INDEPENDENT AUDITOR'S REPORT

To
The Members of
Fermenta Biotech Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fermenta Biotech Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. 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 paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company

and its subsidiaries to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

   (a) Other auditors whose reports we have relied upon, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) 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, 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 its consolidated financial position of the Group – Refer Note 32 to the consolidated financial statements;

      ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

Other Matter

(a) The accompanying consolidated financial statements include total assets of ₹ 152.78 lacs as at March 31, 2015 and total revenues and net cash outflows of ₹ Nil lacs and ₹1.76 lacs for the year ended on that date, in respect of certain subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Subsidiaries share of net loss of ₹ 5.11 lacs for the year ended March 31, 2015, as considered in the consolidated financial statements. 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 sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements above, 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 statements and other financial information certified by the Management

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per **Vikram Mehta**
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: May 27, 2015

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: The Group, comprising of Fermenta Biotech Limited ('the Holding Company') and its Subsidiary Companies and to whom the provisions of the Order apply (together referred to as "the covered entities" in this report)

(i) (a) The Holding Company of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management of the Holding Company during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Holding Company of the Group and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The inventory has been physically verified by the management of the Holding Company of the Group during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company of the Group and the nature of their business.

(c) The Holding Company of the Group, is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Holding Company of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Holding Company of the Group and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Holding Company of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company of the Group in respect of these areas.

(v) The Holding Company of the Group have not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of bulk drugs and Formulations and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same have not been made by us.

(vii) (a) The Holding Company of the Group are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company of the Group.

(c) According to the records of the Holding Company of the Group, the dues outstanding of income-tax, sales-tax, service tax, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of Statute (Nature of Dues)	Period to which the amount relates	Forum where dispute is pending	Entity type	Amount (₹ in Lacs)
Income tax Act, 1961 (Income Tax)	2005-06	Commissioner of Income Tax (Appeals), Thane	Holding Company	11.10
Income tax Act, 1961 (Income Tax)	2006-07	Commissioner of Income Tax (Appeals), Thane	Holding Company	30.95
Income tax Act, 1961 (Income Tax)	2008-09	Commissioner of Income Tax (Appeals), Thane	Holding Company	42.74 (21.50)
Income tax Act, 1961 (Income Tax)	2009-10	Commissioner of Income Tax (Appeals), Thane	Holding Company	15.22 (15.22)
Income tax Act, 1961 (Income Tax)	2010-11	Commissioner of Income Tax (Appeals), Thane	Holding Company	55.61
Central Excise Act, 1944 (Excise Duty)	2005-06	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Delhi	Holding Company	1.50
Central Excise Act, 1944 (Excise Duty)	2010-11	Commissioner of Appeals, Chandigarh	Holding Company	2.65
Central Excise Act, 1944 (Service Tax)	2006-07 to 2009-10	Commissioner of Appeals, Chandigarh	Holding Company	7.78 (5.24)
Central Excise Act, 1944 (Service Tax)	2011-12	Assistant Commissioner of Central Excise, Shimla	Holding Company	6.15

(Figures in brackets are the amount paid by the Company under protest)

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Holding Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management we are of the opinion that the holding company have not defaulted in their repayment of dues to a financial institution, bank or debenture holders

(x) According to the information and explanations given to us, the Holding Company have not given any guarantee for loans taken by others from bank or financial institutions

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained by the Holding Company.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, which we have relied upon, we report that no fraud on or by the Holding Company have been noticed or reported during the year.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E

per **Vikram Mehta**
Partner
Membership Number: 105938

Place of Signature: Mumbai
Date: May 27, 2015

CONSOLIDATED BALANCE SHEET as at March 31, 2015

₹ in Lakhs

	Note No.	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,770.45	1,770.45
Reserves and surplus	4	6,069.90	6,055.83
		7,840.35	**7,826.28**
Minority Interest		**0.66**	**1.06**
Non current liabilities			
Long term borrowings	5	524.47	961.57
Deferred tax liability (net)	6	316.91	203.68
Long term provisions	7	134.73	156.81
		976.11	**1,322.06**
Current liabilities			
Short term borrowings	8	2,721.02	2,691.29
Trade payables	9	1,549.62	1,822.70
Other current liabilities	9	706.25	773.30
Short term provisions	7	31.17	209.76
		5,008.06	**5,497.05**
TOTAL		13,825.18	14,646.45
ASSETS			
Non current assets			
Goodwill		1.13	1.13
Fixed assets			
Tangible assets	10	7,230.66	7,298.63
Intangible assets	11	94.69	169.96
Capital work in progress		47.87	89.42
Intangible assets under development		159.14	147.21
Non current investments	12	2.00	2.00
Long term loans and advances	13	148.29	104.05
Other non current assets	14.2	1.68	8.71
		7,684.33	**7,819.98**
Current assets			
Inventories	15	2,102.15	2,280.40
Trade receivables	14.1	3,537.91	4,025.21
Other current assets	14.2	13.57	22.66
Cash and bank balances	16	80.35	91.11
Short term loans and advances	13	405.74	405.96
		6,139.72	**6,825.34**
TOTAL		13,825.18	14,646.45
Summary of significant accounting policies	**2.1**		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm Registration Number 324982E
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.: 105938

Place: Mumbai
Date : May 27, 2015

For and on behalf of the Board of Directors

Peter Bains
Chairman

Satish Varma
Managing Director

Krishna Datla
Director

Sanjay Buch
Director

Anupama Datla
Executive Director

Viswanath Chibrolu
Director

Gopakumar Nair
Director

Sanjay Basantani
Company Secretary

Kapil Gohil
Chief Financial Officer

Place: Thane
Date : May 27, 2015

STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended March 31, 2015

₹ in Lakhs

		Note No.	March 31, 2015	March 31, 2014
INCOME				
Revenue from operations (gross)		17	13,296.12	12,832.86
Less : Excise duty			370.70	331.43
Revenue from operations (net)			12,925.42	12,501.43
Other income		18	5.68	223.36
Total Revenue	**(I)**		**12,931.10**	**12,724.79**
EXPENSES:				
Cost of materials consumed		19	6,056.26	5,673.14
Purchase of traded goods		19	82.00	77.35
(Increase)/ Decrease in the inventory of finished goods and work-in-progress		20	158.88	(22.40)
Employee benefit expense		21	1,747.96	1,469.38
Other expenses		22	3,563.12	3,095.97
Total	**(II)**		**11,608.22**	**10,293.44**
Earning before interest, tax, depreciation and amortisation (EBITDA)			**1,322.88**	**2,431.35**
Depreciation and amortization expense		23	675.10	805.60
Interest Income		24	(4.42)	(5.15)
Finance costs		25	470.01	559.31
Profit before tax			**182.19**	**1,071.59**
Tax expense:				
Current tax			37.89	227.95
Deferred tax charge			118.87	39.75
Total tax expense			**156.76**	**267.70**
Profit after tax			**25.43**	**803.89**
Share of minority interest in Profit and Loss account			**(0.40)**	**0.98**
Profit after minority interest			**25.83**	**802.91**
Earnings per equity share (nominal value of share ₹10) (2014 : ₹10)		26		
(1) Basic			0.14	4.41
(2) Diluted			0.14	4.41
Summary of significant accounting policies		**2.1**		
The accompanying notes are an integral part of the financial statements				

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number 324982E
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.: 105938

Place: Mumbai
Date : May 27, 2015

For and on behalf of the Board of Directors

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Managing Director

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Director

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Executive Director

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Director

Gopakumar Nair
Director

Sanjay Basantani
Company Secretary

Kapil Gohil
Chief Financial Officer

Place: Thane
Date : May 27, 2015

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2015

₹ in Lakhs

		March 31, 2015	March 31, 2014
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	**182.19**	**1,071.59**
	Non cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation / amortisations	675.10	805.60
	Foreign exchange (gain)/loss (net) - unrealised	54.47	12.06
	Loss on sale of fixed assets (net)	5.37	8.85
	Bad debts	5.84	-
	Provision for doubtful debts and advances	1.47	20.94
	Interest expense	470.01	559.31
	Interest income	(2.18)	(2.81)
	Operating profit before working capital changes	**1,392.27**	**2,475.54**
	Movements in working capital changes:		
	Increase/ (Decrease) in trade payables	(268.27)	422.86
	Increase/ (Decrease) in long term provisions	(22.08)	1.26
	Increase/ (Decrease) in short term provisions	4.25	6.47
	Increase/ (Decrease) in other current liabilities	15.32	5.12
	(Increase)/ Decrease in trade receivables	422.15	(1,592.12)
	(Increase)/ Decrease in inventories	178.25	169.65
	(Increase)/ Decrease in long term loans and advances	(16.61)	(24.86)
	(Increase)/ Decrease in short term loans and advances	21.59	(76.99)
	(Increase)/ Decrease in other current assets	9.09	37.13
	(Increase)/ Decrease in other non-current assets	5.35	(14.92)
	Cash generated from operations	**1,741.31**	**1,409.14**
	Direct taxes paid (net of refund)	(243.44)	(86.42)
	Net cash flow from operating activities	**1,497.87**	**1,322.72**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets (including intangible assets, adjustments for capital work-in-progress and capital advances)	(642.94)	(455.97)
	Proceeds from sale of fixed assets	14.60	7.95
	Investment in bank deposits having maturity of more than three months	1.68	8.71
	Interest received	2.18	2.81
	Net cash used in investing activities	**(624.48)**	**(436.50)**

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2015

₹ in Lakhs

			March 31, 2015	March 31, 2014
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from long term borrowings		121.35	32.27
	Repayment of long term borrowings		(567.52)	(600.10)
	Net Proceeds from short term borrowings		29.73	204.72
	Interest paid		(467.74)	(570.25)
	Net cash flow (used in)/from financing activities		**(884.18)**	**(933.36)**
	Net increase in Cash and Cash equivalents		(10.79)	(47.14)
	Effect of exchange differences on cash & cash equivalents held in foreign currency		0.03	-
	Cash and Cash equivalents at the beginning of the year		91.11	138.25
	Cash and Cash equivalents at the end of the year		**80.35**	**91.11**
	Components of Cash and Cash equivalents			
	Cash on hand		3.85	2.35
	Balances with scheduled banks on:			
	Current accounts		76.47	88.73
	Deposit accounts		0.03	0.03
	Total cash and cash equivalents (note 16)		**80.35**	**91.11**
	Summary of significant accounting policies	2.1		

As per our report of even date
For **S R B C & CO LLP**
ICAI Firm Registration Number 324982E
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.: 105938

Place: Mumbai
Date : May 27, 2015

For and on behalf of the Board of Directors

Peter Bains
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Satish Varma
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Gopakumar Nair
Director

Sanjay Basantani
Company Secretary

Kapil Gohil
Chief Financial Officer

Place: Thane
Date : May 27, 2015

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

1 BACKGROUND:

A. Fermenta Biotech Limited ("the Company") is a public company domiciled in India and incorporated under the Companies Act, 1956. The Company is engaged in the business of manufacturing and marketing of chemicals, bulk drugs enzymes, pharmaceutical formulations and Environmental solution products. The Company caters to both domestic and international markets.

Company was holding 2,20,001 equity shares (100%) of 1 G.B. Pound each in Fermenta Biotech UK Limited in the beginning and at the end of the year. Company was also holding 6250 equity shares (62.5%) of 10 each in GI Biotech Private Limited at the beginning and at the end of the year.

B. The financial statement of subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company. These statements have been consolidated on the basis of audited financial statements.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the notified Accounting Standards under section 133 of the Companies Act, 2013 read together with Rule 7 of Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in acounting policy explained below.

2.1 Summary of significant accounting policies:

a) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Basis of Consolidation

These consolidated financial statements include the financial statements of Fermenta Biotech Limited and its following subsidiaries as at March 31, 2015.

Name of Subsidiaries	Country of Incorporation	2014-15	2013-14
Fermenta Biotech UK Limited	United Kingdom	100%	100%
G. I. Biotech Private Limited	India	62.50%	62.50%

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard - 21 'Consolidated Financial Statements' ('AS - 21') as per Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 for the purpose of preparation and presentation of financial statements.

The financial statements of the Group have been combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits/ Loss in full for subsidiaries. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase / (decrease) in the relevant reserve, accumulated deficit of its subsidiaries.

Share of minority interest is adjusted against the profit to arrive at the net profit attributable to shareholders. Minority interest in share of net assets is presented separately in the balance sheet.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements.

c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

d) **Depreciation on tangible fixed assets**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Assets	Estimated useful life (in years)
Lease hold land	30
Building	30
Lease hold improvements (included in buildings)	10
Plant and equipment	20
Office equipments	5
Computers	3-6
Furniture and fixtures	10
Vehicles	8

e) **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with *AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has used the rates based on following estimated useful lives of Intangible assets.

Assets	Estimated useful life (in years)
Software including licences	6
Product know how	3-5

Software including licences

Costs relating to licenses, which are acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of six years.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate: (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.

Any expenditure so capitalized is amortised over their estimated useful lives of three to five years on a straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

During the year research and development expenditure of ₹ 417.58 lakhs (2014 - ₹ 297.12 lakhs) has been charged/amortised to the statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹ 72.06 lakhs (2014- ₹ 0.27 lakhs).

f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill on consolidation is recorded at cost and is evaluated for impairment at each period end or whenever events or changes in circumstances that indicate that its carrying amount may be impaired

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined as follows:

(a) Stores and spare parts: - First-in-first-out method.

(b) Raw materials and packing materials: - Cost is determined on a weighted average basis.

(c) Intermediate raw materials, work-in-process and finished goods:- Cost includes direct materials determined on the basis of weighted average method and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from environmental project consultancy contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "interest income" in the statement of profit and loss.

j) **Foreign currency transactions**

Initial Recognition

Transactions in foreign currencies are recorded in the reporting currency at the exchange rate prevailing between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Translation of Integral and Non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the group itself.

In translating the financial statement of a non-integral foreign operation for incorporation in financial statement, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currently translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

k) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund and superannuation fund is defined contribution scheme. The contributions to the respective funds are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the respective funds.

The Company operates two defined benefit plans for its employee viz. gratuity and long term compensated absences.

Employees are entitled to benefits under the Payment of Gratuity Act, 1972, a defined benefit plan covering employees of the Company. The plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment subject to a maximum of ₹10.00 lakhs per employee.

The gratuity liability and net periodic gratuity cost is actuarially determined based on the projected unit credit method after considering discount rates, expected long term return on plan assets and increase in compensation levels.

All actuarial gains/losses are immediately recorded to the statement of profit and loss and are not deferred.

The Company makes contributions to a fund administered and managed by Life Insurance Corporation of India ('LIC') to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although LIC administers the scheme.

Liability for long term compensated absences are provided for based on actuarial valuation done as per projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

l) **Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred taxes are measured using the tax rates and tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductable timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. For recognition of deferred taxes, the timing difference which originate first are considered to reverse first.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liability are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

The Company's bulk drugs production facility in Kullu, Himachal Pradesh, was eligible for deduction of 100% of profits until March 31, 2008 and 30% of profits from April 1, 2008 to March 31, 2013, under section 80IB of the Income Tax Act, 1961. Secondly the Company's bulk drug facility at Dahej, Gujarat, is eligible for deduction of 100% of profit until March 31, 2016 and 50% of the profits from April 1, 2016 to March 31, 2021, under section 10(AA) of the Income Tax Act, 1961. In view of such deduction, no asset has been recognized in respect of the Minimum Alternate Tax (MAT) credit available to the Company. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal tax under specified period.

m) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company has not issued any potential equity shares and hence the basic earnings per share and diluted earnings per share are the same.

n) **Provisions**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

o) **Contingent liabilities**

Contingent asset are not recognised in the financial statement 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.

p) **Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating lease. Operating Lease payments are recognised as an expense in the statement of profit and loss account on a straight line basis over the lease term.

q) **Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) **Segment Reporting**

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

s) **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, interest income and tax expense.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

3. SHARE CAPITAL

₹in Lakhs

	March 31, 2015	March 31, 2014
Authorised shares:		
19,010,000 (2014 - 19,010,000) equity shares of ₹10 each	1,901.00	1,901.00
990,000 (2014- 990,000) preference shares of ₹10 each	99.00	99.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid-up shares:		
18,192,844 (2014-18,192,844) equity shares of ₹10 each	1,819.28	1,819.28
Less : Amount recoverable from ESOP trust (refer note (e) below)	(48.83)	(48.83)
	1,770.45	**1,770.45**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	March 31, 2015		March 31, 2014	
	No in Lakhs	₹ in Lakhs	No in Lakhs	₹ in Lakhs
At the beginning of the period	181.93	1,819.28	181.93	1,819.28
Outstanding at the end of the period	**181.93**	**1,819.28**	**181.93**	**1,819.28**

b. Shares held by holding company and its ultimate holding company

Out of equity shares issued by the Company, shares held by the holding company is as follows *₹in Lakhs*

	March 31, 2015	March 31, 2014
DIL Limited, the holding company 12,762,464 (2014-12,762,464) equity shares of ₹10 each fully paid	1,276.25	1,276.25
DVK Investments Pvt. Ltd., the ultimate holding company 87,024 (2014-87,024) equity shares of ₹10 each fully paid	8.70	8.70

c. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 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 proposed by the board of directors is subject to shareholder's approval in the ensuing Annual General Meeting

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 as per the terms of the Articles of Association of the Company.

d. Details of shareholders holding more than 5% shares in the Company

Equity shares	March 31, 2015		March 31, 2014	
	No in Lakhs	% holding in the class	No in Lakhs	% holding in the class
Equity shares of ₹10 each fully paid				
DIL Limited	127.62	70.15%	127.62	70.15%
Evolvence India Life Sciences Fund LLC	38.30	21.05%	38.30	21.05%

e. Shares reserved for issue under options

During the year ended March 31, 2011, pursuant to approval from shareholders, the Company has allotted 488,334 equity shares at face value of ₹10 each per share against cash to FBL ESOP Trust pending implementation of ESOP plan.

₹in Lakhs

	March 31, 2015	March 31, 2014
At the beginning of the period	4.88	4.88
Outstanding at the end of the period	4.88	4.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

4. RESERVE AND SURPLUS

₹ in Lakhs

	March 31, 2015	March 31, 2014
Capital redemption reserve	103.38	103.38
Securities premium account	1,706.46	1,706.46
General Reserve	92.32	92.32
Surplus in the statement of profit and loss		
Balance as per the last financial statements	4,153.67	3,350.76
Profit for the year	25.83	802.91
Less : Adjustment on account of effect of depreciation on first time application of Schedule II, net of Deferred Tax (refer note 6 and 10)	(11.76)	-
Net surplus in the statement of profit and loss	4,167.74	4,153.67
Total reserves and surplus	6,069.90	6,055.83

5. LONG TERM BORROWINGS

₹ in Lakhs

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term Loans				
From bank (secured) for Kullu facility	-	-	-	37.27
From bank (secured) for Dahej facility	431.35	836.23	400.00	400.00
From financial institutions (secured) for Dahej facility	27.99	118.29	102.97	89.81
From financial institutions (secured) for R & D Thane	52.86	-	19.84	-
Vehicle Loans				
From bank (secured)	9.62	6.05	10.18	15.13
From financial institutions (secured)	2.65	1.00	2.60	2.43
Total	524.47	961.57	535.59	544.64
The above amount includes				
Secured borrowings	524.47	961.57	535.59	544.64
Amount disclosed under the head "other current liabilities" (refer note 9)	-	-	(535.59)	(544.64)
Net Amount	524.47	961.57	-	-

a Term loans for expansion of Kullu facility are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 13.50% to 13.75% repayable in 48 equal monthly instalments. The said term loans are secured by way of first charge on fixed assets procured with financial assistance of the term loan and by equitable mortgage of factory land and building at Kullu.

b Term loans for setting up a new facility at Dahej SEZ are taken from Union Bank of India with interest rates (BR + 3.5%) ranging from 13.50% to 13.75% repayable in 60 equal monthly instalments. The said term loans is secured by way of first charge on fixed assets procured with financial assistance of the said term loan and by equitable mortgage of factory land and building at Dahej.

c Term loans from financial institutions (secured) for financing the purchase of plant and machinery at Dahej SEZ and R & D Thane are taken from Siemens Financial Services Private Limited with interest rates at 13.75%, repayable in 48 equal monthly instalments. The said term loans is secured by way of first charge on plant and machinery procured with financial assistance of the said term loan.

d Vehicle loans are taken from the Banks and Financial Institutions against hypothecation of the vehicles repayable in monthly instalments ranging between 36 to 60 months with interest rates ranging from 10% to 14%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

6. DEFERRED TAX LIABILITY (NET)

₹ *in Lakhs*

	March 31, 2015	March 31, 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting (refer note 10 (a))	506.95	402.81
Others	-	0.45
Gross deferred tax liability	**506.95**	**403.26**
Deferred tax assets		
Provision for doubtful debts and advances	143.92	146.51
Provision for gratuity and long term compensated absences	46.12	53.07
Gross deferred tax assets	**190.04**	**199.58**
Net deferred tax liability	**316.91**	**203.68**

7. PROVISIONS

₹ *in Lakhs*

	Long-Term		Short-Term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Provision for long term compensated absences (refer Note 2.1 (j))	134.73	147.32	30.92	26.67
Provision for gratuity (refer note 27 (iii))	-	9.49	-	-
Provision for tax (net)	-	-	0.25	183.09
	134.73	**156.81**	**31.17**	**209.76**

8. SHORT TERM BORROWINGS

₹ *in Lakhs*

	March 31, 2015	March 31, 2014
Cash credit from bank (secured)	1,293.52	1,263.79
Packing and post shipment credit from bank (secured)	1,195.00	1,195.00
Short term loan from holding company (unsecured) (refer note 11 and note 30 (d) - (11a))	232.50	232.50
	2,721.02	**2,691.29**
The above amount includes		
Secured borrowings	2,488.52	2,458.79
Unsecured borrowings	232.50	232.50

Packing credit, post shipment credit and cash credit are from Union Bank of India and are secured against hypothecation of Company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable including book-debts, bills, whether documentary or clean, outstanding monies, receivables, and also by way of first charge on all of the Company's fixed assets both present and future. The packing credit and cash credit are repayable on demand and carry interest @ 11.25% to 13.50% (BR+3%) p.a. respectively.

Term loan from holding company includes:

a) Short term loan of ₹157.50 lakhs carrying interest @ 8% p.a., repayable on demand

b) Short term loan of ₹ 75 lakhs carrying interest @9% to @13% p.a., repayable on demand

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

9. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

₹ in Lakhs

	March 31, 2015	March 31, 2014
Trade payables (refer note 33, 34 and note 30 (d) - (11b))	1,549.62	1,822.70
Other current liabilities		
Current maturities of long term borrowings (refer note 5)	535.59	544.64
Interest accrued and not due on borrowings (refer note 30 (d) - (11c))	8.62	6.35
Statutory dues	57.83	39.99
Advance from customers	32.77	37.49
Liability for capital expenditure	47.75	123.34
Others	23.69	21.49
	706.25	**773.30**
	2,255.87	**2,596.00**

10. TANGIBLE ASSETS

₹ In Lakhs

	Freehold land	Lease hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Total
Cost at April 1, 2013	36.04	308.93	2,818.56	6,741.16	191.24	250.98	10,346.91
Additions	-	-	11.97	53.87	1.25	-	67.09
Disposal	-	-	-	18.32	-	19.35	37.67
At March 31, 2014	36.04	308.93	2,830.53	6,776.71	192.49	231.63	10,376.33
Additions	**-**	**-**	**48.40**	**458.48**	**6.80**	**31.61**	**545.29**
Disposal	**-**	**-**	**-**	**5.22**	**-**	**44.57**	**49.79**
At March 31, 2015	**36.04**	**308.93**	**2,878.93**	**7,229.97**	**199.29**	**218.67**	**10,871.83**
Depreciation							
At April 1, 2013	-	30.93	320.02	1,977.67	73.01	79.27	2,480.90
Charge for the year	-	10.83	100.09	450.62	31.43	23.62	616.59
Disposal	-	-	-	11.80	-	7.99	19.79
At March 31, 2014	-	41.76	420.11	2,416.49	104.44	94.90	3,077.70
Adjustment refer note (a)	-	-	-	16.02	-	1.39	17.41
Charge for the year	**-**	**10.83**	**99.74**	**421.17**	**12.16**	**31.99**	**575.89**
Disposal	**-**	**-**	**-**	**1.45**	**-**	**28.37**	**29.82**
At March 31, 2015	**-**	**52.59**	**519.85**	**2,852.23**	**116.60**	**99.91**	**3,641.18**
Net Block							
At March 31, 2014	36.04	267.17	2,410.42	4,360.22	88.05	136.73	7,298.63
At March 31, 2015	**36.04**	**256.34**	**2,359.08**	**4,377.74**	**82.69**	**118.76**	**7,230.65**

Note :-

a The Company has revised the depreciation rate on certain fixed assets as per the useful life specified in the Companies Act, 2013 or re-assessed by the Company. Based on current estimates, the carrying amount of ₹ 17.41 lakhs in respect of assets whose useful life has already exhausted as on April 1, 2014 has been adjusted to retained earnings net of tax of ₹ 5.65 lakhs thereon.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

11. INTANGIBLE ASSETS

₹ in Lakhs

	Softwares	Product know-how	Total
Gross Block			
Cost at April 1, 2013	88.43	485.32	573.75
Additions	6.35	104.39	110.74
Disposal	-	-	-
At March 31, 2014	94.78	589.71	684.49
Additions	**19.93**	**4.01**	**23.94**
Disposal	**-**	**-**	**-**
At March 31, 2015	**114.71**	**593.72**	**708.43**
Depreciation			
At April 1, 2013	33.59	292.00	325.59
Charge for the year	18.69	170.25	188.94
Disposal	-	-	-
At March 31, 2014	52.28	462.25	514.53
Charge for the year	**18.46**	**80.75**	**99.21**
Disposal	**-**	**-**	**-**
At March 31, 2015	**70.74**	**543.00**	**613.74**
Net Block			
At March 31, 2014	42.50	127.46	169.96
At March 31, 2015	**43.97**	**50.72**	**94.69**

12. NON CURRENT INVESTMENTS

₹ in Lakhs

	March 31, 2015	March 31, 2014
Non-trade investments (valued at cost unless stated otherwise)		
Other entities		
20,000 (2014 - 20,000) Equity shares of ₹10/- each in Shivalik Solid Waste Management Limited	2.00	2.00
	2.00	**2.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

13. LONG TERM LOANS AND ADVANCES

₹ in Lakhs

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital advances -				
Unsecured, considered good	40.46	12.83	-	-
Security deposits -				
Unsecured, considered good	59.62	50.95	-	-
Loans and advances to employees				
Unsecured, considered good	40.00	40.00	7.93	10.09
Advance recoverable in cash or kind -				
Unsecured, considered good (refer note 27 (iii))	6.47	-	117.68	201.12
Unsecured, considered doubtful	5.08	5.08	7.97	7.97
	11.55	5.08	125.65	209.09
Provision for doubtful advance	(5.08)	(5.08)	(7.97)	(7.97)
	6.47	-	117.68	201.12
Others -				
Inter corporate deposits				
Doubtful	267.83	267.83	-	-
Provision for doubtful inter corporate deposit	(267.83)	(267.83)	-	-
	-	-	-	-
Advance income tax (net of provision for taxation)	-	-	85.17	62.33
Prepaid expenses	1.47	-	24.35	24.59
Balance with government authorities	-	-	169.96	107.19
Advance to ESOP Trust	0.27	0.27	-	-
Others	-	-	0.65	0.64
	148.29	**104.05**	**405.74**	**405.96**

14. TRADE RECEIVABLES AND OTHER ASSETS

₹ in Lakhs

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
14.1 Trade receivables				
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	–	–	301.14	283.61
Doubtful	170.67	170.67	–	–
	170.67	170.67	301.14	283.61
Provision for doubtful receivables	(170.67)	(170.67)	–	–
	–	–	301.14	283.61
Other receivables				
Unsecured, considered good	–	–	3,236.77	3,741.60
	–	–	**3,537.91**	**4,025.21**
Trade receivables include :-				
I) Dues from a Company in which the Company's director is a director - Dupen Laboratories Private Limited (refer note 30 (d) - (11d))			5.02	4.75
II) Dues from holding company - DIL Ltd. (refer note 30 (d) - (11d))			1.34	0.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

14. TRADE RECEIVABLES AND OTHER ASSETS *(contd...)*

₹ in Lakhs

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
14.2 Other assets				
Unsecured, considered good unless stated otherwise				
Bank balance (refer note 16)	1.68	8.71	9.45	22.66
Others	–	–	4.12	–
	1.68	**8.71**	**13.57**	**22.66**

15. INVENTORIES (valued at lower of cost and net realizable value)

₹ in Lakhs

	March 31, 2015	March 31, 2014
Raw materials and packing materials (includes stock in transit of ₹29.79 lakhs (2014 ₹ 195.85 lakhs)) (refer note 19)	1,035.12	1,047.19
Work in progress (refer note 20)	810.41	872.75
Finished goods (refer note 20)	91.63	188.17
Stores and spares	164.99	172.29
	2,102.15	**2,280.40**

16. CASH AND BANK BALANCES

₹ in Lakhs

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and cash equivalents				
Balances with banks				
On current account	–	–	76.47	88.73
Deposits with original maturity of less than three months	–	–	0.03	0.03
Cash on hand	–	–	3.85	2.35
Other bank balances				
Margin money deposits	–	8.71	9.45	22.66
Deposits with original maturity of more than three months	1.68	–	–	–
	1.68	**8.71**	**89.80**	**113.77**
Amount disclosed under other assets (refer note 14.2)	(1.68)	(8.71)	(9.45)	(22.66)
	-	**–**	**80.35**	**91.11**

Margin money deposits with a carrying amount of ₹ 9.45 lakhs (2014 ₹ 31.37 lakhs) are subject to first charge to secure the letters of credit facilities availed by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

17. REVENUE FROM OPERATIONS

₹ in Lakhs

	March 31, 2015	March 31, 2014
Revenue from operations		
Sale of products		
Finished goods	13,158.44	12,699.74
Traded goods	120.16	124.61
Sale of services	14.05	5.89
Other operating revenue		
Scrap sales	3.47	2.62
Revenue from operations (gross) *	13,296.12	12,832.86
Less: Excise duty #	370.70	331.43
Revenue from operations (net)	**12,925.42**	**12,501.43**

* includes impact of prior year discount ₹ 61.83 lakhs (2014 ₹ Nil)

Excise duty on sales amounting to ₹ 370.70 lakhs (2014 ₹ 331.43 lakhs) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to ₹ 23.13 lakhs (2014 ₹ 47.92 lakhs) has been considered as expenses in note 22 of the financial statements.

Details of product sold

₹ in Lakhs

	March 31, 2015	March 31, 2014
Finished goods sold		
Vitamin D3 Product range	8,825.76	8,213.75
Silicon dry powder	413.81	495.22
Phenyramidol Hcl	2,654.13	2,550.72
Fermsept	167.77	126.15
Biocatalyst and Enzymes	893.31	1,136.80
Others	203.66	177.10
	13,158.44	**12,699.74**
Traded goods sold		
Granules	99.21	76.32
Injections	20.95	48.29
	120.16	**124.61**
	13,278.60	**12,824.35**
Details of service rendered		
Environmental project consultancy fees	14.05	5.89
	14.05	**5.89**

18. OTHER INCOME

₹ in Lakhs

	March 31, 2015	March 31, 2014
Foreign exchange fluctuation gain (net)	–	219.76
Other non-operating income	5.68	3.60
	5.68	**223.36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

19. COST OF RAW MATERIALS AND PACKING MATERIALS CONSUMED

₹ in Lakhs

	March 31, 2015	March 31, 2014
Inventories of raw materials / packing materials at the beginning of the year	1,047.19	1,225.03
Add : Purchases	6,044.19	5,495.30
	7,091.38	6,720.33
Less : Inventories of raw materials / packing materials at the end of the period	1,035.12	1,047.19
Cost of raw materials and packing materials consumed	**6,056.26**	**5,673.14**

Details of raw materials and packing materials consumed

₹ in Lakhs

	March 31, 2015	March 31, 2014
Cholesterol	2,376.87	2,688.79
Lithium Amide	343.89	393.03
2-Amino Pyridine	201.83	246.33
Iso Propyl Alcohol	235.65	258.66
Denatured Spirit	208.28	137.31
Styrene Oxide	153.10	163.87
Dimethyl formamide	98.56	130.80
Acetone	154.18	113.14
Petroleum Ether	214.55	179.19
Other materials	2,069.35	1,362.04
	6,056.26	**5,673.14**

Details of Raw materials and packing materials inventory

₹ in Lakhs

	March 31, 2015	March 31, 2014
Cholesterol	289.01	172.09
Pyridine styrene oxide derivative	21.21	146.77
Lithium Amide	77.23	49.31
2- Amino Pyridine	19.51	26.24
PBA Resin 650	–	19.97
Methyl Formate	11.27	17.88
Collidine	10.79	17.03
Dibromo Dimethyl Hydantion	2.85	4.02
Others	603.25	593.88
	1,035.12	**1,047.19**

Details of purchase of traded goods

₹ in Lakhs

	March 31, 2015	March 31, 2014
Granules	62.10	48.05
Injections	19.90	29.30
	82.00	**77.35**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

20. (INCREASE)/DECREASE IN INVENTORIES

₹ in Lakhs

	March 31, 2015	March 31, 2014
Inventories at the end of the period		
Work in progress	810.41	872.75
Finished goods	91.63	188.17
	902.04	**1,060.92**
Inventories at the beginning of the year (refer note 15)		
Work in progress	872.75	667.89
Finished goods	188.17	370.63
	1,060.92	**1,038.52**
	158.88	**(22.40)**

20. (INCREASE)/DECREASE IN INVENTORIES

₹ in Lakhs

	March 31, 2015	March 31, 2014
Details of inventory		
Work in progress		
Vitamin D3 Product range	578.90	593.53
Silicon dry powder	10.23	8.62
Phenyramidol Hcl	81.27	88.15
Biocatalyst and Enzymes	32.59	55.56
Others	107.43	126.89
	810.41	**872.75**
Finished goods		
Vitamin D3 Product range	28.76	86.33
Silicon dry powder	21.46	24.68
Phenyramidol Hcl	9.49	67.53
Biocatalyst and Enzymes	28.37	4.28
Others	3.55	5.35
	91.63	**188.17**

21. EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	1,478.95	1,241.57
Contribution to provident and other fund	88.46	75.55
Gratuity expense (refer note 27 (iv))	(7.27)	(2.09)
Staff welfare expenses	187.82	154.35
	1,747.96	**1,469.38**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

22. OTHER EXPENSES

₹ in Lakhs

	March 31, 2015	March 31, 2014
Manufacturing Expense		
Excise duty other than recovered on sales	23.13	47.92
Labour charges	208.20	156.25
Power, fuel and gas	839.23	678.97
Processing charges	378.36	481.07
Repairs to building	29.76	9.71
Repairs to machinery	28.21	30.42
Stores and spare parts consumed	459.97	331.83
Water charges	9.93	9.18
Sub total (i)	**1,976.79**	**1,745.35**
Selling and distribution expenses		
Advertising and sales promotions	96.83	82.55
Freight and forwarding charges	235.04	207.68
Sales commission	82.06	32.01
Sub total (ii)	**413.93**	**322.24**
Administration and other expenses		
Rent (refer note 28)	92.49	83.97
Repairs and maintenance - others	80.61	66.90
Insurance	76.26	80.13
Rates and taxes	67.10	55.66
Provision for doubtful debts and advances	1.47	20.94
Bad debts	5.84	–
Directors sitting fee	4.10	2.15
Travelling and conveyance	332.21	273.55
Professional and legal fees	185.23	242.32
Payment to auditors (Refer details below)	21.40	21.36
Postage and telephone	32.92	32.18
Printing & stationery	41.40	33.07
Staff recruitment expenses	22.91	9.27
Foreign exchange fluctuation loss (net)	97.71	–
Loss on sale of fixed assets	5.37	8.85
Donations	6.69	5.46
Bank charges	22.17	20.66
Miscellaneous expenses	76.52	71.91
Sub total (iii)	**1,172.40**	**1,028.38**
Total (i+ii+iii)	**3,563.12**	**3,095.97**
Above expenditure include research and development expenses	**417.58**	**297.12**

Payment to auditors		
As Auditor		
Audit fee	9.60	9.60
Tax audit fee*	3.10	3.10
Limited review	7.50	7.50
Reimbursement of expense*	1.20	1.16
	21.40	**21.36**

* includes amount paid to the auditors other than statutory auditors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

23. DEPRECIATION AND AMORTISATION EXPENSE

₹ in Lakhs

	March 31, 2015	March 31, 2014
Depreciation of tangible assets	575.89	616.59
Amortisation of intangible assets	99.21	189.01
	675.10	**805.60**

24. INTEREST INCOME

₹ in Lakhs

	March 31, 2015	March 31, 2014
Interest Income on		
Bank deposits	(2.18)	(2.81)
Others	(2.24)	(2.34)
	(4.42)	**(5.15)**

25. FINANCE COSTS

₹ in Lakhs

	March 31, 2015	March 31, 2014
Interest:		
- On term loans	145.65	218.03
- Others	324.36	331.72
Bank charges	–	9.56
	470.01	**559.31**

26. EARNINGS PER SHARE (EPS)

₹ in Lakhs

	March 31, 2015	March 31, 2014
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calculating basic and diluted EPS	25.83	802.91
	No of shares	No of shares
Weighted average number of equity shares in calculating basic and diluted EPS	1,81,92,844	1,81,92,844
Earnings per equity share (nominal value of share ₹ 10) (2014: ₹ 10)	0.14	4.41

27. EMPLOYEE BENEFITS

The Company operates two employee benefit plans

I Defined contribution plan which includes contribution to provident and superannuation fund

II Defined benefit plan which includes gratuity (funded) and long term compensated absences (unfunded)

₹ in Lakhs

	As at March 31, 2015	As at March 31, 2014
Defined Contribution Plan		
Contribution to Defined Contribution Plan recognised in the statement of profit and loss under personnel expenses on note 21 for the year are as under-		
Employer's contribution to provident fund	86.10	73.10
Employer's contribution to superannuation fund	2.36	2.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

Defined Benefit Plan

The Company operates two defined plans, viz., gratuity and long term compensated benefit plans, for its employees.

Gratuity as per actuarial valuation *₹ in Lakhs*

	As at March 31, 2015	As at March 31, 2014
i) Changes in the present value of the defined benefit obligation	**(Gratuity Funded)**	
Opening	151.28	144.39
Interest cost	15.47	13.64
Current service cost	19.06	22.44
Benefits paid	(26.50)	(0.92)
Net actuarial (gain) / loss	(30.89)	(28.27)
Closing	**128.42**	**151.28**
ii) Changes in fair value of plan assets		
Opening	141.79	132.81
Expected return on plan assets	13.06	12.47
Net actuarial gain/ (loss)	(2.15)	(2.57)
Employer's contribution	8.69	–
Benefits paid	(26.50)	(0.92)
Closing	**134.89**	**141.79**
iii) Amounts recognised in balance sheet		
Present value of defined benefit obligation	128.42	151.28
Fair value of plan assets	134.89	141.79
Net liability / (assets) recognised in balance sheet (refer note 7 and 13)	**(6.47)**	**9.49**
iv) Amounts recognised in profit and loss account		
Interest cost	15.47	13.64
Current service cost	19.06	22.44
Expected return on plan assets	(13.06)	(12.47)
Net actuarial (gain) / loss recognised	(28.74)	(25.70)
Gratuity expense (refer note 21)	**(7.27)**	**(2.09)**
v) Actual return on plan assets	10.91	9.89
vi) Principal assumptions used in actuarial valuation		
Discount rate	7.90%	9.30%
Expected return on plan assets	9.15%	9.15%
Salary escalation rate	5.00%	10.00%
Withdrawal rate (as per age group)	21 to 30 - 10%	21 to 30 - 10%
	31 to 40 - 5%	31 to 40 - 5%
	41 to 50 - 3%	41 to 50 - 3%
	51 to 57 - 2%	51 to 57 - 2%
vii) Investments with insurers	95.00%	99.00%
Investments with others	5.00%	1.00%

27. EMPLOYEE BENEFITS *(contd.)*

₹ In Lakhs

	Gratuity Funded as at				
	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
viii) Amounts for the current and previous four periods are as under :-					
Defined benefit obligations	128.42	151.28	144.39	123.92	117.95
Plan assets	134.89	141.79	132.81	81.74	77.61
Surplus/(Deficit)	6.47	(9.49)	(11.58)	(42.18)	(40.34)
Experience adjustments on plan liabilities	2.68	(11.58)	(12.62)	(6.86)	(1.61)
Experience adjustments on plan assets	(2.15)	(2.57)	0.80	(2.54)	1.38

ix) a The discount rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of post-employment benefit obligations.

b Expected rate of return on assets assumed by the insurance company is generally based on their investment pattern as stipulated by the Government of India.

c The estimates of rate escalation in salary considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply demand in the employment market.

d The Company expects to contribute ₹10 lakhs to the Gratuity fund in 2015-16. (2014 - ₹2.25 lakhs).

28. The Company has entered into arrangements for taking on leave and license basis certain office premises and guest houses. The agreements are cancellable having escalation clause and are renewable.

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
(a) Lease payments recognized in the statement of profit and loss for the year	92.49	83.97
(b) Future minimum lease payments under the leases in the aggregate and for each of the following periods:		
Not later than one year	6.45	0.27
Later than one year and not later than five years	8.91	–

29. SEGMENT INFORMATION

a Primary segment – The Company has identified chemical, bulk drug & enzymes as the only primary reportable segment

b Secondary segments – Geographical segments

Segment revenue from external customers, based on geographical location of customers (Sales)

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
India	3,741.00	3,189.79
Europe	6,939.06	6,871.97
Others	2,245.36	2,439.67
TOTAL	**12,925.42**	**12,501.43**
Assets and additions to fixed and intangible assets		
Segment assets		
India	11,103.48	11,482.01
Europe	1,840.87	1,864.64
Others	880.83	1,312.34
TOTAL	**13,825.18**	**14,658.99**
Additions to fixed and intangible assets		
India	539.61	247.04
Europe	–	–
Others	–	–
TOTAL	**539.61**	**247.04**

Note:

The operating facilities of the Company are commonly employed for both the domestic and export business, hence it is not possible to report segment result/liabilities by geographical segment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

30. RELATED PARTY DISCLOSURE

a) **Parties where control exists**

Holding company:-

DIL Limited

Subsidiaries:-

a) Fermenta Biotech (UK) Limited

b) G.I. Biotech Pvt Limited

b) **Related party relationships where transactions have taken place during the year:-**

Key Management Personnel

Mr. Satish Varma - Managing Director.

Mr. Rajendra Gaitonde - Whole Time Director (Operations) (Upto 15th October 2014)

Ms. Anupama Datla - Executive Director.

Mr. Prashant Nagre - Chief Executive Officer

Mr. Sudarshan Kamath - Chief Financial Officer (Upto 30th September 2014)

Mr. Rajeev Midha - Chief Financial Officer (From 15th September 2014 to 31st January 2015)

Enterprises owned or significantly influenced by key management personnel or their relatives:-

Dupen Laboratories Pvt Limited.

Lacto Cosmetics (Vapi) Pvt. Limited.

c) **An individual directly controlling the holding company, namely DIL limited and can exercise significant influence:-**

Mr. Krishna Datla – Director

d) **Transactions with related parties**

Following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

₹ in Lakhs

Sr. No.	Particulars	Holding Company	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives.
1	Sales			
	Dupen Laboratories Pvt Ltd.			4.48 (5.22)
2	Purchase of raw materials and spares			
	Dupen Laboratories Pvt Limited.			12.44 –
	Lacto Cosmetics (Vapi) Pvt. Ltd.			3.05 (3.37)
3	Interest on loan taken	22.71 (33.68)		
4	Rent paid	80.87 (76.70)		
5	Processing Charges Paid			
	Lacto Cosmetics (Vapi) Pvt. Ltd.			14.29 (11.25)
6	Company's share of expenses paid	43.55 (33.76)		2.55 –
7	Other reimbursements received	2.11 (1.93)		
8	Loan taken	25.00 –		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

30. RELATED PARTY DISCLOSURE *(contd.)*

₹ in Lakhs

Sr. No.	Particulars	Holding Company	Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives.
9	Loan repaid	25.00 (100.00)		
10	Remuneration to key management personnel.			
	Mr. Rajendra Gaitonde - Salary, bonus and con. to PF		22.40 (34.48)	
	Ms. Anupama Datla - Salary, bonus and con. to PF		53.03 (46.60)	
	Mr. Satish Varma - Salary, bonus and con. to PF		67.78 (39.29)	
	Mr. Prashant Nagre - Salary, bonus and con. to PF		75.57 (73.54)	
	Mr. Sudarshan Kamath - Salary, bonus and con. to PF		27.69 (36.92)	
	Mr. Rajeev Midha - Salary, bonus and con. to PF		23.68 –	
	Directors sitting fees		4.10 (2.15)	
11	**Balance outstanding as at the year end**			
	a. Loan payable (refer note 8)	232.50 (232.50)		
	b. Trade payables			
	DIL Ltd.	8.72 (14.72)		
	Mr. Rajendra Gaitonde		– (4.00)	
	Mr. Prashant Nagre		7.92 (12.00)	
	Mr. Sudarshan Kamath		– (5.53)	
	Lacto Cosmetics (Vapi) Pvt. Ltd.			5.89 (3.20)
	Dupen Laboratories Pvt Ltd			2.86 –
	c. Other liabilities			
	DIL Ltd. (refer note 9)	4.27 (6.35)		
	d. Trade receivables			
	DIL Ltd. (refer note 14.1)	1.34 (0.40)		
	Dupen Laboratories Pvt Ltd. (refer note 14.1)			5.02 (4.75)

(Figures in brackets are the corresponding figures in respect of the previous year.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

31. CAPITAL AND OTHER COMMITMENTS

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹43.48 lakhs (2014 ₹ 55.84 lakhs).

32. CONTINGENT LIABILITIES

₹ in Lakhs

		March 31, 2015	March 31, 2014
Claims against the company not acknowledged as debts			
a	Tax matters		
	Income Tax - matter under appeal	21.24	21.24
	Excise Duty - matter under appeal	8.00	8.00
b	Other claims	21.31	15.99

33. DERIVATIVE INSTRUMENTS

a) Particulars of "un-hedged foreign currency exposure" as at March 31, 2015

Particulars		March 31, 2015		March 31, 2014	
		Amount (Foreign Currency in Lakhs)	Amount (₹ in Lakhs)	Amount (Foreign Currency in Lakhs)	Amount (₹ in Lakhs)
Trade receivables	$	11.14	696.84	14.16	846.10
	Euro	26.69	1,810.64	25.53	2,098.12
Trade payables	$	5.46	342.48	2.88	172.10
	Euro	1.95	132.72	7.41	610.08
	Pound	0.04	3.46	–	–

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

₹ in Lakhs

Particulars		March 31, 2015	March 31, 2014
a	(i) Principal amount remaining unpaid to any supplier at the end of the accounting year	19.42	14.01
	(ii) Interest due on above	1.23	0.14
	The Total of (i) & (ii)	20.65	14.15
b	The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
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 Micro, Small and Medium Enterprise Development Act, 2006	1.23	0.12
d	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.23	0.02
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

35. C. I. F. VALUE OF IMPORTS

₹ in Lakhs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Raw materials and packing materials	3,109.36	3,124.13
Stores and spare parts	7.96	3.03
Capital goods	95.40	8.50

36. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
Professional fees	46.90	141.82
Travelling	41.39	41.43
Commmission	37.65	6.47
Foreign Advertisement and trade exhibition	17.95	22.93
Patent & Trademark	6.10	7.45
Rates and Taxes	1.33	4.07
Analytical fees	0.34	1.52
Others	38.33	17.44

37. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	%	₹ in Lakhs	%	₹ in Lakhs
Raw materials consumed:				
Imported	52%	3,101.90	57%	3,319.24
Indigenous	48%	2,841.02	43%	2,497.04
	100%	**5,942.91**	100%	**5,816.28**
Stores and spare parts				
Imported	9%	39.58	7%	22.95
Indigenous	91%	420.39	93%	308.88
	100%	**459.97**	100%	**331.83**

38. EARNINGS IN FOREIGN CURRENCY:

₹ in Lakhs

	Year ended March 31, 2015	Year ended March 31, 2014
F. O. B. value of exports	9,022.46	9,179.86
Freight and insurance on exports	161.97	131.78

39. Prior year amounts have been reclassified where necessary to confirm with current year's preparation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2015

40. Information required for consolidated financial statement pursuant to Schedule III of The Companies Act, 2013:

₹in Lakhs

Sr No	Particulars	Name of the Entity	March 31, 2015				March 31, 2014			
			Net Asset as a % of Consolidated		% of share in profit and loss		Net Asset as a % of Consolidated		% of share in profit and loss	
			%	₹ In Lakhs	%	₹ In Lakhs	%	₹ In Lakhs	%	₹ In Lakhs
1	Parent	Fermenta Biotech Limited	98%	7,690.67	121%	30.89	98%	7,671.94	99%	794.60
2	Subsidiaries									
	Indian	G I Biotech Private Limited	0%	2.26	(2%)	(0.67)	0%	2.93	0%	1.62
	Foreign	Fermenta Biotech (UK) Limited	2%	148.08	(17%)	(4.39)	2%	152.47	1%	6.69
3	Minority Interest		0%	(0.66)	(2%)	(0.40)	0%	(1.06)	0%	(0.98)
		Total	100%	7,840.35	100%	25.43	100%	7,826.28	100%	801.93

As per our report of even date

For **S R B C & CO LLP**
ICAI Firm Registration Number 324982E
Chartered Accountants

per **Vikram Mehta**
Partner
Membership No.: 105938

Place: Mumbai
Date : May 27, 2015

For and on behalf of the Board of Directors

Peter Bains
Chairman

Satish Varma
Managing Director

Krishna Datla
Director

Sanjay Buch
Director

Anupama Datla
Executive Director

Viswanath Chibrolu
Director

Gopakumar Nair
Director

Sanjay Basantani
Company Secretary

Kapil Gohil
Chief Financial Officer

Place: Thane
Date : May 27, 2015