decrease/(increase) in inventories	279.40	(1,916.60)
(Increase) in other assets	(584.31)	(215.25)
Increase/(decrease) in trade payables	312.95	(752.50)
Increase in provisions	184.15	57.37
(decrease)/Increase in other liabilities	(228.35)	668.73
	5,274.96	**7,611.88**
Income taxes paid	(930.84)	(1,352.16)
Net cash generated from operations (A)	**4,344.12**	**6,259.72**
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	(3,712.82)	(5,527.09)
Proceeds on sale of property, plant and equipment	9.08	1.27
Intercorporate deposits received back	476.10	1,655.00
Interest received	235.83	478.81
Acquisition of a subsidiary (Refer Note 60)*	-	(943.85)
Dividend received	-	0.58
Deposits (placed with)/ received back from a financial institution	(50.93)	400.00
Deposits received back from /(placed with) banks not considered as cash and cash equivalents (net)	438.98	(219.70)
Net cash used in investing activities (B)	**(2,603.76)**	**(4,154.98)**
C. Cash flows from financing activities		
Proceeds from long term borrowings	2,430.46	2,916.54
Repayment of long term borrowings	(2,122.99)	(1,500.50)
Net Increase in short term borrowings	59.72	358.46
Finance costs	(1,667.27)	(1,753.42)

Consolidated Cash Flow Statement

for year ended March 31, 2022

(₹ in Lakhs)

PARTICULARS	March 31, 2022	March 31, 2021
Repayment of Lease Liabilities	(136.57)	(135.40)
Dividends paid	(721.18)	-
Net cash used in financing activities (C)	**(2,157.83)**	**(114.32)**
Net (decrease)/increase in cash and cash equivalents (A)+(B)+(C)	**(417.48)**	**1,990.41**
Cash and cash equivalents taken over on acquisition of a subsidiary (Refer Note 60)*	**-**	**61.15**
Cash and cash equivalents at the beginning of the year	229.13	(1,822.44)
Cash and cash equivalents at the end of the year	**(188.35)**	**229.13**
Components of cash and cash equivalents		
Cash on hand	7.05	4.77
Balances with banks		
In current accounts	1,185.16	1,345.52
Deposits with original maturity of less than 3 months	113.40	329.15
Cash and cash equivalents (Refer Note 18)	1,305.61	1,679.44
Cash credit and Bank overdraft facilities included under loans repayable on demand (Refer Note 29)	(1,493.96)	(1,450.31)
Total cash and cash equivalents considered for cash flows	**(188.35)**	**229.13**
See accompanying notes 1 to 73 to the Consolidated financial statements		

* previous year

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Thane, May 30, 2022

For and on behalf of the Board of Directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

Notes to the Consolidated financial statements

for year ended March 31, 2022

1. Corporate information

Fermenta Biotech Limited (Formerly Known as DIL Limited or 'the Parent Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange. The registered office of the Company is located at A- 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400610. The Parent Company is engaged in the business of manufacturing and marketing of chemicals, bulk drugs, enzymes, pharmaceutical formulations and environmental solution products and renting properties. The Parent Company caters to both domestic and international markets. The Parent Company also has strategic investments in subsidiaries / associate companies primarily dealing in manufacturing and marketing bulk drugs and providing services of sporting and health awareness activities / education activities.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other provisions of the Act. The financial statements of the Group have been consolidated using uniform accounting policies.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plan – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 47. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component or other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Notes to the Consolidated financial statements

for year ended March 31, 2022

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation.

(c) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets/liabilities and their realization/settlement in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(d) Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in 'Other equity' under 'gain / (loss) on dilution' and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Investments in associates and joint ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

Notes to the Consolidated financial statements

for year ended March 31, 2022

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(g) Foreign currencies

<u>Foreign currency transactions</u>

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

Notes to the Consolidated financial statements

for year ended March 31, 2022

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed of, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Employee Benefits

i) Short term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

ii) Termination benefits:

A) Defined contribution plans: The Group contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and labour welfare fund to all applicable employees and superannuation scheme for eligible employees. The Group has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

B) Defined benefit plan: The employees' gratuity fund scheme represents the defined benefit plan. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expenses or income; and

iii) remeasurement

Notes to the Consolidated financial statements

for year ended March 31, 2022

The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

iii) Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 61.

(a) Includes impact of market performance conditions (e.g. entity's share price)

(b) Excludes impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

(c) Excludes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share options outstanding account".

(j) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Notes to the Consolidated financial statements

for year ended March 31, 2022

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

(k) Revenue recognition

The Group derives revenues primarily from sale of manufactured chemicals, bulk drugs, enzymes, pharmaceutical formulations, environmental solution products and rental income from investment property. Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Amounts collected on behalf of third parties such as sales tax, and Goods and Services Tax are excluded from revenue.

Sale of Goods:

The Group recognises revenue when it transfers control of a product or service to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer:

- when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery,

- the customer has full discretion over the manner of distribution and price to sell the goods,

- the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Rental income from investment property

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essentials. Revenue from such services are recognised in accordance with the terms of the agreement entered into with individual lessees.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognised on receipt of refund order.

Dividend income is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.

Export Incentives:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit under the Duty Drawback, Mercantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head "Other Operating Revenue" in the consolidated statement of profit and loss and is accounted in the year of export.

Notes to the Consolidated financial statements

for year ended March 31, 2022

(l) Property, plant and equipment (PPE)

Measurement at recognition:

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful life (in years)
Buildings	30-60
Lease hold improvements (included in buildings)	5-10
Plant and equipment	5-20
Office Equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	6-10
Vehicles	8

(m) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

(b) commencement of development with a view to sale, for a transfer from investment property to inventories

(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;

(d) commencement of an operating lease to another party, for a transfer from inventories to investment property

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The estimated useful lives of Investment property are as follows:

Assets	Estimated useful life (in years)
Building	60
Plant and equipment	15

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(n) Intangible assets

(a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the assets is derecognised.

(b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the asset and use or sell it;

(iii) its ability to use or sell the asset;

(iv) how the asset will generate probable future economic benefits;

(v) the availability of adequate resources to complete the development and to use or sell the asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the consolidated statement of profit and loss in the period in which incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible as intangible assets that are acquired separately.

The estimated useful lives of intangible assets are as follows:

Assets	Estimated useful life (in years)
Computer software	3-6
Product know-how	3-5

(o) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

[The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset.]

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For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

(p) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(q) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

(r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets are financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

(1) Debt instruments at amortised cost

(2) Debt instruments at fair value through other comprehensive income (FVTOCI)

(3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Notes to the Consolidated financial statements

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(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss.

(2) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument that give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(4) Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to consolidated statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

1) The contractual rights to receive cash flows from the asset have expired, or

2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (a) The Group has transferred substantially all the risks and rewards of the asset, or

   (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement; in that case the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at

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the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchase or originated credit-impaired financial assets). The Group estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Group's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 52A.

Financial liabilities at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit and loss.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Leasing

The Group as a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for Residential premises, Office Premises, Godown, Industrials land and Vehicle. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets and lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Also refer Note 45.

In respect of short-term leases and leases of low-value assets, the Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(t) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the consolidated financial statements of the Group. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

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(u) Earnings per share

The Group presents basic and diluted earnings per share data for its equity shares.

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Dilutive EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(v) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of cash credit / overdraft balances as they are considered an integral part of the Group's cash management.

(w) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Group and accordingly is identified as the chief operating decision maker.

(x) Cash dividends to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(y) Use of estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

<u>Fair value measurement of financial instruments:</u>

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

<u>Useful lives of property, plant and equipment, investment property and intangible assets:</u>

Property, plant and equipment, investment property and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

<u>Assets and obligations relating to employee benefits:</u>

The employment benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

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Tax expense: [refer note 2(j)and note 59]

The Parent Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists

Valuation of investment property [refer note 58]

Impairment of tangible and intangible assets other than goodwill [refer note 2(o)]

Impairment of Goodwill [refer note 2(p)]

Provisions: [refer note 2(t)]

Write down in value of inventories: (refer note 16)

Estimation of uncertainty relating to COVID-19 global health pandemic – (refer note 69)

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 3. - Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold Improvements	Total
At cost or deemed cost as at April 01, 2020	**34.30**	**4,185.82**	**8,301.67**	**427.67**	**279.91**	**447.51**	**13,676.88**
Additions	-	1,461.52	4,594.07	71.02	161.24	-	6,287.85
Disposals	-	-	(37.89)	(9.05)	(0.45)	-	(47.39)
Balance as at March 31, 2021	**34.30**	**5,647.34**	**12,857.85**	**489.64**	**440.70**	**447.51**	**19,917.34**
Additions	-	1,364.73	3,770.97	160.84	301.52	51.05	5,649.11
Disposals	-	-	(16.80)	(2.81)	(7.52)	-	(27.13)
Balance as at March 31, 2022	**34.30**	**7,012.07**	**16,612.02**	**647.67**	**734.70**	**498.56**	**25,539.32**
Accumulated depreciation							
As at April 01, 2020	**-**	**659.45**	**2,239.58**	**175.71**	**121.83**	**79.96**	**3,276.53**
Depreciation expense	-	217.93	899.86	76.67	34.57	63.36	1,292.39
Disposals	-	-	(20.59)	(9.09)	(0.40)	-	(30.08)
Balance as at March 31, 2021	**-**	**877.38**	**3,118.85**	**243.29**	**156.00**	**143.32**	**4,538.84**
Depreciation expense	-	277.36	1,162.05	89.33	62.71	77.01	1,668.46
Disposals	-	-	(5.68)	(2.81)	(6.87)	-	(15.36)
Balance as at March 31, 2022	**-**	**1,154.74**	**4,275.22**	**329.81**	**211.84**	**220.33**	**6,191.94**
Carrying amount							
As at March 31, 2021	**34.30**	**4,769.96**	**9,739.00**	**246.35**	**284.70**	**304.19**	**15,378.50**
As at March 31, 2022	**34.30**	**5,857.33**	**12,336.80**	**317.86**	**522.86**	**278.23**	**19,347.38**

(Refer Notes 25 and 29- For details of assets pledged as security)

Note 4. - Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Project in progress	2,989.34	5,270.11
Projects temporarily suspended	-	-
Total	**2,989.34**	**5,270.11**

(Refer Notes 25 and 29- For details of assets pledged as security)

Ageing of Capital work-in-progress

Capital Work-in-progress (CWIP)	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2021					
Project in progress	4,122.71	1,139.40	7.61	0.39	5,270.11
Projects temporarily suspended					
Balance as at March 31, 2022					
Project in progress	2,664.77	193.47	131.10	-	2,989.34
Projects temporarily suspended	-	-	-	-	-

CWIP completion schedule for project overdue: as at March 31, 2022

Project overdue	To be completed in				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Capacity enhancement of Biotech Plant at Kullu Plant	137.81	-	-	-	137.81
Modification of existing Admin office and expansion of ground floor at Dahej plant	119.04	-	-	-	119.04
Others	9.32	-	-	-	9.32

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 5. - Right of use assets

(₹ in Lakhs)

Particulars	Leasehold land	Buildings	Vehicles	Total
At Cost				
At April 1, 2020	**1,055.85**	**359.26**	**166.21**	**1,581.32**
Additions	-	13.73	-	13.73
Disposal	-	-	-	-
Balance as at March 31, 2021	**1,055.85**	**372.99**	**166.21**	**1,595.05**
Additions	-	272.17	-	272.17
Disposals	-	-	-	-
Balance as at March 31, 2022	**1,055.85**	**645.16**	**166.21**	**1,867.22**
Accumulated depreciation				
At April 1, 2020	18.38	83.19	51.29	152.86
Depreciation expenses	18.33	78.01	53.30	149.64
Disposals	-	-	-	-
Balance as at March 31, 2021	**36.71**	**161.20**	**104.59**	**302.50**
Depreciation expense	18.33	102.84	47.58	168.75
Disposals	-	-	-	-
Balance as at March 31, 2022	**55.04**	**264.04**	**152.17**	**471.25**
Carrying amount				
As at March 31, 2021	**1,019.14**	**211.79**	**61.62**	**1,292.55**
As at March 31, 2022	**1,000.81**	**381.12**	**14.04**	**1,395.97**

(Refer Notes 25 and 29- For details of assets pledged as security)

(also Refer Note 45)

Note 6A. - Investment property

(₹ in Lakhs)

	Freehold land	Buildings	Plant and equipment	Total
At cost or deemed cost as at April 01, 2020	**20.79**	**6,088.70**	**2,039.75**	**8,149.24**
Additions	-	-	-	-
Disposal	-	-	-	-
Balance as at March 31, 2021	**20.79**	**6,088.70**	**2,039.75**	**8,149.24**
Additions	-	140.89	-	140.89
Disposal	-	-	-	-
Balance as at March 31, 2022	**20.79**	**6,229.59**	**2,039.75**	**8,290.13**
Accumulated depreciation				
As at April 01, 2020	**-**	**496.59**	**526.48**	**1,023.07**
Depreciation expense	-	123.93	131.87	255.80
Balance as at March 31, 2021	**-**	**620.52**	**658.35**	**1,278.87**
Depreciation expense	-	151.79	131.84	283.63
Balance as at March 31, 2022	**-**	**772.32**	**790.19**	**1,562.51**
Carrying amount				
As at March 31, 2021	**20.79**	**5,468.18**	**1,381.40**	**6,870.38**
As at March 31, 2022	**20.79**	**5,457.28**	**1,249.56**	**6,727.63**

Refer Notes 25 and 29 - For details of assets pledged as security

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 6A. - Investment property (Contd.)

Title deeds of immovable property not held in the name of the company:

(₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment property	Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres	8.06	Mr. Krishna Datla "held in trust"on behalf of the Company	Executive Vice-Chairman	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.
			Ms. Rajeshwari Datla "held in trust" on behalf of the Company	Non-Executive Director (relative of Executive Vice-Chairman)	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.

Note 6B. - Goodwill

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deemed cost	1,192.35	533.79
Additions (Refer Note 60)	-	658.56
Other adjustments	24.10	-
Accumulated impairment losses	(121.00)	(121.00)
	1,095.45	**1,071.35**

Note 7 - Other intangible assets

(₹ in Lakhs)

Particulars	Computer software	Product know -how #	Total
At cost or deemed cost as at April 01, 2020	**349.95**	**626.96**	**976.91**
Additions	2.99	908.37	911.36
On Acquistion of a subsidiary (Refer Note 60)	-	436.52	436.52
Other adjustments	-	14.89	14.89
Disposal	-	-	-
Balance as at March 31, 2021	**352.94**	**1,986.74**	**2,339.68**
Additions	36.51	-	36.51
Other adjustments	-	13.67	13.67
Disposal	-	-	-
Balance as at March 31, 2022	**389.45**	**2,000.41**	**2,389.86**
Accumulated amortisation			
As at April 01, 2020	**170.34**	**159.01**	**329.35**
Amortisation expense	65.66	267.35	333.01
Other adjustments	-	(3.03)	(3.03)
Balance as at March 31, 2021	**236.00**	**423.33**	**659.33**
Amortisation expense	67.78	367.53	435.31

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 7 - Other intangible assets (Contd.)

(₹ in Lakhs)

Particulars	Computer software	Product know -how #	Total
Other adjustments	-	2.86	2.86
Balance as at March 31, 2022	**303.78**	**793.72**	**1,097.50**
Carrying amount			
As at March 31, 2021	**116.94**	**1,563.41**	**1,680.35**
As at March 31, 2022	**85.67**	**1,206.69**	**1,292.36**

* Refer Note 53

Note 8 - Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Project in progress	467.16	420.55
Projects temporarily suspended	-	
Total	**467.16**	**420.55**

Ageing of Intangible assets under development

(₹ in Lakhs)

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2021					
Project in progress	145.31	275.24	-	-	**420.55**
Projects temporarily suspended	-	-	-	-	**-**
Balance as at March 31, 2022					
Project in progress	64.00	142.59	260.57	-	**467.16**
Projects temporarily suspended	-	-	-	-	**-**

There is no variation in respect of assets/projects forming part of intangible assets under development and which have become overdue compared to their original plans or where cost is exceeded compared to original plans.

Note 9 - Investments in associate (Non-current):

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
(carrying amount determined using equity method of accounting)		
Investment in associate - In equity instruments Unquoted (Fully paid up)		
Health and Wellness India Private Limited	-	-
30,12,504 Equity shares of ₹ 10 each (as at March 31, 2021- 30,12,504 Equity shares of ₹10 each)		
Less: Impairment in the value of investments	-	-
	-	**-**
Notes:		
The financial information in respect of this associate is not material to the group.		
Proportion of Group's ownership interest in the associate [Refer Note 47]		
Accumulated unrecognised share of losses of associate		
Health and Wellness India Private Limited	-	-
Unrecognised share of losses of associate for the year		
Health and Wellness India Private Limited	-	-
Accumulated recognised share of losses of associate		
Health and Wellness India Private Limited	598.53	598.53

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 10 - Investments (Non-current):

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Equity instruments:		
Unquoted Investments (all fully paid up)		
Investments in equity instruments at FVTOCI		
Shivalik Solid Waste Management Limited	4.11	4.11
20,000 Equity shares of ₹10 each. (as at March 31, 2021 - 20,000 Equity shares of ₹10 each)		
Zela Wellness Private Limited	47.53	47.53
58,048 Equity shares of ₹10 each (as at March 31, 2021 - 58,048 Equity shares of ₹10 each)		
	51.64	51.64
Less: Impairment in the value of investments	**(47.53)**	**(47.53)**
Total aggregate unquoted Investments (A)	**4.11**	**4.11**
Quoted Investments (all fully paid)		
Investments in equity instruments at FVTOCI		
Abbott India Limited	24.60	20.83
139 Equity shares of ₹10 each (as at March 31, 2021 - 139 Equity shares of ₹10 each)		
Total aggregate quoted investments (B)	**24.60**	**20.83**
Total Non-current investments (A+B)	**28.71**	**24.94**
Aggregate carrying value of unquoted investments before impairment	**51.64**	**51.64**
Aggregate amount of impairment in value of investments	**47.53**	**47.53**
Aggregate amount of quoted investments and market value thereof	**24.60**	**20.83**

Note 11- Share application money

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Health and Wellness India Private Limited	186.34	186.34
Less: Impairment in the value of share application money	(186.34)	(186.34)
	-	-

Note 12- Loans (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Loan to employees, considered good - unsecured	0.85	1.85
Inter corporate deposit - considered doubtful - unsecured #	37.00	37.00
Less : Allowance for doubtful inter corporate deposit	(37.00)	(37.00)
	0.85	**1.85**

Related Parties	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loans			
- Repayable on demand (A)	1,146.69	-	37.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	1146.69 # @	-	37.00 #
Percentage to the total Loans and Advances in the nature of loans (including loans (current) of ₹1.50 Lakhs, as at March 31, 2021 ₹476.60 Lakhs) (Refer Note 20)			3.23%

Includes amount given as inter corporate deposit to an associate

@ Includes advances in the nature of loans of ₹1107.34 Lakhs (Refer Note 22 and 71)

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 12- Loans (Non-current) (Contd.)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Amount outstanding as at year end		
- Health and Wellness India Private Limited - (Associate)	37.00	37.00
- Inter Gest Germany GmbH - (Others)	1,107.34	819.71
Maximum amount outstanding during the year		
- Health and Wellness India Private Limited - (Associate)	37.00	37.00
- Inter Gest Germany GmbH - (Others)	1,107.34	819.71
This loan was granted to Health and Wellness India Private Limited for the purpose of their business.		
Movement in the Allowance for doubtful inter corporate deposit		
Balance at the beginning of the year	37.00	37.00
Addition during the year	-	-
Written back during the year	-	-
Written off during the year	-	-
Balance at the end of the year	**37.00**	**37.00**

Note 13- Other financial assets (Non current):

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Security deposits	46.66	165.08
Bank deposits with remaining maturity of more than 12 months*	299.30	15.50
Deposits with a financial institution with remaining maturity of more than 12 months #	250.93	-
Interest accrued but not due from Banks	9.91	3.31
Interest accrued but not due from a financial institution	11.37	-
Others	50.99	35.36
	669.16	**219.25**
*This consists of deposits:		
- kept for fund based bank guarantee with Bank of Baroda	-	1.00
- kept for fund based bank guarantee with Union Bank of India	89.62	14.50
# Fixed deposits are placed with Bajaj Finance Limited		

Note 14 - Non-current tax assets (net)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
MAT credit entitlement	0.64	0.64
Advance income-tax (net of provision for tax ₹6177.69 lakhs [as at March 31, 2021 ₹5427.58 lakhs])	1,317.87	1,130.74
	1,318.51	**1,131.38**

Note 15 - Other assets (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Capital advances	336.63	317.64
Advances recoverable in cash or kind		
Unsecured considered good	-	-
Unsecured, considered doubtful	23.21	23.35
	23.21	**23.35**
Less: Allowance for doubtful advances	23.21	23.35
	-	**-**
Deferred rent	1.57	5.00
Prepaid expenses	8.36	26.86
Balances with government authorities	3.75	3.75
	350.31	**353.25**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 16 - Inventories

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
(At lower of cost and net realisable value)		
Raw materials and packing materials [includes stock in transit of ₹10.51 Lakhs (as at March 31, 2021 ₹ 95.89 Lakhs)]	5,515.22	5,520.10
Traded goods [includes stock in transit of ₹19.58 Lakhs (as at March 31, 2021 ₹206.36 Lakhs)]	890.58	455.03
Work-in-progress [includes stock in transit of ₹43.27 Lakhs (as at March 31, 2021 Nil)]	6,065.47	6,751.98
Finished goods [includes stock in transit of ₹23.70 Lakhs (as at March 31, 2021 Nil)]	2,458.61	2,836.45
Stores and spares [includes stock in transit of ₹4.04 Lakhs (as at March 31, 2021 Nil)]	1,017.77	663.49
	15,947.65	**16,227.05**

Notes :

(i) The cost of inventories recognised as expense is disclosed in notes 37, 38, 42 and as purchase of stock-in-trade in the Consolidated statement of profit and loss.

(ii) Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹99.38 Lakhs (as at March 31, 2021 - ₹191.87 Lakhs). The changes in write downs are recognised as an expense in the Consolidated statement of profit and loss.

Note 17 - Trade receivables (unsecured)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Undisputed Trade receivables – considered good	8,709.01	6,801.48
Undisputed Trade Receivables – which have significant increase in credit risk	-	-
Undisputed Trade Receivables – credit impaired	421.31	481.24
Disputed Trade Receivables – considered good	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-
Disputed Trade Receivables – credit Impaired	-	-
	9,130.32	**7,282.72**
Less : Allowance for doubtful debts (Expected credit loss allowance)	(421.31)	(481.24)
Less : Others (Sales discount)		-
Total	**8,709.01**	**6,801.48**

Ageing of trade receivables : as at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,982.80	3,102.33	997.31	38.29	588.28	-	8,709.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.72	77.69	329.90	421.31
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**3,982.80**	**3,102.33**	**997.31**	**52.01**	**665.97**	**329.90**	**9,130.32**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 17 - Trade receivables (unsecured) (Contd.)

Ageing of trade receivables : as at March 31, 2021

(₹ in Lakhs)

Particulars	Not Due	Outstanding for the following period from due date of payments					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,038.44	1,142.36	1,640.22	977.93	2.53	-	6,801.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	157.38	23.79	300.07	481.24
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**3,038.44**	**1,142.36**	**1,640.22**	**1,135.31**	**26.32**	**300.07**	**7,282.72**

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Movement in the expected credit loss allowance		
Balance at the beginning of the year	481.24	366.61
Addition during the year	32.85	118.96
Written off during the year	-	(4.33)
Reversal during the year	(92.78)	-
Balance at the end of the year	**421.31**	**481.24**

Note 18 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balances with banks		
In current accounts	1,185.16	1,345.52
In deposit accounts with original maturity for less than 3 months	113.40	329.15
Cash on hand	7.05	4.77
	1,305.61	**1,679.44**

Note 19 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Balances with banks		
In Unpaid dividend accounts	14.11	9.82
In escrow account	1.32	0.86
In deposit accounts with original maturity for more than 3 months but less than 12 months*	2,039.88	2,763.12
	2,055.31	**2,773.80**

*This includes deposits held under lien by bank against guarantees and other commitments amounting to ₹776.17 Lakhs (as at March 31, 2021: ₹1,015.10 Lakhs)

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 20- Loans (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Unsecured, considered good		
Inter corporate deposits # (Refer Note 68)		
D.K.Biopharma Private Limited	-	475.00
Loans to employees	1.50	1.60
	1.50	**476.60**

The inter-corporate deposits were granted to the entity for the purpose of its business.

Note 21 - Other financial assets (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest accrued but not due		
On fixed deposits from banks	16.40	43.07
On fixed deposits with a financial institution	-	48.54
On Inter corporate deposits (Refer Note 68)	-	46.96
Deposits with a financial institution	-	200.00
Others		
Unsecured, considered good	11.31	9.26
Unsecured, considered doubtful	-	-
	27.71	**347.83**

Note 22 -Other current assets

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Advance for supply of goods and services (Refer Note 71)		
Considered good	1,384.29	859.31
Considered doubtful	6.28	11.99
Less: Allowance for doubtful advances	(6.28)	(11.99)
	1,384.29	**859.31**
Deferred rent	44.78	15.75
Prepaid expenses	278.54	216.72
Travel advances to employees	5.85	6.37
Export incentive receivables		
Considered good	773.90	921.86
Considered doubtful	3.24	3.24
Less: Allowance for doubtful export incentive receivables	(3.24)	(3.24)
	773.90	**921.86**
Balances with government authorities	867.50	635.61
Others	0.34	0.33
	3,355.20	**2,655.95**
Movement in the Allowance for doubtful advances and export incentive receivables.		
Balance at the beginning of the year	15.23	40.78
Addition during the year	-	-
Written off during the year	-	(1.18)
Reversal during the year	(5.71)	(24.37)
Balance at the end of the year	**9.52**	**15.23**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 23 - Equity share capital:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Authorised:		
4,98,40,000 Equity shares of ₹5/- each (as at March 31, 2021 - 4,98,40,000 Equity shares of ₹5/- each)	2,492.00	2,492.00
1,60,000 Unclassified shares of ₹5/- each (as at March 31, 2021 - 1,60,000 Unclassified shares of ₹5/- each)	8.00	8.00
	2,500.00	**2,500.00**
Issued, subscribed and paid-up :		
2,94,30,987 Equity shares of ₹5/- each (as at March 31, 2021 - 2,94,30,987 Equity shares of ₹5/- each)	1,471.55	1,471.55
Less: 5,83,665 Equity shares held by FBL ESOP Trust (as at March 31, 2021 -5,83,665) [Refer Note (f) below]	(29.18)	(29.18)
	1,442.37	**1,442.37**

a) Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	March 31, 2022		March 31, 2021	
	No of Shares in lakhs	% holding in the class	No of Shares in lakhs	% holding in the class
Equity shares of ₹5/- each fully paid (as at March 31, 2021 ₹5/- each fully paid up)				
DVK Investments Private Limited, the Holding Company	150.75	51.22%	150.75	51.22%
Mr. Krishna Datla	24.61	8.36%	24.19	8.22%

b) Shares held by the Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below.

	March 31, 2022		March 31, 2021	
	No of Shares in lakhs	% holding in the class	No of Shares in lakhs	% holding in the class
DVK Investments Private Limited				
1,50,75,318 Equity shares of ₹5/- each fully paid (as at March 31, 2021 -1,50,75,318 Equity shares of ₹5/-each fully paid)	150.75	51.22%	150.75	51.22%

(c) Details of Shares held by promoters at the end of the year

Name of promoters	March 31, 2022			March 31, 2021		
	No of Shares in lakhs	% holding in the class	% Change during the year	No of Shares in lakhs	% holding in the class	% Change during the year
DVK Investments Private Limited, the Holding Company	150.75	51.22%	-	150.75	51.22%	-
Mr. Krishna Datla	24.61	8.36%	0.14%	24.19	8.22%	-

d) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2022		March 31, 2021	
	No of Shares in lakhs	% holding in the class	No of Shares in lakhs	% holding in the class
Equity Shares				
Opening Balance	28,847,322	1,442.37	28,847,322	1,442.37
Closing Balance	28,847,322	1,442.37	28,847,322	1,442.37

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 23 - Equity share capital: (Contd.)

e) Rights, preferences and restrictions

The Company has issued only one class of equity shares having par value of ₹5/- per share (March 31, 2021; - ₹5/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays the dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting, except in case of interim dividend.

During the year, the Board of directors have declared dividend of 25% (₹1.25 per equity share of ₹5/- each) for the financial year 2021-22. (Refer Note 57)

During the previous year, the Board of directors have declared dividend of 50% (₹2.50 per equity share of ₹5/- each) for the financial year 2020-21. (Refer Note 57)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

f) FBL ESOP Trust :

The Company had formulated Employee Stock Option Scheme namely Fermenta Biotech Limited - Employee Stock Option 2019 (ESOP 2019) in terms of the Scheme of amalgamation of erstwhile FBL with the Company. The equity shares are held by FBL ESOP Trust (Refer Note 61).

	March 31, 2022	March 31, 2021
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	583,665	583,665
Outstanding at the end of the year	583,665	583,665

Note 24-Other equity

(₹ in Lakhs)

	Reserves and Surplus							Items of other comprehensive income		Total
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Unrealised (loss) on dilution	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through OCI	
Balance as at April 01, 2020	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**607.49**	**27,291.07**	**(8.33)**	**23.17**	**29,501.17**
Profit for the year	-	-	-	-	-	-	4,550.66	-	-	4,550.66
Recognition of share based payments	-	-	-	-	-	592.05	-	-	-	592.05
Other comprehensive income for the year	-	-	-	-	-	-	(3.61) @	(22.97)	(0.65)	(27.23)
Balance as at March 31, 2021	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**1,199.54**	**31,838.12**	**(31.30)**	**22.52**	**34,616.65**
Profit for the year	-	-	-	-	-	-	1,544.71	-	-	1,544.71
Payment of dividend (Gross)	-	-	-	-	-	-	(721.18)	-	-	(721.18)
Recognition of share based payments	-	-	-	-	-	269.62	-	-	-	269.62
Other comprehensive income for the year	-	-	-	-	-	-	(23.60) @	81.13	3.77	61.30
Balance as at March 31, 2022	**1,140.00**	**1,074.20**	**70.00**	**(4,242.23)**	**3,545.80**	**1,469.16**	**32,638.05**	**49.83**	**26.29**	**35,771.10**

@Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

Capital reserve: Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Parent Company's brands for which non compete fees were received and treated as a capital receipt.

Capital reserve pursuant to amalgamation: This reserve created consequent to amalgamation of a subsidiary with the Parent Company.

Capital redemption reserve: This reserve was created for redemption of preference shares of ₹70.00 lakhs in the financial year 2010-2011.

Unrealised gain/(loss) on dilution: This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 24-Other equity (Contd.)

General Reserve: The reserve arises on transfer portion of the net profit pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act. 2013.

Share options outstanding account: The fair value of the equity settled share based payment transactions is recognised in share options outstanding account.

Retained earnings: Profits generated by the Group that are not distributed to shareholders as dividends but are reinvested in the business.

Equity instruments through other comprehensive income: This represents the cumulative gains/losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Foreign currency translation reserve: Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to consolidated profit or loss on the disposal of the foreign operations.

Note 25- Long-term borrowings:

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Non-current	Current	Non-current	Current
Secured				
Term loans				
From banks				
For Kullu facility [Refer Note below (a)]	462.54	15.95	-	-
For Dahej facility [Refer Note below (b)]	407.20	487.99	915.42	499.03
For Dahej facility [Refer Note below (c)]	1,394.53	561.51	1,824.89	561.51
For Dahej facility [Refer Note below (d)]	727.61	701.68	1,314.13	734.90
For Vehicles [Refer Note below (e)]	264.52	72.82	105.97	31.02
For WCTL [Refer Note below (f)]	1,700.00	-	-	-
For Dahej facility [Refer Note below (g)]	162.86	27.14	-	-
From others				
For business operations [Refer Note below (h)]	2,961.23	-	2,957.57	-
For business operations [Refer Note below (i)]	3,387.76	531.75	3,925.82	432.18
Total	11,468.25	2,398.84	11,043.80	2,258.64
Amount disclosed under the head "other current financial liabilities" (Refer Note 29)	-	(2,398.84)	-	(2,258.64)
Net amount	**11,468.25**	**-**	**11,043.80**	**-**

Notes:

a) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Premix Plant to be set up at Kullu with interest rate EURIBOR plus 3.0% (effective rate 3.0%), (previous year effective rate is NIL) repayable in 60 equal monthly instalments starting from Feb-2023. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

b) Term loan (External Commercial Borrowing) is taken from Yes Bank Limited for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.5% (effective rate 3.5%), (previous year effective rate is 3.5%) repayable in 48 equal monthly instalments starting from February 2020. The said ECB loan is secured by way of first pari-passu charge on the project financed along with Union Bank of India, first pari-passu charge along with Union Bank of India and HDFC Bank Limited on property, plant and equipment

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 25- Long-term borrowings: (Contd.)

at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited , which is not to be shared with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC Bank Limited on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

c) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Plant 4 at Dahej SEZ with interest rate EURIBOR plus 3.9% (effective rate 3.9%), (previous year effective rate is 3.9%) repayable in 16 equal quarterly instalments starting from July 2021. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

d) Term loan (Foreign Currency Term Loan and INR Term Loan) is taken from Union Bank of India for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.10% (effective rate 3.10%) (previous year effective rate is 3.10%) for FCTL, MCLR + 2% (effective rate 9.43% to 10.48%) (previous year effective rate is 10.00% to 10.65%) for Rupee Term Loan repayable in 48 equal monthly instalments starting from April 2020. The said loan is secured by way of first pari-passu charge on the project financed along with Yes Bank Limited, first pari-passu charge along with Yes Bank Limited and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited, which is not to be shared with HDFC Bank. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC bank on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

e) Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2020 with interest rates 7.35%, (previous year at 7.35%). The charge for such security is yet to be created.

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2021 with interest rates 7.65%, (previous year in the range of NIL).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicles purchased, repayable in 60 monthly instalments starting from July-2021 with interest rates 7.65%, (previous year in the range of NIL).

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2021 with interest rates 7.35%, (previous year at 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 7.35%, (previous year in the range of NIL)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 7.35%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 7.30%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Mar-2022 with interest rates 7.40%, (previous year in the range of NIL)

f) Working Capital Term Loan (WCTL) is taken from Union Bank of India for business purpose with interest rate 1 Year MCLR+0.60% effective rate 7.85%(previous year effective rate is NIL) repayable in 48 equal quarterly instalments starting from Dec -23. The said loan is secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipments of the Company and second charge on the existing securities of the company except plant 4 at Dahej and Premix Plant at Kullu.

g) Term loan is taken from HDFC Bank Limited for financing the capital expenditure at Dahej SEZ with interest rate 7.7% (Previous year effective rate is NIL) repayable in 28 equal quarterly instalments starting from Apr 2022. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

h) Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited the effective rate for the current year in the range of 8.00% to 9.00% (previous year in the range of 9.00% to 9.75%) repayable after 156 months on August 15, 2030 in one instalment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the loan has been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the Holding Company, DVK Investment Private Limited.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 25- Long-term borrowings: (Contd.)

i) Loan against property and loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited, the effective rate for the current year in the range of 8.00% to 9.57% (previous year effective rate in the range of 9.57% to 10.00%) The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company. Further these loans have been guaranteed by the personal guarantee of the Executive Vice Chairman of the Parent Company and the corporate guarantee of the holding company, DVK Investment Private Limited.

Note 26 - Other financial liabilities (Non- current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deposits from tenants	72.43	47.82
	72.43	**47.82**

Note 27 - Provisions (Non- current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Gratuity (Refer Note 44)	188.47	127.44
Compensated absences	376.36	321.76
	564.83	**449.20**

Note 28 - Other liabilities (Non-current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deferred rent	24.43	34.04
Deposits from Developers (Refer Note 67)	500.00	-
	524.43	**34.04**

Note 29 - Borrowings (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Loans repayable on demand		
From banks (Secured)		
Cash credit and Bank overdraft	1,493.96	1,450.31
Packing credit	3,743.92	5,606.23
Short term Working capital loan	4,509.62	2,573.41
From banks (Secured)		
Current maturities of long-term debts (Refer Note 25)	1,867.09	1,826.45
From Others (Secured)		
For business operations (Refer Note 25)	531.75	432.18
	12,146.34	**11,888.58**

Packing credit, cash credit from Union Bank of India, are secured by first pari-passu charge on hypothecation of stocks, book debts and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 3.00% to 3.60% (EURO PCFC - EURIBOR+3.10%, USD PCFC - 6M LIBOR+3.10%) and average interest rate for cash credit is 10.86 %.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 29 - Borrowings (Current) (Contd.)

Packing credit, cash credit and Working Capital Demand Loan from Yes Bank Limited is secured by first pari-passu charge on current assets of the Company and by equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and HDFC Bank Limited and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 2.75%. and Working Capital Demand Loan is 7.25 average interest rate for cash credit is 1 YR MCLR+0.95 (form 10.5% to 9.95%)

Packing credit and Working Capital Demand Loan from HDFC Bank Limited is secured by First pari-passu charge on current assets, exclusive charge on assets of plant 4 at Dahej and Premis Plant at Kullu, moveable property, plant and equipment of the Company and equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and Yes Bank Limited (excluding the plant and building financed through term loan from Union Bank of India and Yes Bank Limited).The average interest rate for packing credit in foreign currency is 2.7% and Working Capital Demand Loan from 8.7% to 7.35%

Short term working capital loan taken from Union Bank of India are secured against the lien of fixed deposits. The average interest rate is in the range of 3.90% to 4.20% .

Note 30 - Trade payables (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Dues of micro and small enterprises (MSME) (Refer Note 65)	224.72	78.34
Dues of creditors other than MSME	6,233.25	6,135.37
Disputed dues of MSME	-	-
Disputed dues of creditors other than MSME	-	-
Total	**6,457.97**	**6,213.71**

Ageing of trade payables: as at March 31, 2022

Particulars	Not due	Outstanding for the following period from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of (MSME)	72.16	152.56	-	-	-	224.72
Dues of creditors other than MSME	3,055.32	2,977.76	130.87	28.50	40.77	6,233.25
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**3,127.48**	**3,130.32**	**130.87**	**28.50**	**40.77**	**6,457.97**

Ageing of trade payables: as at March 31, 2021

Particulars	Not due	Outstanding for the following period from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of (MSME)	30.50	45.48	2.36	-	-	78.34
Dues of creditors other than MSME	3,174.56	1,847.27	1,072.41	19.91	21.22	6,135.37
Disputed dues of MSME	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-
Total	**3,205.06**	**1,892.75**	**1,074.77**	**19.91**	**21.22**	**6,213.71**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 31 - Other financial liabilities (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Deposits from tenants	540.89	548.71
Payable to the employees / directors	336.29	723.00
Liability for capital expenditure	303.33	404.81
Interest accrued but not due on borrowings	57.43	48.22
Derivatives not designated as hedge	23.57	110.15
Unclaimed dividend	14.11	9.82
	1,275.62	**1,844.71**

Note 32 - Other current liabilities

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Advance from customers	351.12	552.22
Statutory dues	217.84	176.12
Deferred rent	21.42	41.99
	590.38	**770.33**

Note 33 - Provisions (Current)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Compensated absences	78.06	61.85
Other provisions		
Provision for share of loss in a joint venture in excess of cost of investment	-	5.97
Provision-others	24.98	-
Total	**103.04**	**67.82**

Note 34 - Current tax liabilities (net)

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for income tax (net of advance tax for tax ₹2078.54 lakhs [as at March 31, 2021 ₹2075.60 lakhs])	32.01	32.01
	32.01	**32.01**

Note 35 - Revenue from operations

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Sale of products	38,104.38	35,348.13
Rent income	1,323.50	1,429.97
Amortised deferred rent	43.49	56.97
Sale of services	88.22	41.88
Service income (infrastructure support services to tenants)	256.66	257.97
Other operating revenues		
Export incentive	5.85	563.71
Scrap sales	29.47	30.25
	39,851.57	**37,728.88**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 36 - Other income:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest income on financial assets carried at amortised cost:		
Bank deposits	100.96	191.06
Other financial assets	30.67	163.55
Dividend income on investments in equity instruments designated at fair value through other comprehensive income	-	0.58
Net gain on fair value changes of derivatives at FVTPL	86.58	-
Insurance Claims	74.60	0.11
Foreign exchange gain (net)	299.93	254.84
Liabilities / provisions no longer required written back		
From Trade receivables	92.78	-
From Others	128.06	214.20
	220.84	**214.20**
Miscellaneous income	0.01	0.71
	813.59	**825.05**

Note 37 - Cost of materials consumed:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Inventories of raw materials / packing materials at the beginning of the year	5,520.10	5,308.05
Add: Purchases	13,505.65	14,376.53
Add: Foreign currency translation difference	11.09	30.15
Less: Inventories of raw materials / packing materials at the end of the year	5,818.08	5,520.10
	13,218.76	**14,194.63**

Note 38 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Inventories at the end of the year		
Work-in-progress	6,065.47	6,751.98
Stock-in-Trade	890.58	455.03
Finished goods	2,458.61	2,836.45
	9,414.66	**10,043.46**
Inventories at the beginning of the year		
Work-in-progress	6,751.98	5,140.06
Stock-in-Trade	455.03	-
Finished goods	2,836.45	2,018.85
	10,043.46	**7,158.91**
Foreign currency translation difference	1.38	(9.83)
	627.42	**(2,874.72)**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 39 - Employee benefits expense

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Salaries and wages	5,136.31	4,535.85
Contribution to provident and other funds [Refer Note 44]	284.14	230.58
Gratuity expense [Refer Note 44]	65.19	54.52
Share based payments to employees [Refer Note 61]	269.65	592.05
Staff welfare expenses	541.44	408.57
	6,296.73	**5,821.57**

Note 40 - Finance costs:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Interest on		
Term loans	959.76	892.35
Loans repayable on demand	579.33	565.62
Lease liabilities	31.95	38.97
Liabilities carried at amortised cost (Unwinding of interest)	47.35	59.38
Others	8.47	10.62
Other borrowing costs	81.57	230.52
	1,708.43	**1,797.46**

Note 41 - Depreciation and amortisation expense

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment (Refer Note 3)	1,668.46	1,292.39
Depreciation on right-of-use assets (Refer Note 5)	168.75	149.64
Depreciation of investment property (Refer Note 6A)	283.64	255.80
Amortisation of intangible assets (Refer Note 7)	435.31	333.01
	2,556.16	**2,030.84**

Note 42 - Other expenses:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
GST other than recovered on sales	116.95	159.38
Contract labour charges	618.96	482.54
Power and fuel	1,984.17	1,360.44
Processing charges	1,361.27	1,353.42
Repairs to Buildings	134.74	46.30
Repairs to Plant and machinery	241.80	202.50
Stores and spare parts consumed	1,221.15	930.92
Water charges	50.85	62.42
Advertising and sales promotion expenses	249.55	196.39
Freight and forwarding charges	1,244.02	948.70
Commission on sales	212.28	767.97
Rent (including lease rentals)	59.72	37.30

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 42 - Other expenses: (Contd.)

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
Repairs and maintenance -others		1,010.36		714.82
Insurance		359.00		275.13
Rates and taxes		329.42		357.02
Allowance for doubtful debts		141.25		118.96
Trade receivables and advances written off	9.15		96.53	
Less: Allowance held	(5.71)	3.44	(5.57)	90.96
Non current investment written off	-		5.90	
Less: Allowance held	-	-	(5.90)	-
Travelling and conveyance		669.87		348.72
Professional and legal fees		1,055.89		710.98
Payment to auditors (Refer Note below)		62.46		62.89
Postage and telephone		49.27		34.63
Printing and stationery		77.51		90.46
Net loss on fair value changes of derivatives at FVTPL		-		110.15
Security Expenses		118.81		84.79
Staff recruitment expenses		29.02		28.92
Bank charges		89.36		102.89
Initial cost for operating leases		48.14		58.31
Analytical Charges		96.43		92.46
Loss on sale/write off, of property, plant and equipment (net)		2.67		16.03
Miscellaneous expenses		455.27		457.33
		12,093.63		**10,303.73**

Payment to auditors (excluding statutory levies)

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
For audit	36.67	42.04
For limited review	15.00	15.00
For other services	10.35	5.14
Reimbursement of expenses	0.44	0.71
	62.46	**62.89**

Note 43 - Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

	March 31, 2022	March 31, 2021
Profit for the year used for computation of basic and diluted earnings per share (₹in lakhs)	1,544.71	4,550.66
Weighted average number of equity shares used in calculating basic and diluted EPS [Refer Notes 23 (d)]	28,847,322	28,847,322
Effect of dilutive potential equity shares	155,011	157,464
Weighted average number of equity shares used in calculating diluted EPS	29,002,333	29,004,786
Basic earnings per equity share [nominal value of share ₹5 (March 31, 2021: ₹5)]	5.35	15.77
Diluted earnings per equity share [nominal value of share ₹5 (March 31, 2021: ₹5)]	5.33	15.69

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note: 44 - Employee benefits

The Group operates following employee benefit plans

I Defined contribution plans: Provident fund, Superannuation fund, Employee state insurance scheme (ESIC) and Labour welfare fund.

II Defined benefit plan: Gratuity (funded)

III Other long term benefit plan: Compensated absences (unfunded)

I) Defined Contribution Plans

The Group operates defined contribution retirement benefit plans for all qualifying employees of the Group. The contribution to defined contribution plan recognised as expenses in the Consolidated statement of profit and loss for the year is as under (Refer Note 39).

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Employer's contribution to provident fund	269.66	217.40
Employer's contribution to superannuation fund	1.85	1.53
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	12.53	11.56
Employer's contribution to labour welfare fund	0.10	0.09

II) Defined benefit plan

The Group operates a defined benefit plan, viz., gratuity.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Group reviews the level of funding in gratuity fund.

(a) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	**452.59**	**395.05**
Interest cost	28.29	25.00
Current service cost	57.71	48.29
Benefits paid	(16.03)	(19.79)
Actuarial (Gain)/loss on obligations- due to change in financial assumptions	(11.87)	-
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/loss on obligations- due to change in experience adjustment	48.68	4.04
Closing defined benefit obligation	**559.37**	**452.59**

(b) Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	**325.15**	**290.95**
Employer's contributions	37.47	36.29
Interest income	20.80	18.77
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	3.51	(1.07)
Benefit paid	(16.03)	(19.79)
Closing fair value of plan assets	**370.90**	**325.15**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note: 44 - Employee benefits (Contd.)

(c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the financial statements arising from the Group's obligation in respect of its defined benefit obligation plan is as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Fair value of plan assets	370.90	325.15
Present value of obligation	559.37	452.59
Amounts recognized in the Consolidated balance sheet surplus/(deficit)	**(188.47)**	**(127.44)**

(b) Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Current service cost	57.71	48.29
Net interest expense / (income)	7.48	6.23
Components of defined benefit costs recognised in Consolidated statement of profit and loss	**65.19**	**54.52**

(e) The amount recognised in other comprehensive income in respect of the defined benefit plan is as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	3.51	(1.07)
Actuarial gains/ (losses) arising from changes in financial assumptions	11.87	-
Actuarial gains / (losses) arising from changes in demographic assumptions	-	-
Actuarial gains / (losses) arising from changes in experience adjustments	(48.68)	(4.04)
Components of defined benefit recognised as income / (loss) in other comprehensive income	**(33.30)**	**(5.11)**

(f) The principal assumptions used for the purpose of the actuarial valuations were as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Discount rate (per annum)	7.05%	6.80%
Salary escalation rate (per annum)	5.00%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	6.80%
Retirement age	58 Years	58 Years
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)
Leaving Service (Age groups)	21-30 years - 4%	21-30 years - 4%
	31-40 years - 3%	31-40 years - 3%
	41-50 years - 2%	41-50 years - 2%
	Above 50 years - 1%	Above 50 years - 1%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC) .

The expected contributions for defined benefit plan for the next financial year is ₹35.00 Lakhs (for the year ended March 31, 2021 - ₹35.00 Lakhs)

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note: 44 - Employee benefits (Contd.)

(g) Maturity analysis of projected benefit obligation

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Expected benefits for Year 1	113.31	73.67
Expected benefits for Year 2	40.18	40.12
Expected benefits for Year 3	24.92	33.35
Expected benefits for Year 4	35.80	20.25
Expected benefits for Year 5	54.15	29.78
Expected benefits for Year 6	68.46	45.42
Expected benefits for Year 7	42.70	61.71
Expected benefits for Year 8	17.73	34.93
Expected benefits for Year 9	28.66	13.12
Expected benefits for Year 10 and above	747.33	595.12

(h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2022	March 31, 2021
Insurer Managed Funds	100%	100%

(i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

	March 31, 2022	March 31, 2022
	Impact on defined benefit obligation	Impact on defined benefit obligation
Discount rate (- 0.50%)	4.33%	4.53%
Discount rate (+ 0.50%)	-4.02%	-4.20%
Salary Escalation Rate (- 0.50%)	-3.90%	-4.01%
Salary Escalation Rate (+ 0.50%)	4.17%	4.30%

(j) Inherent risks:

The inherent risk for the Group mainly are adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and provision is made as per Company rules with corresponding charge / (credit) to the Consolidated statement of profit and loss amounting to ₹110.19 Lakhs [March 31, 2021: (₹71.95 Lakhs)] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined at the year end using the "Projected Unit Credit Model". Gains and losses on changes in actuarial assumptions related to defined benefit obligations are recognised in OCI where as gains and losses in respect of other long term employee benefit plans are recognised in the Consolidated statement of profit and loss.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 45 - Leases:

(A) Assets taken on operating lease

Effective April 01, 2019, the Group had adopted Ind AS 116 "Leases" and applied to lease contracts existing on April 01, 2019, by electing 'retrospective approach with the cumulative effect at the date of initial application'. Under this approach, the Group had recorded lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17.

The Group had entered into agreements for taking on leave and license basis certain residential and office premises and also taken vehicles on lease basis. The Group also has lease arrangements for lands taken on lease at Dahej and Saykha. The lease term in respect of these lease ranges from 2 to 99 years. In respect of the said leases, the additional information is as under

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Depreciation charge for right-of-use assets	168.75	149.64
Expenses relating to leases of low-value assets accounted for on straight line basis (included in Rent expenses in Refer Note 42)	59.72	37.30
Total cash outflow for leases	136.57	135.40

Maturity analysis of lease liabilities (on undiscounted basis)

(₹ in Lakhs)

Particulars	Amount	Amount
Less than one year	147.40	154.57
One to five years	251.93	264.01
More than five years	771.62	702.00
Total	**1,170.95**	**1,120.58**
Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet	10%	10%

The following is the summary of practical expedients elected on initial application:

i) The Group has not reassessed whether a contract is or contains a lease at the date of initial application.

ii) The Group has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.

iii) The Group has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

iv) Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application

The difference between the operating lease commitments as of March 31, 2019, disclosed applying Ind AS 17 and the value of the lease liability recognised in the balance sheet at the date of initial application is primarily on account of inclusion of extension options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

General description of significant leasing agreements

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions

B. Assets given on operating lease

The Parent Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease period expiring on December 2022.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 45 - Leases: (Contd.)

The Parent Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring upto December 2026. These agreements have a non-cancellable period at the beginning of the period for 3/5 years and have rent escalation provisions of 5% every year or 12% to 23% after 2/3 years.

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
a) Rent income recognised in the Consolidated statement of profit and loss [Includes rentals on sub-lease of ₹211.79 lakhs (March 31, 2021: ₹219.48 lakhs)]	1,323.50	1,429.97
b) Future minimum lease income under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	456.64	199.66
ii) Later than one year and not later than five years	1,433.39	419.46
iii) More than five years	-	-

Note 46 - Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Parent Company. The Managing Director of the Parent Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Parent Company. The Group has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers.

A) The primary reporting of the Group has been performed on the basis of business segments, viz:

Bulk Drugs/Chemicals- Manufacturing and selling of chemicals, primarily bulk drugs and enzymes.

Property - Renting of properties

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems. (₹ in Lakhs)

	2021-2022 2020-2021		
	Bulk Drugs/ Chemicals	Property	Total
a. Revenue			
1 Segment revenue	**38,227.62**	**1,641.95**	**39,869.57**
	35,983.97	1,762.91	37,746.88
Less : Inter-segment revenue	**-**	**18.00**	**18.00**
	-	18.00	18.00
Unallocated revenue (net)			**813.59**
			825.05
2 Total			**40,665.16**
			38,553.93

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 46 - Segment information: (Contd.)

(₹ in Lakhs)

	2021-2022		
	2020-2021		
	Bulk Drugs/ Chemicals	Property	Total
b. Result			
1 Segment profit	**3,790.48**	**661.51**	**4,451.99**
	5,857.16	924.24	6,781.40
2 Finance costs			**1,708.43**
			1,797.46
3 Unallocable income/(expenditure) (net)			**(50.96)**
			177.41
4 Inter segment results			**1.71**
			1.71
5 Profit before tax			**2,694.31**
			5,163.06
6 Tax expense			
- current tax			**743.71**
			1,129.02
- deferred tax charge			**444.54**
			(219.00)
7 Profit after tax			**1,506.06**
			4,253.04
c. Other information			
1. Segment assets	**52,350.82**	**7,071.91**	**59,422.73**
	48,505.21	7,548.25	56,053.46
2 Unallocated corporate assets			**11,261.52**
			12,654.16
3. Total assets			**70,684.25**
			68,707.62
4. Segment liabilities	**8,222.00**	**1,507.61**	**9,729.61**
	8,570.50	803.18	9,373.68
5. Unallocated corporate liabilities			**23,809.45**
			23,304.55
6. Total liabilities			**33,539.06**
			32,678.23
7. Cost incurred during the year to acquire			
- segment tangible and intangible assets	**3,571.93**	**140.89**	**3,712.82**
	5,527.09	-	5,527.09
- unallocated segment tangible and intangible assets			**-**
			-
8. Depreciation and amortization expense	**2,161.95**	**375.78**	**2,537.73**
	1,671.23	347.08	2,018.31
9 Unallocated depreciation			**18.43**
			12.53

(Figures in italics are the corresponding figures in respect of the previous year.)

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 46 - Segment information: (Contd.)

B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Group's revenue by geographical market:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
India		
Bulk Drugs/Chemicals	12,159.94	8,852.93
Property	1,623.95	1,744.91
Europe - Bulk Drugs/Chemicals	10,281.84	11,776.24
USA - Bulk Drugs/Chemicals	4,936.45	5,902.04
Others countries - Bulk Drugs/Chemicals	10,849.39	9,452.76
	39,851.57	**37,728.88**

Assets by geographical area – The following is the carrying amount of segment non-current assets by geographical area in which the assets are located:

(₹ in Lakhs)

	Non-Current assets*	
	March 31, 2022	March 31, 2021
India		
Bulk Drugs/Chemicals	24,088.23	21,924.74
Property	8,215.34	8,568.52
Europe		
Bulk Drugs/Chemicals	292.55	395.45
USA		
Bulk Drugs/Chemicals	719.17	1,095.08
	33,315.29	**31,983.79**

* Non-current assets exclude investments, loans, share application money, other financial assets, tax assets and other non current assets.

During the year ended March 31, 2022, the Group has not generated revenue of 10% or more of the Group's total revenue from any customer. (March 31, 2021 ₹3,982.79 Lakhs from two customers).

Note 47 - List of entities included in the consolidated financial statements is as under

	Country of Incorporation	Proportion of ownership interest as at	
		March 31, 2022	March 31, 2021
Parent Company:			
Fermenta Biotech Limited (Formerly Known as DIL Limited)	India		
Subsidiaries			
Aegean Properties Limited	India	100.00%	100.00%
CC Square Films Limited* (upto November 25, 2021)	India	-	100.00%
Fermenta Biotech GmbH	Germany	100.00%	100.00%
Fermenta Biotech (UK) Limited	United Kingdom	100.00%	100.00%
G.I. Biotech Private Limited	India	62.50%	62.50%
Fermenta Biotech USA LLC (w.e.f. May 27, 2020)	United States	100.00%	100.00%
Fermenta USA LLC (w.e.f. December 01, 2020)	United States	52.00%	52.00%
Associate			
Health and Wellness India Private Ltd	India	47.15%	47.15%

* The name of M/s CC Square Films Limited has been struck off from the register of companies on November 26, 2021.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 48 - Disclosure of additional information pertaining to the Parent Company, subsidiaries, associate as per Schedule III of Companies Act, 2013:

Sr No	Particulars	Name of the Entity	March 31, 2022								March 31, 2021							
			Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)		Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
			%	Hin Lakhs	%	Hin Lakhs	%	Hin Lakhs	%	Hin Lakhs	%	₹in Lakhs	%	₹in Lakhs	%	₹in Lakhs	%	₹in Lakhs
I	Parent Company	Fermenta Biotech Limited	106%	39,597.21	196%	3,023.75	100%	61.30	192%	3,085.05	103%	37,044.80	114%	5,196.84	100%	(27.24)	114%	5,169.60
II	Subsidiary Companies																	
	a.India	Aegean Properties Limited	0%	150.03	1%	8.95	-	-	1%	8.95	0%	141.08	0%	9.86	-	-	0%	9.86
		CC Square Films Limited	0%	-	0%	-	-	-	0%	-	0%	-	0%	-	-	-	0%	-
		G I Biotech Private Limited	0%	2.66	0%	(0.41)	-	-	0%	(0.41)	0%	3.07	0%	(0.33)	-	-	0%	(0.33)
	b.Foreign	Fermenta Biotech (Uk) Limited	0%	35.10	0%	(1.69)	-	-	0%	(1.69)	0%	36.80	0%	1.63	-	-	0%	1.63
		Fermenta Biotech GmbH	-4%	(1,656.28)	-84%	(1,300.38)	0%		-81%	(1,300.38)	-1%	(408.03)	-4%	(190.64)		-	-4%	(190.64)
		Fermenta Biotech USA LLC (Consolidated with its subsidiary)	2%	683.55	-11%	(162.82)		-	-10%	(162.82)	2%	817.37	-14%	(615.68)			-14%	(615.68)
III	Non-controlling interests in all subsidiaries		0%	68.25	3%	38.65	-	-	2%	38.65	0%	29.63	7%	297.62	-	-	7%	297.62
		Total Eliminations/ Consolidation Adjustments	-4%	(1,667.06)	-4%	(61.34)	-	-	-4%	(61.34)	-4%	(1,605.70)	-3%	(148.64)	-	-	-3%	(148.64)
		Total	100%	37,213.47	100%	1,544.71	100%	61.30	100%	1,606.01	100%	36,059.02	100%	4,550.66	100%	(27.24)	100%	4,523.42

Notes to the Consolidated financial statements

for year ended March 31, 2022

49 Related parties disclosures as per Ind AS 24

A) Names of the related parties where there are transactions and description of relationships

a) Holding Company:

DVK Investments Private Limited

b) Key Management Personnel

Name of Key Management Personnel	Designation
Mr. Krishna Datla (also a person controlling the Holding Company)	Managing Director upto May 08, 2021 Executive Vice-Chairman (w.e.f. May 9, 2021)
Mr. Satish Varma	Executive Director
Mr. Sanjay Buch	Non-Executive Director
Ms. Rajeshwari Datla (also relative of the Executive Vice-Chairman)	Non-Executive Director
Ms. Anupama Datla Desai (also relative of the Executive Vice-Chairman)	Executive Director
Dr. Gopakumar Nair	Non-Executive Director
Mr. Vinayak Hajare	Non-Executive Director
Mr. Rajashri Ojha	Non-Executive Director
Mr. Prashant Nagre	Chief Executive Officer upto May 08, 2021 Managing Director (w.e.f. May 9, 2021)
Mr. Sumesh Gandhi	Chief Financial Officer
Mr. Srikant N Sharma	Company Secretary

c) Associate

Health and Wellness India Private Limited

Silk Road Communications Private Limited (Associate of Holding Company upto 29th March, 2021)

d) Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited

Dupen Laboratories Private Limited

Lacto Cosmetics (Vapi) Private limited

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Key management personnel*	Enterprises under significant influence of key management personnel or their relatives	Associates
1	**Remuneration to Directors and Key Management Personnel (including commission)***				
	Mr. Krishna Datla	- (-)	**129.81** (274.65)	- (-)	- (-)
	Mr. Satish Varma	- (-)	**131.78** (225.31)	- (-)	(-)
	Ms. Anupama Datla Desai	- (-)	**117.47** (160.68)	- (-)	- (-)
	Mr. Prashant Nagre	- (-)	**146.02** (224.36)	- (-)	- (-)
	Mr. Sumesh Gandhi	- (-)	**89.95** (81.07)	- (-)	- (-)
	Mr. Srikant N Sharma	- (-)	**62.60** (80.14)	- (-)	- (-)

Notes to the Consolidated financial statements

for year ended March 31, 2022

49 Related parties disclosures as per Ind AS 24 (Contd.)

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Key management personnel*	Enterprises under significant influence of key management personnel or their relatives	Associates
	Commission to non-executive directors (excluding statutory levy)				
	Mr. Sanjay Buch	-	-	-	-
		(-)	(13.21)	(-)	(-)
	Dr. Gopakumar Nair	-	-	-	-
		(-)	(13.21)	(-)	(-)
	Ms. Rajeshwari Datla	-	-	-	-
		(-)	(13.21)	(-)	(-)
	Mr. Vinayak Hajare	-	-	-	-
		(-)	(13.21)	(-)	(-)
	Ms. Rajashri Ojha	-	-	-	-
		(-)	(13.21)	(-)	(-)
2	**Directors sitting fees**				
	Mr. Sanjay Buch	-	**12.30**	-	-
		(-)	(8.10)	(-)	(-)
	Mr. Gopakumar Nair	-	**12.00**	-	-
		(-)	(7.70)	(-)	(-)
	Ms. Rajeshwari Datla	-	**11.50**	-	-
		(-)	(7.50)	(-)	(-)
	Mr. Vinayak Hajare	-	**12.50**	-	-
		(-)	(8.10)	(-)	(-)
	Ms. Rajashri Ojha	-	**8.20**	-	-
		(-)	(5.00)	(-)	(-)
3	**Sale of products**				
	Dupen Laboratories Private Limited	-	-	**34.66**	-
		(-)	(-)	(25.51)	(-)
4	**Rent income**				
	DVK Investments Private Limited	**0.30**	-	-	-
		(0.30)	(-)	(-)	(-)
	Magnolia FNB Private Limited	-	-	**0.30**	-
		(-)	(-)	(0.30)	(-)
	Silk Road Communications Private Limited	-	-	**1.35**	-
		(-)	(-)	(-)	(1.35)

(Figures in brackets are the corresponding figures in respect of the previous year.)

* Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Notes to the Consolidated financial statements

for year ended March 31, 2022

49 Related parties disclosures as per Ind AS 24 (Contd.)

C) Balance outstanding as at the end of the year :

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
a.	**Trade receivables**		
	Enterprises under significant influence of key management personnel or their relatives		
	Dupen Laboratories Pvt Ltd	8.66	26.59
	Silk Road Communication Private Limited	0.20	-
b.	**Other financial liabilities**		
	Key management personnel		
	Mr. Krishna Datla	40.00	132.43
	Mr. Satish Varma	-	112.31
	Ms. Anupama Datla Desai	-	79.28
	Mr. Prashant Nagre	-	66.92
	Dr. Gopakumar Nair	-	13.21
	Ms. Rajeshwari Datla	-	13.21
	Mr. Vinayak Hajare	-	13.21
	Mr.Sanjay Buch	-	13.21
	Ms. Rajashri Ojha	-	13.21
c.	**Deposit from tenants**		
	Associate of Holding Company		
	Silk Road Communications Private Limited	-	0.20
d.	**Provision for diminution in the value of investment, inter-corporate deposits and other financial assets**		
	Associate		
	Health and Wellness India Private Limited	223.34	223.34
e.	**Inter corporate deposits**		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00

D) The Company has granted ESOP options to Key management personnel as mentioned below and for terms Refer Note 61

Mr. Prashant Nagre – Nil Options (March 31, 2021 – 217,410 Options)

Mr. Sumesh Gandhi – 16,064 Options (March 31, 2021 – 40,161 Options)

Mr. Srikant Sharma – 12,047 Options (March 31, 2021 – 30,117 Options)

Note - Out of the above category of options a) options - 217,410, b) options - 9,639 and c) options - 7,228 are vested on 25.02.2022 and options are cancelled a) options - Nil, b) options - 14,458 and c) options - 10,842.

Note 50 - Research and development expenditure:

Research and development expenditure of ₹818.71 Lakhs (March 31, 2021: ₹ 560.25 Lakhs) (excluding interest and depreciation) has been charged to the Consolidated statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹257.20 Lakhs (March 31, 2021: ₹21.03 Lakhs).

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 51 - During the year ended March 31, 2022, Commission of ₹ Nil to the Managing Director and Executive Directors and directors sitting fees and commission to Non-Excecutive Directors aggregating ₹56.50 Lakhs has been charged to the Consolidated statement of profit and loss. During the year ended March 31, 2021, Commission of ₹324.02 Lakhs to the Managing Director and Executive Directors and directors sitting fees and commission to Non-Excecutive Directors aggregating ₹102.45 Lakhs has been charged to the Consolidated statement of profit and loss.

52A Categories of the financial instruments

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a) Financial assets		
Financial assets measured at fair value through Other comprehensive income		
Investments in equity instruments -quoted	24.60	20.83
Investments in equity instruments -unquoted	4.11	4.11
Financial assets measured at amortised cost		
(i) Trade receivables	8,709.01	6,801.48
(ii) Cash and cash equivalents	1,305.61	1,679.44
(iii) Bank balances other than (ii) above	2,055.31	2,773.80
(iv) Loans	2.35	478.45
(v) Other financial assets	696.87	567.08
Total Financial assets	**12,797.86**	**12,325.19**
b) Financial liabilities measured at amortised cost		
(i) Borrowings	23,614.59	22,932.38
(ii) Lease liabilities	303.76	286.21
(iii) Trade payables	6,457.97	6,213.71
(iv) Other financial liabilities	1,324.48	1,782.38
Financial liabilities measured at fair value through profit or loss Derivatives not designated as hedge	23.57	110.15
Total Financial liabilities	**31,724.37**	**31,324.83**

52B Reconciliation of Level 3 fair value measurements:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Opening balance	4.11	4.11
	-	-
Closing balance	**4.11**	**4.11**

Note 53 - Additions of ₹860 Lakhs to product know-how represent development expenses incurred to achieve a predefined optimum yield on a product launched during the year ended March 31, 2021, where the application to patent this process is pending approval from Controller General of Patents, Designs and Trade Marks.

Notes to the Consolidated financial statements

for year ended March 31, 2022

54 Fair value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required:

(₹ in Lakhs)

	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
(i) Trade receivables	8,709.01	6,801.48	8,709.01	6,801.48
(ii) Cash and cash equivalents	1,305.61	1,679.44	1,305.61	1,679.44
(iii) Bank balances other than (ii) above	2,055.31	2,773.80	2,055.31	2,773.80
(iv) Loans	2.35	478.45	2.35	478.45
(v) Others financial assets	696.87	567.08	696.87	567.08
Total assets	**12,769.15**	**12,300.25**	**12,769.15**	**12,300.25**
Financial liabilities				
(i) Borrowings	23,614.59	22,932.38	23,614.59	22,932.38
(ii) Lease liabilities	303.76	286.21	303.76	286.21
(iii) Trade payables	6,457.97	6,213.71	6,457.97	6,213.71
(iv) Other financial liabilities	1,324.48	1,782.38	1,324.48	1,782.38
(v) Derivatives not designated as hedge	23.57	110.15	23.57	110.15
Total liabilities	**31,724.37**	**31,324.83**	**31,724.37**	**31,324.83**

The financial assets above do not include other investments measured at fair value through OCI.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the Consolidated financial statements approximate their fair values.

55 Fair value hierarchy :

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income				
Investments in equity shares-quoted	24.60	Level 1	20.83	Level 1
Investments in equity shares-unquoted	4.11	Level 3	4.11	Level 3
Financial Liabilities measured at fair value through profit or loss				
Derivatives not designated as hedge	23.57	Level 2	110.15	Level 2

Note 56 -Financial risk management objectives and policies

The Group is exposed to credit risk, liquidity risk and market risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings. The Group is exposed to market risks related to foreign exchange rate risk, commodity rate risk, interest rate risk and other price risks, such as equity price risks. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 56 -Financial risk management objectives and policies (Contd.)

i) Equity price risk

The Group's unlisted equity securities are susceptible to market price risk arising form uncertainties about future values of the investments in securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors review and approve, all investments in the equity investments.

As at March 31, 2022, the group had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2022 and March 31, 2021, the Group did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short term borrowings obligations with floating interest rates.

The Group manages it's interest rate risk by having a balanced portfolio of fixed and variable rate long term and short term borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the borrowings. With all other variables held constant, the Group's profit before tax will be affected as below due to change in interest rate:

Year ended	(+) Increase/(-) decrease in basis points	Effect on profit (decrease) / increase #
March 31, 2022	+0.50	(113.28)
	-0.50	113.28
March 31, 2021	+0.50	(115.71)
	-0.50	115.71

Loss before tax will have an equal but opposite impact.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the observable market environment as at the respective year end.

iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Group's raw materials generally are stable. Cost of raw materials forms the largest portion of the Group's cost of revenues. A large portion of the Group's sales are subject to commodity rate risk having a volatile pricing. The group monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

iv) Foreign currency risk

The Group's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Groups's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group largely uses the natural hedge to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

The year end foreign currency exposures that have not been hedged (before giving effects of natural hedge) by derivative instrument or otherwise are given below:

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 56 -Financial risk management objectives and policies (Contd.)

A) Significant foreign currency risk exposure relating to trade receivables, other financial assets and cash and cash equivalents :

Particulars	March 31, 2022			March 31, 2021	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹in Lakhs
Financial assets					
Cash and cash equivalents (including EEFC)	EURO	-	-	2.77	238.12
	USD	2.04	153.86	5.40	396.16
	SGD	0.02	0.92	0.02	0.90
	AED	0.01	0.17	-	-
	CHF	0.00	0.23	-	-
	OMR	0.00	0.69	-	-
	RUB	0.01	0.01	-	-
Trade receivables and other financial assets	USD	32.91	2,487.08	46.28	3,392.27
	EURO	27.93	1,104.70	28.34	2,438.76

B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	March 31, 2022			March 31, 2021		
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial liabilities						
Trade payable	USD	7.63	576.84	USD	13.35	978.41
Borrowings (PCFC)	EURO	30.38	2,556.69	EURO	57.88	4,980.68
External Commercial borrowing (ECB)	USD	15.71	1,187.23	USD	8.53	625.56
Foreign Currency Term Loan (FCTL)	EURO	10.77	906.56	EURO	16.65	1,432.31
	EURO	14.17	1,193.08	EURO	12.73	1,095.61

C) Foreign currency sensitivity

For the years ended March 31, 2022 and March 31, 2021, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Group's profit and increase the Group's equity by approximately (net) ₹133.64 Lakhs and ₹146.41 Lakhs, respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

D) Derivative contracts

The Parent is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars and Euros and foreign currency debts in US dollars and Euros. The Company uses cross currency interest rate swap (known as, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contract:

(₹ in Lakhs)

Particulars	Currency	Buy/Sell	Cross Currency	March 31, 2022	March 31, 2021
Derivatives not designated as hedges					
Cross currency interest rate swap	EUR	Buy	INR	23.57	28.32

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 56 -Financial risk management objectives and policies (Contd.)

b) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party to which the Group grants credit terms in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Group evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for trade receivables - Refer Note 17)

(₹ in Lakhs)

Trade receivables	March 31, 2022	March 31, 2021
Not due	3,982.80	3,038.44
Less than 6 months	3,102.33	1,142.36
6 months-1 year	997.31	1,640.22
1-2 years	52.01	1,135.31
2-3 years	665.96	26.32
Beyond 3 years	329.91	300.07
	9,130.32	**7,282.72**

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Credit risk in case of Intercorporate deposit given is managed by the Group's in accordance with the Group's policy. ICD only be given out of surplus funds, are made only with the approval of the Group's Board of Directors and are reviewed by the Group's Board on an annual basis.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

i) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)

March 31, 2022	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	23,614.59	12,146.34	7,634.77	3,833.48
Other financial liabilities (including derivatives not designated as hedge)	1,348.05	775.62	72.43	500.00
Lease liabilities	303.76	106.98	122.19	74.59
Trade payables	6,457.97	6,257.80	200.17	-
Total	**31,724.37**	**19,286.74**	**8,029.56**	**4,408.07**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 56 -Financial risk management objectives and policies (Contd.)

(₹ in Lakhs)

March 31, 2021	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	22,932.38	11,888.58	6,360.48	4,683.32
Other financial liabilities	1,892.53	1,844.71	47.82	-
Lease liabilities	286.21	116.19	170.02	-
Trade payables	6,213.71	5,097.82	1,115.89	-
Total	**31,324.83**	**18,947.30**	**7,694.21**	**4,683.32**

The Group had unutilised credit limit of borrowing facilities as at March 31, 2022: ₹4,881.51 lakhs and as at March 31, 2021 ₹2,084.00 lakhs from banks.

57 Capital management

The Group's capital management objectives are:

- to ensure the Groups's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the Consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure..

(i) The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Debts (Term loans and loans repayable on demand including current maturities of long term borrowings)	23,614.59	22,932.38
Less: Cash and cash equivalents (Refer Note 18)	1,305.61	1,679.44
Net debt	**22,308.98**	**21,252.94**
Total equity	37,213.47	36,059.02
Net debt to equity ratio	**60%**	**59%**

(ii) Dividend on equity shares paid during the year

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Dividend on equity shares		
Dividend for the year ended March 31, 2021 of ₹2.50 per share on 2,94,30,987 equity shares of ₹5.00/- each, fully paid up (net of 5,83,665 equity shares of ₹5.00/- each which were held by ESOP Trust) [Refer Note 23(d)]	721.18	-

Dividends not recognised at the end of the reporting period

The Board of Directors of the Company at its meeting held on May 30, 2022 have recommended dividend of ₹1.25 per share. The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting and hence not recognised as a liability.

Notes to the Consolidated financial statements

for year ended March 31, 2022

58 Investment properties

The Group's investment properties consist of Thane One Building and freehold land located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to Thane One building and freehold land at thane, the Group has freehold land at Takawe and also premises at Ceejay House, Worli, Mumbai.

Criteria used for classification of property as investment property

The Group has considered the following for classification of property as investment property:

(i) Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.

(ii) The properties that are not occupied by the Group for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Group has a building which is primarily meant for renting, is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Group has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area

Estimation of fair value

The fair value of the Investment Property has been determined as ₹35,239.54 Lakhs. (previous year ₹44,688.19 Lakhs) The fair value has been determined by an external, independent property valuer, having appropriate professional qualification and recent experience in the location and category of the property being valued. The Company obtains independent valuation for its investment property and fair value measurement has been categorised as Level 3. The fair value has been arrived at by using comparable market rate approach. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village Majiwada area and Takawe area.

Amount recognised in Consolidated statement of profit and loss

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Income from investment properties	1,623.95	1,744.91
Less: Direct operating expenses (including repairs and maintenance) generating income from investment properties	962.44	820.67
Income arising from investment properties	661.51	924.24
Less: Depreciation	(283.64)	(255.80)
Income/(loss) arising from investment properties after depreciation	**377.87**	**668.44**

Refer Note 45B for operating lease arrangements and total future minimum lease rentals receivable.

Refer Note 25 for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

Note 59 - Income tax

59A. Tax expense recognised in the Consolidated statement of profit and loss and other comprehensive income consists of:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Tax expenses:		
Current tax	743.71	1,129.02
Deferred tax charge/(credit)	444.54	(219.00)
Income tax expense recognised in the Consolidated statement of profit and loss	**1,188.25**	**910.02**
Tax expense recognised in other comprehensive income	(9.70)	(1.49)
Total tax expense	**1,178.55**	**908.53**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 59 - Income tax (Contd.)

59B. A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Profit before tax	2,694.31	5,163.06
Enacted income tax rate in India (%) #	29.120%	34.944%
Income tax expense calculated at enacted income tax rate	784.58	1,804.18
Effect of tax on:		
Impact of change in tax rates on Deferred tax assets	-	(137.71)
Expenses disallowed under Income Tax Act	55.21	76.02
Carried forward tax loss / unabsorbed tax depreciation of subsidairy for the current year for which DTA is not created	455.13	66.62
Income exempted from tax	-	(1,037.87)
Incremental deduction on account of research and development costs	(74.90)	(7.35)
Differential tax effect due to effective tax rate difference	-	326.85
Others	(31.77)	(180.72)
Total income tax expense	**1,188.25**	**910.02**
Tax expense recognised in profit or loss	**1,188.25**	**910.02**
Tax expense recognised in other comprehensive income	**(9.70)**	**(1.49)**
Total tax expense	**1,178.55**	**908.53**

The tax rate used for reconciliation above is the corporate tax rate of 29.120% (March 31, 2021: 34.944%) at which the Parent Company is liable to pay tax on taxable income under the Indian tax Law.

59C. The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows:

Particulars	As at April 01, 2021	March 31, 2022		
		Statement of profit and loss	Other comprehensive income	As at March 31, 2022
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,041.06)	(385.90)	-	(2,426.96)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	136.43	48.99	9.70	195.12
Allowance for doubtful debts and advances	162.14	(19.15)	-	142.99
Allowance for impairment in the value of non current investment and share application money	138.33	-		138.33
Effect of deferred tax on Inventory and other related items	142.19	21.61	-	163.80
MAT Credit entitlement	5,398.99	(106.52)	-	5,292.47
Unabosrbed carried forward losses	77.75	28.46	-	106.21
Exchange differences on translation of foreign operations			3.26	3.26
Others	16.24	(32.03)	-	(15.79)
Deferred tax credit		(444.54)	12.96	6,026.39
Net deferred tax assets	**4,031.01**			**3,599.43**

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 59 - Income tax (Contd.)

59C The major components of deferred tax liabilities/(assets) arising on account of temporary differences are as follows:

Particulars	As at April 01, 2020	March 31, 2021		
		Statement of profit and loss	Other comprehensive income	As at March 31, 2021
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(1,533.23)	(507.83)	-	(2,041.06)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	121.99	12.95	1.49	136.43
Allowance for doubtful debts and advances	142.17	19.97	-	162.14
Allowance for impairment in the value of non current investment and share application money	-	138.33	-	138.33
Effect of deferred tax on Inventory and other related items	-	142.19	-	142.19
MAT Credit entitlement	5,072.14	326.85	-	5,398.99
Unabsorbed depreciation/carried forward losses	-	77.75	-	77.75
Others	7.44	8.80	-	16.24
Deferred tax credit / (charge)		219.01*	1.49	
Net deferred tax assets	**3,810.51**			**4,031.01**

* Reads as ₹219.00 Lakhs on the consolidated statements of profit and loss due to rounding off

59D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Unused tax losses (capital in nature)	124.35	124.35
Unused tax losses of subsidiary	1,714.87	414.49

The unused tax losses (capital in nature) will expire from financial year 2021-22 to financial year 2027-28 and unused tax losses of subsidiary can be used for indefinite period.

Pursuant to scheme of amalgamation, during the financial year 2018-19 (assessment year 2019-2020) Company has through revised income tax return filed on July 26, 2020, recognised an intangible assets of ₹60,390.05 Lakhs in the form of Goodwill in its income tax block of assets and has claimed under section 32(1) of the Income Tax Act, 1961 ('the Act') depreciation of ₹15,097.51 Lakhs for assessment year 2019-2020 and for assessment year 2020-2021, ₹11,323.15 Lakhs. Pending the outcome of the assessment by the income tax authorities, the aforesaid amount of depreciation has not been considered as deduction for arriving at the provision for taxation and also deferred tax assets has not been created on the amount recognised as goodwill for the purposes of the Act.

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 60 -Acquisition of a subsidiary

(i) During the previous year On December 01, 2020, Fermenta Biotech USA LLC, a wholly owned subsidiary of the Company, has acquired 52% of membership interest in AGD Nutrition LLC, which is into similar line of business of the Company. The name of AGD Nutrition LLC has since been changed to Fermenta USA LLC.

(ii) Identifiable assets acquired and liabilities

The Company has determined the fair values as at the acquistion date based on valuation report obtained from an independent valuer.

The amounts recognised in respect of the identifiable assets acquired and liabilities are set out inthe table below:

Particulars	Financial Year 2020-21
Assets	
Intangible assets	436.52
Trade receivables	164.34
Cash and cash equivalents	61.15
Inventories	1452.26
Other current assets	18.19
	2132.46
Liabilities	
Trade Payables	1577.67
Other current liabilities	2.67
	1580.34
Total identifiable net assets at fair value	552.12
(iii) Calculation of Goodwill	
Total consideration paid in Cash	943.85
Add: Non Controlling Interest	266.75
Less: Fair vale of nets assets acquired	(552.12)
Goodwill	**658.48**
(iv) Net cash outflow arising on acquistion	
Cash consideration	943.85
Less: Cash and cash equivalent balances acquired	(61.15)
	882.70

(v) The Parent Company's objective of creating an integrated nutritional and pharmaceutical business with a global footprint. Goodwill of ₹658.48 Lakhs of financial year 2020-21 is attributable to future growth of business.

(vi) The transaction cost of ₹9.10 Lakhs have been expensed in the consolidated statement of profit and loss of financial year 2020-21.

Note 61 Share-based payments

Employee share option plan of the Parent Company

1.1 Details of the employee share option plan of the Parent Company

This ESOP 2019 scheme had been framed pursuant to the Scheme of Amalgamation between the erstwhile Fermenta Biotech Limited ("Transferor Company") with the DIL Limited ("Transferee Company") and their respective shareholders. The Transferor Company prior to the Scheme of Amalgamation had implemented the 'Fermenta Biotech Limited - Employee Stock Option Plan 2019' and were granted employee stock options to its eligible employees. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.398) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.398) and fractions rounded off to the next higher whole number. The terms and conditions of ESOP 2019 Scheme of DIL Limited are not less favourable than those of ESOP Scheme of erstwhile Fermenta Biotech Limited. Under the ESOP 2019 Scheme, stock options have been issued to the eligible employees of erstwhile Fermenta Biotech Limited

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 61 Share-based payments (Contd.)

In accordance with the terms of the plan, as approved by the erstwhile shareholders of Fermenta Biotech Limited at an extra general meeting, executives and senior employees with the Company were granted options to purchase equity shares.

Each employee share option converts into one equity share of the Parent Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Parent Company and the individual's achievement judged against both qualitative and quantitative criteria.

The following share-based payment arrangements were in existence during the current year:

Options series	Number**	Grant date	Expiry date	Exercise price	Fair value at grant dates
Plan 1 (60% of options granted under ESOP 2019)	101,614	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2025, 12.08.2025 and 28.02.2025	83.67	421.71, 421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	49,526	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2026, 12.08.2026 and 28.02.2026	83.67	421.71, 421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	28,270	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2027, 12.08.2027 and 28.02.2027	83.67	421.71, 421.71 and 298.16
Plan 2 (100% of options granted under ESOP 2019)	217,410	25.02.2019	25.02.2025	83.67	418.22

Options granted under ESOP 2019 shall vest not before 1 (one) year and not later than maximum Vesting Period of 5 (five) years from the date of grant of such Options. Subject to the minimum vesting period of one year, the Nomination and Remuneration Committee of the Board at its discretion approve for acceleration of Vesting of any or all unvested Options of the Option Grantee.

The above number of options, fair value at grant dates and exercise price were adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

**The number of options are after giving effect of the amalgamation and bonus shares issued during the previous year.

1.2 Fair value of share options granted

The weighted average fair value of the share options granted during the financial year is Nil (Previous year ₹298.16). Options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been calculated based on a weighted average of vests. Expected volatility is based on the historical share price information of similar listed entities.

	Option series			
Inputs into the model	Plan 1 (60% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 2 (100% of options granted under ESOP 2019)
Grant date share price	298.16 and 298.16	298.16 and 298.16	298.16 and 298.16	418.22
Exercise price	83.67	83.67	83.67	83.67
Expected volatility	69.28% and 65.33%	68.83% and 61.84%	68.08% and 60.02%	69.28%
Option life	4.51 years and 4 years	5.51 years and 5 years	6.51 years and 6 years	4.51 years
Dividend yield	0% and 0.57%	0% and 0.57%	0% and 0.57%	0.00%
Risk-free interest rate	7.14% and 5.22%	7.25% and 5.53%	7.35% and 5.78%	7.14%

Notes to the Consolidated financial statements

for year ended March 31, 2022

Note 61 Share-based payments (Contd.)

1.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

(₹ in Lakhs)

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	485,258	83.67	427,647	83.67
Granted during the year	-	83.67	70,278	83.67
Forfeited during the year	88,437	83.67	12,667	83.67
Bonus options issued during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of year	**396,821**	**83.67**	**485,258**	**83.67**

No share options were exercised during the year .

1.4 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹83.67 (as at March 31, 2021: ₹83.67), and a weighted average remaining contractual life of 1.78 years.

62 Ratio

(₹ in Lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Current Ratio	31,401.99	20,712.34	1.52	1.48	2.50%	*
	(30,962.15)	(20,933.35)				
Debt-Equity Ratio	23,614.59	37,213.47	0.63	0.64	-0.22%	*
	(22,932.38)	(36,059.02)				
Debt Service Coverage Ratio	5,773.32	3,575.52	1.61	2.23	-27.74%	Due to lower probability and increase in debts level.
	(8,097.37)	(3,623.91)				
Return on Equity Ratio	(1,506.06)	(36,636.25)	0.04	0.13	-67.62%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit of the Parent Company ('Fermenta')
	(4,253.04)	(33,501.28)				
Inventory turnover Ratio	39,851.57	16,087.35	2.48	2.59	-4.52%	*
	(37,728.88)	(14,542.62)				
Trade Receivables turnover Ratio	39,851.57	7,755.25	5.14	5.48	-6.17%	*
	(37,728.88)	(6,889.45)				
Trade payables turnover Ratio	13,505.65	6,335.84	2.13	2.43	-12.17%	*
	(14,376.53)	(5,923.60)				
Net capital turnover Ratio	39,851.57	10,689.65	3.73	3.76	-0.90%	*
	(37,728.88)	(10,028.80)				

Notes to the Consolidated financial statements

for year ended March 31, 2022

62 Ratio (Contd.)

(₹ in Lakhs)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for variance
Net profit Ratio	(4,253.04)	(37,728.88)	0.04	0.11	-66.47%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit of the Parent Company ('Fermenta')
Return on Capital employed	4,402.74	57,904.81	0.08	0.12	-39.06%	Due to lower profitability and change in Tax rate due to cessation of section 10 (AA) benefit of the Parent Company ('Fermenta')
	(6,960.52)	(55,789.52)				
Return on investment	3.77	76.24	0.05	0.00	5019.40%	Due to higher income on investment
	(-0.07)	(72.47)			5219.40%	

* Ratio variance below threshold limit defined as per Schedule III

Current Ratio :	Current Assets/ Current Liabilities
Debt – Equity Ratio :	Total Debt/Shareholder's Equity
Debt Service Coverage Ratio :	Earnings available for debt service/Debt Service
	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
	Debt service = Interest & Lease Payments + Principal Repayments
Return on Equity (ROE) :	Net Profits after taxes – Preference Dividend (if any)/Average Shareholder's Equity
Inventory Turnover Ratio :	Sales/Average Inventory
	Average inventory is (Opening + Closing balance / 2)
Trade receivables turnover Ratio :	Net Credit Sales/ Avg. Accounts Receivable
	Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bills receivables
	Average trade debtors = (Opening + Closing balance / 2)
Trade payables turnover Ratio :	Net Credit Purchases/ Average Trade Payables
Net capital turnover Ratio :	Net Sales / Working Capital
	Net sales is calculated as total sales minus sales returns.
	Working Capital is calculated as Current assets minus Current liabilities.
Net profit Ratio :	Net Profit/ Net Sales
	Net profit after tax.
	Net sales is calculated as total sales minus sales returns.
Return on capital employed (ROCE):	Earning before interest and taxes/Capital Employed
	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
Return on investment :	Income from Investments /Cost of investments.

Notes to the Consolidated financial statements

for year ended March 31, 2022

63 Commitments:

(₹ in Lakhs)

		March 31, 2022	March 31, 2021
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	2,445.41	688.71
(b)	Lease commitments	162.66	261.66
		2,608.07	**950.37**

Note 64 - Contingent liabilities:

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Claims against the Group not acknowledged as debts;	2,445.41	688.71
Tax matters		
'Service tax department raised demand of ₹22.50 Lakhs consisting of Service Tax of ₹7.50 Lakhs and penalty of ₹15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. The Company has preferred an appeal to Bombay High Court.	22.50	22.50
The Deputy Commissioner of sales tax has confirmed the order of the Assistant Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Assistant Commissioner pending final disposal.	4.63	4.63
	27.13	**27.13**

Note: Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

65 Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprise Development Act, 2006

(₹ in Lakhs)

Particulars		March 31, 2022	March 31, 2021
(a)	i) Principal amount remaining unpaid to any supplier at the end of the accounting year	224.72	78.34
	ii) Interest due on above	-	-
The Total of (i) and (ii)		224.72	78.34
(b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Notes to the Consolidated financial statements

for year ended March 31, 2022

66 Capitalisation of borrowing costs

During the year ended March 31, 2022, the Group capitalised the following borrowing costs attributable to qualifying assets to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, finance costs disclosed under note 40 are net of amounts capitalised by the Group Company.

(₹ in Lakhs)

	March 31, 2022	March 31, 2021
Finance costs (Including forex revaluation)	81.29	328.44
Total	**81.29**	**328.44**

Note 67 The Parent Company ('Fermenta') has signed a Binding Term Sheet on January 31, 2022 with Mextech Property Developers LLP ('Mextech') and granted development rights to Mextech for construction of residential-cum-comercial buildings in the balance portion of Thane land. In lieu of this the Company would receive residential flats on an area sharing basis aggregating 120,000 square feet RERA carpet area along with amenities. The Company has sought shareholders' approval through Postal Ballot under section 180 of the Companies Act, 2013 for the same vide Postal Ballot Notice dated May 10, 2022, the result of which will be declared on or before June 10, 2022.

Note 68 During the previous year The Parent Company had given (unsecured) Inter-corporate deposits aggregating ₹2,130.00 Lakhs in various tranches to another entity for the development of the new product i.e. cholesterol from Fish Oil. The amount outstanding as on March 31, 2021 is ₹521.96 Lakhs, including interest of ₹46.96 Lakhs. Subsequent to the end of the year, the other entity has further repaid an amount of ₹521.96 Lakhs towards the aggregate outstanding as mentioned above, and there is no outstanding against the said Inter-corporate deposits as on date.

Note 69 As per the current assessment of the situation based on the internal and external information available up to the date of approval of these consolidated financial results by the Parent Board of Directors, the Group believes that the Impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited. 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 consolidated financial results and the Group will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

Note 70 The accumulated losses at ₹1,709.92 lakhs (including loss of ₹193.58 lakhs for the quarter and ₹1,300.38 lakhs for the year ended March 31, 2022, respectively) in Fermenta Biotech GmbH, wholly owned subsidiary (WOS) of the Parent Company at Germany exceed the equity share capital. The WOS was incorporated fairly recently on June 14, 2019 and there has been considerable delay in obtaining the required approvals to execute sales for procedural reasons in view of the global pandemic "Covid-19". The WOS had obtained the required approvals in the previous quarter ended December 31, 2021 and commenced sales of its products. The management of the Company is of the view that these losses have been incurred in view of the unusal circumstances explained and are temporary in nature. The WOS expects to gradually recoup the losses.

71 a) Details of funds advanced or loaned or the like provided by the Parent Company ('Fermenta') to Intermediaries or on behalf of the Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount #	Currency	Name of intermediaries
10.01.2020	75,000	EURO	Inter Gest Germany GmbH
17.01.2020	1,00,000	EURO	Inter Gest Germany GmbH
03.02.2020	1,00,000	EURO	Inter Gest Germany GmbH
29.04.2020	1,75,000	EURO	Inter Gest Germany GmbH
01.10.2020	4,50,000	EURO	Inter Gest Germany GmbH
26.02.2021	60,000	EURO	Inter Gest Germany GmbH
22.04.2021	50,000	EURO	Inter Gest Germany GmbH
30.06.2021	40,000	EURO	Inter Gest Germany GmbH
05.08.2021	25,000	EURO	Inter Gest Germany GmbH
13.08.2021	35,000	EURO	Inter Gest Germany GmbH
09.09.2021	1,05,000	EURO	Inter Gest Germany GmbH
18.11.2021	75,000	EURO	Inter Gest Germany GmbH
08.12.2021	8,50,000	USD	Fermenta Biotech USA LLC

Total outstanding amount in Lakhs:

a) Inter Gest Germany GmbH as at March 31, 2022 ₹1107.34 (as at March 31, 2021 ₹819.71)

b) Fermenta Biotech USA LLC as at March 31, 2022 ₹642.26 (as at March 31, 2021 Nil)

Notes to the Consolidated financial statements

for year ended March 31, 2022

b) Details of furnds further advanced or loaned or the like provided by such Intermediaries to other intermediaries or Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount #	Currency	Name of intermediaries
20.01.2020	70,000	EURO	Inter Gest Germany GmbH
21.01.2020	20,000	EURO	Inter Gest Germany GmbH
23.01.2020	10,000	EURO	Inter Gest Germany GmbH
04.02.2020	25,000	EURO	Inter Gest Germany GmbH
05.02.2020	50,000	EURO	Inter Gest Germany GmbH
24.02.2020	25,000	EURO	Inter Gest Germany GmbH
30.04.2020	75,000	EURO	Inter Gest Germany GmbH
05.10.2020	4,50,000	EURO	Inter Gest Germany GmbH
01.03.2021	60,000	EURO	Inter Gest Germany GmbH
31.03.2021	1,75,000	EURO	Inter Gest Germany GmbH
01.06.2021	50,000	EURO	Inter Gest Germany GmbH
02.07.2021	40,000	EURO	Inter Gest Germany GmbH
06.08.2021	25,000	EURO	Inter Gest Germany GmbH
17.08.2021	35,000	EURO	Inter Gest Germany GmbH
14.09.2021	1,05,000	EURO	Inter Gest Germany GmbH
19.11.2021	75,000	EURO	Inter Gest Germany GmbH
20.12.2021	8,50,000	USD	Fermenta USA LLC

c) The Parent Company ('Fermenta') has complied all the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act 2013 for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) under Rule 11 (e)

72 Quarterly returns and statements of current assets for loans taken from Banks and Financial Institutions on the basis of security of current assets are filed by the Parent Company ('Fermenta') with banks and Financial Institutions are in agreement with the books of accounts no such variations found. (Refer Notes 25 and 29)

73 The Consolidated financial statements are approved for issue by the Board of Directors of the Parent Company at its meeting held on May 30, 2022.

For and on behalf of the Board of directors of
Fermenta Biotech Limited (Formerly known as DIL Limited)

Krishna Datla
Executive Vice-Chairman

Satish Varma
Executive Director

Sumesh Gandhi
Chief Financial Officer

Srikant N. Sharma
Company Secretary

Thane, May 30, 2022

FERMENTA BIOTECH LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Registered Office: A-1501, Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400 610, Maharashtra, India

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NOTICE

Notice is hereby given that the Seventieth Annual General Meeting ("AGM") of the Members of Fermenta Biotech Limited ("Company") will be held on Friday, August 12, 2022 at time 04:00 PM (IST) through Video Conferencing/Other Audio- Visual Means, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

    (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, Reports of the Board of Directors, and the Auditors thereon; and

    (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, and the Report of the Auditors thereon.

2. To declare dividend of ₹1.25 per equity share of ₹5 each for the financial year ended March 31, 2022.

3. To appoint a Director in place of Ms. Anupama Datla Desai (DIN – 00217027), who retires by rotation and, being eligible, offers herself for re-appointment.

4. To consider, and if thought fit, pass with or without modification(s), the following resolution as an Ordinary resolution:

    To appoint Statutory Auditors and fix their remuneration

    "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/ E300003) be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of 70th Annual General Meeting (AGM) till the conclusion of 75th AGM, in place of the outgoing Auditors, Deloitte Haskins & Sells. LLP, Chartered Accountants (Firm Registration no. 117366W/W-100018), on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors and the Statutory Auditors from time to time".

SPECIAL BUSINESS

5. To consider, and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

    Appointment of Mr. Pramod Kasat as an Independent Director w.e.f. August 12, 2022.

    "**RESOLVED THAT,** pursuant to the provisions of Sections of 149, 150 and 152 of the Companies Act, 2013 ('Act') read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof from time to time), Regulation 17 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance to the provisions of the Articles of Association of the Company, and the Nomination and Remuneration Policy of the Company, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors respectively, Mr. Pramod Kasat (DIN: 00819790) who holds office as an Additional Director of the Company up to the date of this Annual General Meeting in terms of Section 161 of the Act, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of 5 (five) consecutive years with effect from August 12, 2022.

    RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

6. To consider, and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

    To re-appoint Mr. Satish Varma as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022.

    "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder read with Schedule V and other applicable provisions, if any, including statutory modification(s) or enactment(s) thereto, for the time being in force, of the Companies Act, 2013 ("Act"), provisions of Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and based on the recommendation of the Board of Directors (hereinafter referred to as the 'Board' which term shall include the Nomination and Remuneration Committee of the Board), consent of the members of the Company be and is hereby accorded to appoint Mr. Satish Varma (DIN: 00003255) as an Executive Director and Key Managerial Person of the Company ('Executive Director') for a period of 3 (three) years commencing from September 27, 2022 to September 26, 2025 as per the salary, perquisites, terms and conditions as set out in the agreement dated May 30, 2022 entered into between the Company and the Executive Director

('Agreement'), which *inter alia*, are set out in the Explanatory statement; and the period of Executive Director's office shall be liable for determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the material terms of the above-mentioned Agreement set out in the explanatory statement are hereby also approved by the Shareholders, and further that the Board is hereby authorized to revise, amend, alter and vary the remuneration and terms of the appointment of the Executive Director in accordance with the aforesaid Sections, read with Schedule V and other applicable provisions (including statutory modification(s) or enactment(s) thereto, for the time being in force) of the Act.

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove in respect of payment of remuneration, where in any financial year and during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the shareholders hereby authorize the Board to pay the remuneration to the Executive Director by way of salary, perquisites and other allowances, as per the Agreement referred to above, notwithstanding that such payment may be in excess of the individual limits prescribed by Section 197 and Schedule V of the Act (including statutory modification(s) or enactment(s) thereto, for the time being in force), and notwithstanding that the payment of such remuneration to the Executive Director together with the payment of remuneration to all other directors (including the managing director, whole-time directors, and others directors) may be in excess of the aggregate limits prescribed by Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution".

7. To consider, and if thought fit, pass with or without modification(s), the following resolution as a Special Resolution:

To re-appoint Ms. Anupama Datla Desai as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder read with Schedule V and other applicable provisions, if any, including statutory modification(s) or enactment(s) thereto, for the time being in force, of the Companies Act, 2013 ("Act"), provisions of Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and based on the recommendation of the Board of Directors (hereinafter referred to as the 'Board' which term shall include the Nomination and Remuneration Committee of the Board), consent of the members of the Company be and is hereby accorded to appoint Ms. Anupama Datla Desai (DIN: 00217027) as an Executive Director and Key Managerial Person of the Company ('Executive Director') for a period of 3 (three) years commencing from September 27, 2022 to September 26, 2025 as per the salary, perquisites, terms and conditions as set out in the agreement dated May 30, 2022 entered into between the Company and the Executive Director ('Agreement'), which *inter alia*, are set out in the Explanatory statement; and the period of Executive Director's office shall be liable for determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the material terms of the above-mentioned Agreement set out in the explanatory statement are hereby also approved by the Shareholders and further that the Board is hereby authorized to revise, amend, alter and vary the remuneration and terms of the appointment of the Executive Director in accordance with the aforesaid Sections read with Schedule V and other applicable provisions (including statutory modification(s) or enactment(s) thereto, for the time being in force) of the Act.

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove in respect of payment of remuneration, where in any financial year and during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the shareholders hereby authorize the Board to pay the remuneration to the Executive Director by way of salary, perquisites and other allowances, as per the Agreement referred to above, notwithstanding that such payment may be in excess of the individual limits prescribed by Section 197 and Schedule V of the Act (including statutory modification(s) or enactment(s) thereto, for the time being in force), and further notwithstanding that the payment of such remuneration to the Executive Director, together with the payment of remuneration to all other directors (including the managing director, whole-time directors, and others directors) may be in excess of the aggregate limits prescribed by Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

8. To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

Remuneration of Cost Auditor of the Company

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), the members of the Company hereby approve the payment of remuneration of ₹ 2,75,000 (Rupees Two Lakhs Seventy Five Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses, if any, to M/s Joshi Apte & Associates, Cost Accountants (Firm Registration Number – 00240), ['Cost Auditor'] to conduct the cost audit in respect of applicable product(s) manufactured by the Company for the financial year ending on March 31, 2023".

9. To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

Approval for Material Related Party Transaction

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the applicable rules issued thereunder (including any statutory modification(s) or re-enactment thereof), Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Circulars SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated March 30, 2022 and SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 and other relevant circulars ("SEBI Circulars"), the Company's Policy on Related

Party Transactions and based on recommendation of the Audit Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to enter into contract(s)/ arrangement(s) / transaction(s), at arm's length basis and in the ordinary course of business, with Fermenta USA LLC, a step-down subsidiary of the Company, for an amount not exceeding the aggregate ₹ 40,00,00,000 (Rupees Forty Crores only); for a period upto next annual general meeting to be held in the year 2023 (not exceeding fifteen months), for a period not exceeding fifteen months, on such terms and conditions as may be considered appropriate by the Board;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers conferred to it under this resolution to any of its committees or directors of the Company and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors of
Fermenta Biotech Limited

Srikant N. Sharma
Company Secretary & Vice President (Legal)
Membership No: FCS – 3617
Date: May 30, 2022, Thane

Registered Office:
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610, Maharashtra, India.

Annexure to Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act').

Item no. 4:

Pursuant of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the members of the Company had appointed Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No: 117366W/W- 100018) ("Deloitte") as Statutory Auditors of the Company, at the 66th AGM dated September 28, 2018, to hold office from the conclusion of 66th AGM until the conclusion of 70th AGM of the Company.

Post completion of the above term of Deloitte and as a part of better corporate governance, it is proposed to appoint new auditors in place of Deloitte for a term of five consecutive years from the conclusion of 70th AGM till the conclusion of 75th AGM of the Company to be held in the year 2027.

The Audit Committee and the Board of Directors at their respective meetings held on May 30, 2022 considered various proposals and after necessary evaluation, recommended the appointment of S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) ("SRBC") as the Statutory Auditors of the Company, for the approval of the members of the Company at the 70th AGM, for a term of five consecutive years from the conclusion of 70th AGM till the conclusion of 75th AGM of the Company to be held in the year 2027.

Disclosures pursuant to sub-regulation (5) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are set out below:

(a) The Audit Committee and the Board of Directors evaluated various proposals and considered various factors like independence, industry experience, technical skills, audit team, scope of services, etc., and recommended the appointment of S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) as Statutory Auditors.

(b) S R B C & CO LLP, (FRN 324982E/E300003), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It was established in the year 2002 and is a limited liability partnership firm incorporated in India. It has its registered office at 22, Camac Street, Kolkata and has 15 branch offices in various cities in India. It has a valid Peer Review Certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

(c) The Board has approved a remuneration of ₹ 42.00 lakhs for conducting the audit by Deloitte for the financial year 2021-22, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to SRBC during their first term would be in line with the industry standards and the shall be commensurate with the services to be rendered by them during the said tenure. The Board in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with SRBC.

There is no material change in the remuneration proposed to be paid to SRBC for the statutory audit conducted for year ending March 31, 2023 as against the remuneration paid to Deloitte, the outgoing Statutory Auditors.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received the written consent from SRBC and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SRBC has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the 70th AGM.

The Board members recommend this resolution for approval of the Members as an Ordinary Resolution under Ordinary Business.

Item no. 5:

The members are hereby informed that the Board of Directors approved the appointment of Mr. Pramod Kasat (DIN: 00819790) as an Additional Director with effect from May 30, 2022 in terms of Section 161 of the Companies Act, 2013 ('Act') and his appointment as an Independent Director is subject to approval by the members at AGM.

Mr. Kasat is a Managing Director of Intellecap Advisory Services Private Limited. Prior to this, he was associated as Country Head of Investment Banking at IndusInd Bank, Mumbai and has served as Director and Head of Investment Banking at Pioneer Investcorp Limited (PINC) and was instrumental in driving growth in the investment banking business. Prior to PINC, he was Director of Investment Banking and Global Market Solutions Group at Credit Suisse, Director at Deutsche Bank Global Markets and worked with the IL&FS Group as the Head of Origination for the Investment Banking Group, among other leadership roles. He also worked in Citibank NA in the Capital Markets Group. Mr. Kasat has an Engineering Degree from BITS, Pilani and a Master's in Finance from Sydenham Institute of Management Studies, Mumbai University. Mr. Kasat's competency in abovementioned areas would play an important role in overall strategic decisions making process of the Company.

As required under Listing Regulations and Secretarial Standards on General Meetings as specified by the Institute of Company Secretaries of India, a brief profile of Mr. Kasat is annexed to this notice. The Company has received notice under Section 160 of the Act from a member proposing his candidature for the office of Director on the Board of Directors of the Company.

Mr. Kasat has given his consent to act as an Independent Director and has made necessary declarations and disclosures including declaration as to his independence as required under provisions of the Act and Listing Regulations. He has also provided registration and exemption certificate (i.e. he is not required to pass online proficiency self-assessment test) issued by Indian Institute of Corporate Affairs.

On recommendation of the Nomination and Remuneration Committee of the Company and in the opinion of the Board, Mr. Kasat fulfils conditions specified in the Act and the rules made thereunder and that he is independent of the management.

Considering the above and in compliance with the provisions of Section 149, 150 and 152 read with Schedule IV and Companies (Appointment and Qualification of Directors) Rules, 2014 of the Act and applicable provisions of Listing Regulations including Regulation 17, it is proposed to appoint Mr. Kasat as a director, designated as an Independent Director, on the Board of Directors of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years, effective from August 12, 2022.

Therefore, the Board of Directors recommends this resolution for approval of the members of the Company, as Special Resolution.

A copy of the draft Letter of Appointment for Mr. Pramod Kasat, setting out the terms and conditions, shall be made available for inspection by the members as set out under 'Documents for inspection' in the Notes to the Notice.

Mr. Kasat holds 3,000 shares in the Company as on the date of this notice.

Except Mr. Pramod Kasat, none of the directors, key managerial personnel or their relatives is interested in the resolution.

Item no. 6:

Mr. Satish Varma was appointed at the Annual General Meeting ('AGM') held on October 17, 2020, as an Executive Director of the Company for a period of 3 (three) years effective September 27, 2019. Accordingly, the tenure of Mr. Satish Varma as Executive Director of the Company would end on September 26, 2022.

The Nomination and Remuneration Committee and Board of Directors of the Company at their respective meeting(s) held on May 30, 2022, re-appointed Mr. Satish Varma as an Executive Director on the Board of Directors of the Company for a period of 3 (three) years from September 27, 2022 to September 26, 2025, subject to approval by the members at the ensuing AGM.

The Executive Director shall act as a Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203(1), 203(2) read with Section 2(51) of the Companies Act, 2013 ('Act').

The material terms of the agreement entered into between the Company and Mr. Satish Varma on May 30, 2022 ('Agreement') are as under:

I Salary: ₹ 9,15,000 per month, in the scale of ₹ 9,15,000 - ₹ 13,00,000 per month and eligible for revision as and when deemed fit by Nomination and Remuneration Committee/ Board of Directors of the Company.

II In addition to the aforesaid Salary, he shall also be entitled to the following perquisites:

a) Furnished accommodation or house rent @ ₹ 1,25,000 per month

b) Reimbursement of gas, electricity and water for residence.

c) Medical Reimbursement: Expenses incurred for self and family as per rules of the Company subject to ceiling of one month's basic salary;

d) Leave travel concession for self and his family subject to ceiling of one month's basic salary.

e) Club fees: Fees of clubs, subject to a maximum of two clubs;

f) Personal Accident Insurance Premium as per rules of the Company;

g) The Company shall provide two cars with drivers and telephone at residence. Provisions of car(s) and telephone(s) at residence for use on Company's business will not be considered as perquisites;

h) Reimbursement of Entertainment and all other expenses actually incurred in the course of legitimate business of the Company;

i) Children Education Allowance as per rules of the Company

j) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors and the Executive Director.

III Commission:

Subject to the provisions of Section 197 and other applicable provisions of the Act, the Executive Director shall be paid commission at such percentage of the net profits of the Company or such quantum as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

IV Loss of office:

Subject to the provisions of Section 202 and other applicable provisions, if any, of the Act, the Executive Director shall be paid compensation for loss of office. However, such payment shall not exceed the remuneration which he would have earned if he had been in office for his remaining term, based on the remuneration as mentioned under the Agreement and calculated on the basis as provided in the Act. For the sake of clarity, for this clause, the term remuneration as mentioned above shall not include commission as payable under Section 197 of the Act.

V Executive Director shall also be entitled to the following perquisites, which shall not be included in the computation of the remuneration under Schedule V to the Act:

a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.

b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service in accordance with the terms of Payment of Gratuity Act, 1972.

c) Encashment of leave at the end of the tenure as per rules of the Company

A brief profile of Mr. Satish Varma as required under the Listing Regulations and Secretarial Standards on General Meetings as specified by the Institute of Company Secretaries of India and approved by the Central Government is provided as an Annexure to this notice along with the information required to be provided under Part II, Section II (iv) of Schedule V of the Companies Act, 2013.

The Board members recommend this resolution for approval of the Members as a Special Resolution.

The Agreement dated May 30, 2022 executed between the Company and Executive Director for the said appointment referred to in the proposed resolution shall be made available for inspection of the members as set out under 'Documents for inspection' in the Notes to the Notice.

Except Mr. Satish Varma, none of the Directors and the Key Managerial Personnel of the Company including their relatives is concerned or interested in the above appointment.

Item No. 7

Ms. Anupama Datla Desai was appointed at the Annual General Meeting ('AGM') held on October 17, 2020, as an Executive Director of the Company for a period of 3 (three) years effective September 27, 2019. Accordingly, the tenure of Ms. Anupama Datla Desai as an Executive Director of the Company has come to an end on September 26, 2022.

The Nomination and Remuneration Committee and Board of Directors of the Company at their respective meeting(s) held on May 30, 2022, re-appointed Ms. Anupama Datla Desai as an Executive Director on the Board of Directors of the Company for a period of 3 (three) years from September 27, 2022 to September 26, 2025, subject to approval by the members at the ensuing AGM.

The Executive Director shall act as a Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 203(1), 203(2) read with Section 2(51) of the Companies Act, 2013 ('Act').

The material terms of the agreement entered into between the Company and Ms. Anupama Datla Desai on May 30, 2022 ('Agreement') are as under:

I Salary: ₹ 7,00,000 per month, in the scale of ₹ 7,00,000 - ₹ 10,00,000 per month and eligible for revision as and when deemed fit by Nomination and Remuneration Committee/ Board of Directors of the Company.

II In addition to the aforesaid Salary, she shall also be entitled to the following perquisites:

a. Supplementary Allowance: ₹ 10,000 per month;

b. House Rent Allowance: ₹ 50,000 per month;

c. Leave Travel Concession: Return passage for self and family subject to a maximum of one month's basic salary;

d. Medical Reimbursement: Expenses incurred for self and family as per rules of the Company subject to a maximum of one month's basic salary;

e. Club fees: Fees of clubs, subject to a maximum of two clubs;

f. Such other payment in the nature of bonus, perquisites and allowances as may be decided by the Board of Directors;

g. The Company shall provide a car with driver and telephone at residence. Provision of car and telephone at residence for use on Company's business will not be considered as perquisites;

h. Reimbursement of Electricity/ Gas/ Water Expenses for Residence;

i. Children Education Allowance as per rules of the Company;

j. Personal Accident Insurance Premium as per rules of the Company;

k. Reimbursement of entertainment and all other expenses actually incurred in the course of legitimate business of the Company;

l. Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors and the Executive Director.

III Commission:

Subject to the provisions of Sections 197 and other applicable provisions of the Act, the Executive Director shall be paid commission at such percentage of the net profits of the Company or such quantum as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

IV Loss of office:

Subject to the provisions of Section 202 and other applicable provisions, if any, of the Act, the Executive Director shall be paid compensation for loss of office. However, such payment shall not exceed the remuneration which she would have earned if she had been in office for her remaining term, based on the remuneration as mentioned under this Agreement and calculated on the basis as provided in the Act. For the sake of clarity, for this clause, the term remuneration as mentioned above shall not include commission as payable under Section 197 of the Act.

V Executive Director shall also be entitled to the following perquisites, which shall not be included in the computation of the remuneration under Schedule V to the Act:

a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.

b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service in accordance with the terms of Payment of Gratuity Act, 1972.

c) Encashment of leave at the end of the tenure as per rules of the Company.

A brief profile of Ms. Anupama Datla Desai as required under the Listing Regulations and Secretarial Standards on General Meetings as specified by the Institute of Company Secretaries of India and approved by the Central Government is provided as an Annexure to this notice along with the information required to be provided under Part II, Section II (iv) of Schedule V of the Companies Act, 2013.

The Board members recommend this resolution for approval of the Members as a Special Resolution.

The Agreement dated May 30, 2022 executed between the Company and Executive Director for the said appointment referred to in the proposed resolution shall be made available for inspection of the members as set out under 'Documents for inspection' in the Notes to the Notice.

Except the following, none of the Directors and the Key Managerial Personnel of the Company including their relatives is concerned or interested in the above appointment:

Interested Director	Nature of Interest/ Concern	Shareholding in Company
Ms. Anupama Datla Desai	Appointee	1.75%
Mr. Krishna Datla	Brother of Ms. Anupama Datla Desai	8.36%
Ms. Rajeshwari Datla	Mother of Ms. Anupama Datla Desai	2.02%

Item No. 8

Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) provides that the remuneration of the Cost Auditor as recommended by the Audit Committee shall be considered and approved by the Board of Directors of the Company and thereafter ratified by the members of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Joshi Apte & Associates, Cost Accountants [Firm Registration Number–00240], as Cost Auditors of the Company and their remuneration of ₹ 2,75,000 (Rupees Two Lakhs Seventy Five Thousand only) for the financial year 2022-23.

The Board of Directors recommend this resolution for approval of the members of the Company, as an Ordinary Resolution.

None of the Directors and the Key Managerial Personnel of the Company including their relatives is in any way interested or concerned in this resolution.

Item No. 9

As per the provisions of Section 188 of the Companies Act, 2013 ('Act'), transactions entered with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the requirement of obtaining prior approval of shareholders.

Pursuant to the provisions of sub-regulation (4) of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), with effect from April 1, 2022, all 'material' Related Party Transactions shall require prior approval of the shareholders through resolution. For this purpose, a transaction with a related party shall be considered 'material', if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

SEBI vide its circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 stipulated that the shareholders' approval of omnibus related party transactions approved in an annual general meeting shall be valid upto the date of the next annual general meeting for a period not exceeding fifteen months.

The Company has a wholly-owned subsidiary named Fermenta Biotech USA LLC incorporated in the United States of America ("FBU"). FBU holds 52% membership interest in Fermenta USA LLC ("FUSA"), a Texas limited liability company. Accordingly, FUSA is a step-down subsidiary of the Company. FUSA is, *inter alia*, in the domain of human and animal nutrition. The Company sells its products to FUSA for sale and distribution in the foreign markets.

Details of Material Related Party Transactions are as follows:

Sr.	Particulars	Details
1	Name of the Related Party	Fermenta USA LLC ("FUSA"), a Texas limited liability company
2	Nature of Relationship with the Company	FUSA is a step-down subsidiary of the Company in which Fermenta Biotech USA LLC (Company's wholly-owned subsidiary) holds 52% membership interest.
3	Type, material terms and particulars of the proposed transaction	(a) Sale of Company's products; and (b) Commission on sales of Company's products to FUSA.
4	Tenure of the proposed transaction	As per SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 i.e. upto the date of the next annual general meeting for a period not exceeding fifteen months.
5	Value of the proposed Transaction	(a) Upto ₹ 39 crores for Sale of Company's products (b) Upto ₹ 1 crore for Commission on sales to FUSA.

Sr.	Particulars	Details
6	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	~ 10%
7	(a) Details of the source of funds in connection with the proposed transaction	Not applicable
	(b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure.	Not applicable
	(c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	Not applicable
	(d) Purpose for which funds will be utilised	Not applicable
8	Justification as to why the RPT is in the interest of the Company	FUSA will help the Company with greater operational capabilities to enhance Company's footprint in the US market and develop larger customer base. Among other benefits, the sale of Company's products through FUSA helps the Company cater foreign markets, especially North American and Latin American markets, in competitive timelines due to reduction in the transport time. The transactions with FUSA are directly linked with the Company's sales and profits, and therefore are crucial for the Company's business. The Company (i) receives proceeds from sale of its products; and (ii) pays commission to FUSA for distribution of its products.
9	Details about valuation, arm's length and ordinary course of business	Valuation is not applicable. The sale of Company's products and payment of commission to FUSA is in the ordinary course of business and on an arm's length.
10	Valuation and other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not applicable
11	Any other information relevant or important for the shareholders to take an informed decision	Nil

Mr. Satish Varma, Executive Director, Mr. Prashant Nagre, Managing Director, and Mr. Sumesh Gandhi, Chief Financial Officer are managers in FUSA. Except that, none of the Directors or Key Managerial Personnel and their relatives, are concerned or interested in this Resolution.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out in Item No. 9.

The Board recommends the Ordinary Resolution set out at Item No. 9 for the approval of Members.

By Order of the Board of Directors of
Fermenta Biotech Limited (formerly known as DIL Limited)

SRIKANT N. SHARMA
Company Secretary & Vice President (Legal)
Membership No: FCS – 3617

May 30, 2022, Thane
Registered Office:
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwade, Thane (W) – 400 610

Brief profile of directors being appointed/ re-appointed or for whom revision in remuneration is sought, as required under regulation 36(3) of the Listing Regulations and Secretarial Standard.

Name of the Director	Mr. Satish Varma Executive Director	Ms. Anupama Datla Desai Executive Director	Mr. Pramod Kasat Independent Director
Age	52 years	43 years	53 years
Date of first appointment on the Board	July 01, 2003	September 27, 2019	May 30, 2022
Qualifications	Computer Science	Post-Graduate in Biotechnology from Mumbai University and Science Graduate from the Boston College, USA.	Engineering Degree from BITS, Pilani and a Master's in Finance from Sydenham Institute of Management Studies, Mumbai University
Experience and Area of specialization	Over 27 years of experience. He has an extensive and diverse operational, management and legal experience across the full scope of the FBL enterprise and was instrumental in the Solvay demerger in 2000 as well as the Crocin brand sale in 1996, events that have shaped the current strategic platform of the Company. Took direct operational responsibility of the Vitamin D3 business in 1998 and has led its growth.	Over 16 years of experience. She has an in-depth experience in quality control and implementation of safety policies and procedures across the organization. She is in charge of introducing and implementing new technology platforms into the Company and also spearheads the new business development, customer interaction and marketing in India and overseas.	Over 29 years of experience. He has vast experience in investment banking, capital markets and Global Market Solutions. He has been associated with prominent entities like Credit Suisse, Deutsche Bank, IL&FS, Citibank NA, Intellecap Advisory Services Private Limited, IndusInd Bank, Pioneer Investcorp Limited.
Number of meetings of the Board of the Company attended during FY 2021-22	8	8	Not Applicable
Directorship held in other companies	• G I Biotech Private Limited • Aegean Properties Limited • DVK Investments Private Limited • Fermenta Biotech (UK) Limited • Fermenta USA LLC • Fermenta Biotech USA LLC	• Dupen Laboratories Private Limited; • Lacto Cosmetics (Vapi) Pvt. Ltd.	• Advanced Enzyme Technologies Limited • Natural Capsules Limited • Natural Biogenex Private Limited • JC Biotech Private Limited • Sidpat Capital Advisors LLP • Advanced Enzymes USA • Cal India Foods International, USA • Sai Silks (Kalamandir) Limited
Chairmanships/ Memberships of Committee* of other Company's Boards (as on March 31, 2022)	Nil	Nil	Audit Committee (Chairman 1, member 2) Nomination and Remuneration Committee (Chairman 1, member 2)

Terms and conditions of appointment along with remuneration proposed to be paid and Remuneration last drawn	As stated in the explanatory statement to the Notice	As stated in the explanatory statement to the Notice	As stated in the explanatory statement to the Notice
Shareholding of Director (FV of ₹5/- each) (as on March 31, 2022)	23,160 equity shares	5,13,792 equity shares	3,000 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	As mentioned in the explanatory statement to the Notice	Nil

* Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, and Nomination and Remuneration Committee

Information as required to be provided under Part II, Section II (iv) of Schedule V of the Companies Act, 2013 regarding Directors

		Mr. Satish Varma	Ms. Anupama Datla Desai	Mr. Pramod Kasat
I	General Information	-	-	-
1	Nature of industry	Pharmaceutical		
2	Date or expected date of commencement of commercial production	The company has been engaged in commercial production since shortly after its original incorporation.		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.		
4	Financial performance based on given indicators	As provided in the Board's Report.		
5	Foreign investments or collaborations, if any.	As on the date of the Notice, the Company has a wholly-owned Subsidiary in the United Kingdom, Germany and the United States of America each, and a step down subsidiary in the United States of America.		
II	Information about the appointee:			
1	Background details	Brief profile of directors is provided in the previous table.		
2	Past remuneration	As provided in the Board's report		
3	Recognition or awards	During the leadership of the directors, the Company has received the following recognitions/ awards among others: • IDMA Margi Patel Choksi Memorial Best Patent Awards: Best Biotech API PATENT Award 2019-2021 • India Pharma Awards 2021: Excellence in R&D – Development of new product/technology (Runner up) • Pride of Maharashtra Awards 2021: Best Company of the Year - Excellence in Exports • Great Place to Work® certified for the third consecutive year (April 2021-March 2022) • One out of eight companies recognized as India's Best Workplaces in Biotechnology & Pharmaceuticals 2021 • One of India's Best Leaders in Times of Crisis 2021 by Great Place to Work® Institute (Mr. Prashant Nagre) • The Economic Times Inspiring CEOs 2021 (Mr. Prashant Nagre)		

		Mr. Satish Varma	Ms. Anupama Datla Desai	Mr. Pramod Kasat
4	Job profile and his suitability	As provided in the brief profile of the directors set out in the previous table and the explanatory statement to the AGM Notice.		
5	Remuneration proposed	As provided in the explanatory statement to the Notice.		
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering their expertise and overall experience for last several years in the company's operations and expansions it is difficult to compare such remuneration profile with others.		
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship directly or indirectly with the company except the remuneration and details mentioned in the related party transactions in the financial statements. Details of shares held by the director are provided in the above table.	There is no pecuniary relationship directly or indirectly with the company except the remuneration and details mentioned in the related party transactions in the financial statements. Details of shares held by the director are provided in the above table.	Details of shares held by the director are provided in the above table.
III	Other information	As below		
1	Reasons of loss or inadequate profits	The Company has been recording increase in its revenue and profits in recent years. However, the manner of calculation of eligible profits for managerial remuneration as specified in Section 198 of the Companies Act, 2013, as well as fluctuations in foreign exchange rates and other external economic factors, may result in inadequacy of profits, necessitating payment of remuneration in excess of the limits specified in Section 197 of the Act, when the previously approved amounts of remuneration are paid to the concerned directors and/or all of the members of the Board, as applicable.		
2	Steps taken or proposed to be taken for improvement	The Company has, inter alia, adopted the following measures to further improve the profitability: • strengthening its purchase, production, and sales and marketing functions • established subsidiaries in the Europe and the USA in order to boost its sales and business across the globe • Technology upgradation by way of investing in state-of-the-art machinery to meet stringent quality requirements of customers • Cost control in all areas and focus on significant improvements in operating costs.		
3	Expected increase in productivity and profits in measurable terms	The Company has been experiencing a steady growth in its revenue over last few years. While past performance does not guarantee future results, barring external shocks and unexpected events and risks over which the Company has no control, the Company expects to sustain, if not enhance, the growth levels in productivity and profits when such productivity and profits are measured against the levels witnessed in prior years.		

Notes:

1. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, read with other relevant circulars including General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 ("MCA Circulars"), and SEBI vide its circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and other applicable circulars ("SEBI Circulars"), permitted holding of the Annual General Meeting ("AGM") through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without the physical presence of the members at a common venue during the calendar year 2022. Accordingly in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the Company has decided to convene the 70th AGM through VC / OAVM. The venue of the AGM shall be deemed to be A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra.

2. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Act read with MCA Circulars and any other applicable law.

3. The Board of Directors at its meeting held on May 30, 2022 has considered and decided to include the Special Business items in the AGM, as they are unavoidable in nature. The relevant Explanatory Statement pursuant to Section 102 of the Act with respect to the special business items set out in the Notice is annexed.

4. The profile of Directors recommended for re-appointment and appointment at the AGM under item no. 3, 5, 6 and 7 of the Notice, as required by Listing Regulations and Secretarial Standard on General Meetings as specified by the Institute of Company Secretaries of India ("Secretarial Standard"), is furnished in the Explanatory Statement to Notice. The necessary statutory consents and declarations have been received by the Company from the directors for their appointment and re-appointment.

5. Since this AGM is being held through VC/OAVM, whereby physical attendance of members has been dispensed with and in accordance with the MCA Circulars and SEBI Circulars, the facility to appoint a proxy to attend and/or cast vote for the member is not available for this AGM. The Proxy form, Attendance Slip and Route Map are not annexed to this Notice.

6. Pursuant to the provisions of Section 112 and 113 of the Act read with the MCA Circulars, corporate/entity members are entitled to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate/entity members are required to send a certified copy of its board resolution or governing body resolution or duly executed authority letter/ power of attorney in pdf or jpg format, authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting or e-voting. The said resolution shall be sent to the Scrutinizer appointed by the Board of Directors of the Company viz. Mr. V. N. Deodhar (Membership No. FCS 1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, by email through their registered email address to vndeodhar@gmail.com with copies marked to the Company at info@fermentabiotech.com.

7. Dividend related information:

A. Updation of members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar & Transfer Agents ('R&T Agent') to record additional details of members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or its R&T Agent. Members holding shares in dematerialization mode are requested to furnish the above details to their respective Depository Participant(s) ("DP").

B. Members are hereby informed that pursuant to Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), dividend which is remaining unpaid / unclaimed by Members for a period of seven consecutive years and corresponding shares shall be transferred to Investor Education and Protection Fund (IEPF). During FY 2021-22, unclaimed final equity dividend for the financial year 2013-14 (₹70,050) has been transferred to IEPF. Correspondingly, 655 shares have also been transferred to IEPF in due course.

The details of shares already transferred to IEPF are also available on Company's website at https://fermentabiotech.com/transfer-of-shares-to-iepf.php. Such Members whose dividend(s) and/ or shares have been transferred to IEPF can now claim their dividend(s) and/or shares from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority at www.iepf.gov.in/IEPF/refund.html

The details of Members whose dividends are lying unpaid/ unclaimed with the Company as on March 31, 2022, are available on the Company's website at https://fermentabiotech.com/dividends-bonus-split-buyback.php The due dates for transfer of unclaimed/unpaid dividends of the financial year 2014-15 and thereafter are as available at https://fermentabiotech.com/dividends-bonus-split-buyback.php

All shares in respect of which final equity dividend for FY 2014-15 has remained unpaid or unclaimed for seven consecutive years or more shall be transferred by the company to IEPF by Saturday, November 5, 2022 along with the unpaid or unclaimed dividend thereon from final equity dividend for financial year 2014-15 onwards. The Company will, in due course, send individual intimation letters to concerned Members alongwith advertisement in the newspapers seeking action from the concerned Members. The details of such Members along with their unpaid/ unclaimed dividends and corresponding shares due for transfer to IEPF by Saturday, November 5, 2022 will be made available on the website of the Company i.e. https://fermentabiotech.com/dividends-bonus-split-buyback.php Such Members are requested to claim their unencashed final dividend for the financial year 2014-15 and dividends declared thereafter, if any, by writing a letter to the Company or R&T Agent on or before Friday, September 30, 2022.

C. Deduction of tax at source on Final Dividend payout:

Dividend of ₹.1.25 per equity share of ₹5 each, if approved, will be paid to those shareholders / beneficial owners whose names appear in the Register of Members as on Record Date i.e. Friday, August 5, 2022. The said dividend will be paid on or before August 22, 2022 by electronic transfer to those shareholders who have furnished bank account details to the Company/ R&T Agent. Physical warrants shall be dispatched to the shareholders, who have not registered their ECS mandates.

In accordance with the provisions of the Income Tax Act, 1961 (for the purpose of this note, hereinafter referred to as 'the Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 01, 2020, dividend declared and paid by the Company is taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source ('TDS') from dividend paid to the shareholders at the applicable rates.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. Please note that since the dividend shall be approved in the forthcoming AGM, it will be taxable to the shareholder in the FY 2022-23. Thus, all the details and declarations furnished should pertain to FY 2022-23.

The TDS provisions for various categories of shareholders along with required documents are provided below:

(i) For Resident Shareholders:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Any resident shareholder	10%	Please update the PAN, if not already done, with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). Deduction of taxes shall not be applicable in the following cases – • If dividend income to a resident Individual shareholder during FY 2022-23 does not exceed ₹5,000/-, • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submission of Form 15G/ Form 15H	Nil	Eligible Shareholder shall provide Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - provided that all the prescribed eligibility conditions are met.
Order under Section 197 of the Act	Rate provided in the order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.
Insurance Companies: Public & Other Insurance Companies	Nil	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and self-attested copy of registration certificate.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income	Nil	A self-declaration that dividend receivable by them is exempt from tax under Section 196 or other relevant provisions of the Income-tax Act, 1961; and Self-attested copies of documents in support of the claim.
New Pension System Trust	Nil	Documentary evidence that the Trust is established in India and is the beneficial owner of the share/shares held in the Company; and its income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882; and it is submitting self-attested copy of the PAN card and self-attested copy of the registration certificate, as applicable.
Mutual Funds	Nil	Documentary evidence that the person is covered under Section 196 of the Act and a self- declaration that they are governed by the provisions of Section 10(23D) of the Act along with self-attested copy of registration certificate and self-attested copy of PAN.
Alternative Investment fund	Nil	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 and a declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Self-attested copy of registration certificate and self-attested copy of PAN should be provided.

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Other resident shareholder without PAN/Invalid PAN	20%	-

Please Note that:

a) A valid Permanent Account Number ("PAN") will be mandatorily required. If, as statutorily required, any PAN is found to have not been linked with Aadhar number, then such PAN will be deemed invalid and TDS would be deducted at higher rates under Section 206AA of the Act. We request you to inform us well in advance, if you have not linked your Aadhar with PAN as provided in Section 139AA(2) read with Rule 114AAA. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AA in your case.

b) Where the PAN is either not available or is invalid, tax shall be deducted at the rate prescribed as per Section 206AA of the Act or 20%, whichever is higher.

c) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

(ii) For Non-Resident Shareholders:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Non-resident shareholders	20% (plus applicable surcharge and cess)	Non-resident shareholders may opt for tax rate under the Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company: (i) Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities. (ii) Self-attested copy of Tax Residency Certificate ("TRC") covering the financial year 2021-22 and obtained from the tax authorities of the country of which the shareholder is resident. (iii) Self-declaration in Form 10F (refer format), if all the details required in this form are not mentioned in the TRC. (iv) Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having Permanent Establishment in India would need to comply with provisions of Section 206AB of the Act). (v) In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate. (vi) In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided or if any document is not in order. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act.
Submitting Order under Section 195(3) /197 of the Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note:

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident shareholders receiving dividend upto ₹5,000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for other resident shareholders in case copy of PAN card is provided/available.
- 20% for resident shareholders if copy of PAN card is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

Aforesaid rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, shareholder will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

(iii) For all Shareholders:

Forms 15G/15H/10F for tax exemption can be downloaded from the website of Link Intime India Private Limited ("LIIPL"). The URL for the same is https://www.linkintime.co.in/client-downloads.html - On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html On this page the user shall be prompted to select / share the following information to register their request:

2. Select the company (Dropdown)
3. Folio / DP-Client ID
4. PAN
5. Financial year (Dropdown)
6. Form selection
7. Document attachment – 1 (PAN)
8. Document attachment – 2 (Forms)
9. Document attachment – 3 (Any other supporting document).

(iv) Section 206AB of the Act

TDS will be deducted @ 20% i.e. at twice the applicable rate on the amount of dividend payable where the resident shareholders:

- have not furnished valid PAN; or
- are considered to be 'Specified Person' under Section 206AB of the Income Tax Act, 1961 i.e. a resident shareholder who has:

(a) not filed return of income for the assessment year relevant to the previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Income-tax Act, 1961 has expired; and

(b) been subjected to tax deduction / collection at source aggregating to ₹ 50,000/- or more in the aforesaid previous year.

The Central Board of Direct Taxes (CBDT) has prescribed the functionality for determining whether a person fulfils the conditions of being a 'Specified Person' or not. Accordingly, the Company will verify from the above functionality provided by CBDT whether any Shareholder of the Company qualifies as a 'Specified Person' prior to applying the relevant TDS rates.

(v) Other instructions:

Please note that duly completed and signed documents need to be submitted on or before Monday, August 1 2022, 5:00 p.m. IST in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/ or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after Monday, August 1 2022, 5:00 p.m. IST.

The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of all dividend related activities.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall, however, lie against the Company for such deduction of TDS.

All communications/queries in this respect should be addressed to Link Intime India Private Limited ("LIIPL") at its email address FBLdivtax@linkintime.co.in. Alternatively, you may contact the Company at info@fermentabiotech.com.

Shareholders shall also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

Further, shareholders who have not registered their email address are requested to register the same with LIIPL.

Shareholders are further requested to complete necessary formalities with regard to their Bank accounts attached to their Demat accounts for enabling the Company to make timely credit of dividend in their respective bank account.

Disclaimer: (a) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, the shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any tax proceedings. (b) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

8. Documents for inspection:

a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM at https://fermentabiotech.com/annual-report.php

b) All documents referred to in the Notice and the statement pursuant to Section 102 of the Act shall also be available electronically for inspection without any fee by members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@fermentabiotech.com.

9. In order to improve convenience, ease and safety of transactions and in view of SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and Regulation 40 of Listing Regulations which mandate that request for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form, effective April 01, 2019. Members are, therefore, advised to dematerialise their equity shares currently held in physical form, by contacting their DP(s).

10. Members holding shares in physical form can avail the nomination facility by filing Form SH-13 (in duplicate) prescribed under Section 72 of the Act and Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or with its R&T Agent. In case of shares held in dematerialised form, the nomination may be lodged with the member's Depository Participant. The above form is available at the R&T Agent's website or will be made available on request in writing to the R&T Agent or to the Company.

11. In view of the continuing Covid-19 pandemic and the MCA Circulars, the 70th Annual Report of the Company along with the Notice of the AGM, Remote e-voting procedure is being sent only by e-mail, to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) / R&T Agent for communication purposes. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent at the earliest.

12. E-voting:

i. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder read with Regulation 44 of Listing Regulations read with SEBI Circular SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, the Company is pleased to provide the facility of remote e-voting/ e-voting, through LIIPL i.e. Link Intime India Private Limited to exercise votes on the items of business given in this Notice, to members holding shares as on Friday, August 5, 2022 (end of day), being the cut-off date ("Cut-Off Date"/ "Record Date") fixed for determining the members who shall be eligible to attend the AGM, to ascertain voting rights of such members entitled to participate in the remote e-voting process or voting at the AGM electronically, and to receive the dividend, if approved, as set out in the AGM Notice. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-Off Date. Any person who is not a member of the Company as on the Cut-Off Date should treat this Notice for information purposes only.

ii. The remote e-voting period commences on Tuesday, August 9, 2022 (9.00 a.m. IST) and ends on Thursday, August 11, 2022 (5.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-Off Date may cast their vote through remote e-voting facility. The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on Thursday, August 11, 2022. The remote e-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolution is cast by the member, the same shall not be allowed to change subsequently. A member may participate in the AGM even after exercising his/her right to vote through remote e-voting, however, his/her voting at the AGM shall not be considered.

iii. In case the members have any queries or issues regarding e-voting, they may refer the Frequently Asked Questions ("FAQs") and InstaVote e-Voting manual available a https://instavote.linkintime.co.in, under Help Section or send an email to enotices@linkintime.co.in or contact on: Tel: 022 – 4918 6000.

iv. Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-voting process and ballot forms as referred to in note 17 in a fair and transparent manner.

v. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and the e-voting on the date of the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 (two) working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website at https://fermentabiotech.com/stock-exchange-intimation.php and on the website of LIIPL at https://instavote.linkintime.co.in not later than 2 (two) working days of passing of resolutions at the 70th AGM of the Company and communicated to BSE Limited, where the shares of the Company are listed.

vii. Subject to receipt of requisite number of votes, the resolutions proposed in the Notice of AGM shall be deemed to be passed on the date of the AGM, i.e. Friday, August 12, 2022.

viii. Members are requested to follow the instructions given below as may be required i.e.:

(a) Instructions for members for remote e-voting;

(b) Instructions for members attending the AGM through VC/OAVM;

(c) Instructions for members to register themselves to speak during the Annual General Meeting through InstaMeet; and

(d) Instructions for members to vote during the AGM through InstaMeet.

13.Instructions for members for remote e-voting:

i. Pursuant to SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 regarding 'e-Voting facility provided by Listed Companies', individual shareholders holding securities in demat mode can can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

ii. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility. In case the email Id is not registered, such shareholders can vote through InstaMeet.

iii. Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' Section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' Section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders (holding securities in demat mode) login through their depository participants</td><td>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.

Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</td></tr>
<tr><td>Individual Shareholders holding securities in Physical mode & e-voting service Provider is Link Intime.</td><td>1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

➢ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:-

A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Note: Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

➢ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

➢ Click "confirm" (Your password is now generated).

2. Click on 'Login' under 'SHAREHOLDER' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Now, you may cast your vote electronically by following steps:

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</td></tr>
</table>

(iv) Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter /power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

(v) Individual members holding securities in physical mode who have forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both, then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- ➢ Click on 'Login' under 'SHAREHOLDER' tab and further Click 'forgot password?'
- ➢ Enter 'User ID', select 'Mode' and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- ➢ In case shareholder/ member is having valid email address, Password will be sent to his / her registered e-mail address.
- ➢ Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
- User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

(vi) Individual members holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Notes:

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions mentioned in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

(vii) Helpdesk for Individual members holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at https://www.evoting.nsdl.com or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

(viii) Helpdesk for Individual members holding securities in physical mode/ Institutional shareholders (where e-voting service provider is Link Intime).

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

14. Process and manner for members attending the AGM through VC/OAVM:

1. Members are being provided with a facility to attend the AGM through VC/OAVM through LIIPL by following the below mentioned process. Members may access the same at https://instameet.linkintime.co.in
2. Facility for joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available to the members on first-come-first-served basis.
3. Participation to the members through VC/OAVM shall be made available to members on first-come-first served basis in accordance with MCA Circulars, and it will be closed on expiry of 30 (Thirty) minutes from the scheduled time of the AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the AGM without restrictions of first-come-first-served basis.
4. Members will be provided with InstaMeet facility wherein members shall register their details and attend the AGM as under:
   a. Open the internet browser and launch the URL for InstaMeet https://instameet.linkintime.co.in
   b. Select the "Company" and 'Event Date' and register with your following details:
      i. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.
         - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
         - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
         - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
      ii. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. Sequence number shall be sent by email to those members who have registered their email ids with LIIPL. However, any member may obtain sequence number by sending an email to LIIPL at rnt.helpdesk@linkintime.co.in or requesting to the Company at info@fermentabiotech.com, by mentioning his/her Folio No./DP ID and Client ID.
      iii. Mobile No.: Enter your mobile number.
      iv. Email ID: Enter your email id, as recorded with your DP/Company.
   c. Click "Go To Meeting" (By this step you will be registered for InstaMeet and your attendance will be marked for the meeting).

Special instructions:

a) Please refer the following instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the AGM. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you below / at InstaMeet website.

b) Guidelines for the registered speakers for speaking at the AGM through LIIPL's InstaMeet <<https://instameet.linkintime.co.in>>

i. For a smooth experience of viewing the AGM proceedings through LIIPL's InstaMEET, shareholders/ members who are registered as speakers (as per steps in note 17 below) for the event are requested to download and install the Webex Meetings application in advance. Please download and install the Webex Meetings application by clicking on the link https://www.webex.com/downloads.html/

OR

ii. If you do not want to download and install the Webex Meetings application, you may join the meeting through InstaMEET and follow the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now
1(A)	If you have already installed the Webex Meetings application on your device, join the meeting by clicking on Join Now
1(B)	If Webex Meetings application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now by filling your first name, last name and email address.

c) The following URLs need to be white-listed in your organisation's domain/your own laptop, desktop, tablet, smartphone etc. on the AGM date:

A. https://camonview.com

B. https://instameet.linkintime.co.in

d) Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience. Members are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

e) Any internet outage or fluctuation in connectivity at your site may have an adverse impact on the audio/ video quality during the meeting. LIIPL or the Company shall not be responsible for the same.

f) Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

g) In case the members have both the computer and telephone audio active or the speakers on members' computers or telephones are too close to each other or there are multiple computers with active audio in the same conference room, there will be instances of audio echo or feedback in the meeting.

h) In case two or more Members are joining the meeting through a Board Room/Common Location, proper arrangements of audio & video should be in place and Webex will be run on only one system.

i) Members are encouraged to speak in the Meeting after un-muting themselves once their turn arrives as per the script/their name is announced. Once the member has finished communicating, he/she should mute themselves immediately. (Mute your side if you're not speaking. Your microphone can pick up a lot of background noise, so muting allows others to easily hear others)

j) Guidelines to follow while participating in the meeting for a good audio-video experience:

* Use your earphone for better sound quality.
* Ensure no other background applications are running.
* Ensure your Wi-Fi or Broadband is not connected to any other device.
* Have proper lighting in the room and avoid the background sounds.
* Ensure the background is bright.
* Please follow safety protocol while attending the meeting.

k) In case members have any queries regarding login/remote e-voting/e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175 InstaMeet Support Desk, Link Intime India Private Limited.

15. Instructions for members to register themselves to speak during the Annual General Meeting through InstaMeet:

1. Members who would like to express their views / ask questions during the AGM may register themselves at least three (3) days prior to the date of the AGM i.e. on or before Monday, August 8, 2022 (5.00 p.m. IST), by sending their request mentioning their name, DP ID/folio number, email address, mobile number at info@fermentabiotech.com. Please note that questions of only those members holding shares as on Cut-Off Date will be considered.

2. Members who register themselves as above will get confirmation on first-come-first-served basis.

3. Such members will receive "speaking serial number" once they mark attendance for the AGM. Once allowed to express their views/ ask questions, members shall start the conversation with panelists by switching on video mode and audio of their devices. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

4. Members may ask questions to panelists, via active chat-board during the AGM which may be entertained subject to the time availability.

Note: Members are requested to speak only when moderator of the meeting/ management will announce the name and speaking serial number.

16. Instructions for members to vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer / moderator during the meeting, the members who have not exercised their vote through the remote e-voting can cast the vote as under:

i. On the Members VC page, click on the link for e-Voting "Cast your vote".

ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/registered email id) received during registration for InstaMeet and click on 'Submit'.

iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on Cut-Off Date under "Favour/ Against".

v. After selecting the appropriate option i.e. 'Favour/Against' as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members, who will be present in the AGM through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the AGM. Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the AGM.

17. In addition to facility of remote e-voting or e-voting provided to the members at AGM and for their wider participation, the Company is providing a facility to vote by way of Ballot Form. Members who do not have access to remote e-voting facility may download the Ballot Form available at Company's website at https://fermentabiotech.com/annual-report.php and send duly completed Ballot Form to reach the Scrutiniser, Mr. V. N. Deodhar, Proprietor of V.N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company not later than Thursday, August 11, 2022 (5.00 p.m. IST). Ballot Form received after the said date shall be treated as invalid. A Member may participate in the AGM even after exercising his/her right to vote through Ballot Form. A Member can opt for only one mode of voting i.e. either (a) electronically (either remote e-voting or e-voting at AGM) or (b) by Ballot Form. If a Member casts votes by both i.e. Ballot Form as well as electronically, then voting done electronically shall prevail and Ballot Form shall be treated as invalid. The Scrutiniser shall have the right to scrutinise the Ballot Form and decide its validity. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital.

18. The Annual Report 2021-22 including the Notice calling this AGM is being uploaded on the following websites: (i) https://fermentabiotech.com/annual-report.php (ii) www.bseindia.com and (iii) https://instavote.linkintime.co.in/

19. The Annual Report 2021-22 including the Notice calling this AGM shall be sent to those members who will be holding shares as on Friday, July 15, 2022 as per the Register of Members and Register of Beneficial Owners of the Company. In case a person becomes a member of the Company after Friday, July 15, 2022, and is a member as on the Cut-Off Date, such person may download the above from https://fermentabiotech.com/annual-report.php or request the Company at info@fermentabiotech.com. For remote e-voting or attending the AGM through InstaMeet, such a member may obtain sequence number/ event number by sending an email to LIIPL at rnt.helpdesk@linkintime.co.in or requesting to the Company at info@fermentabiotech.com, by mentioning his/her Folio No./ DP ID and Client ID.

20. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company Secretary at the Registered Office of the Company at least one week before the date of the 70th AGM, in order to make the information available at the AGM.

By Order of the Board of Directors of
Fermenta Biotech Limited (formerly known as DIL Limited)

SRIKANT N. SHARMA
Company Secretary & Vice President (Legal)
Membership No: FCS – 3617

May 30, 2022 Thane
Registered Office:
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610, Maharashtra, India.

Notes

Fermenta Biotech Limited