

Independent Auditor's Report on the Audited Quarterly and Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Kimia Biosciences Limited (Formerly known as Laurel Organics Limited)

Report on the Audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and annual financial results of Kimia Biosciences Limited (Formerly known as Laurel Organics Limited) ("the Company"), for the quarter and year ended March 31 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement read with notes therein :

- i. is presented in accordance with the requirements of the Listing Regulations in this regard: and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income for the quarter ended March 31, 2020, net profit and other comprehensive income for the year ended March 31, 2020 and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 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 financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement 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 Statement.

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.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

Date: June 26, 2020

Place: Noida (Delhi – NCR)



For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E


Bimal Kumar Sipani
Partner

Membership No. 088926

UDIN : 20088926AAAAFY1825

KIMIA BIOSCIENCES LIMITED

(Formerly known as Laurel Organics Limited)

Regd. Office : Village Bhondsi, Tehsil Sohna, Dist. Gurgaon , Haryana - 122102

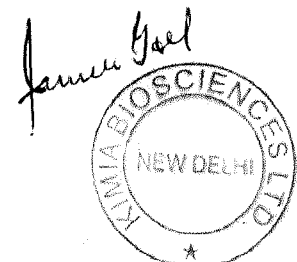
Phone: +91-11-4706 3600,0124-2979014, Email: laurelorganicslimited@gmail.com

Website: www.laurelorganicslimited.com, CIN : L24239HR1993PLC032120

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(₹ Lakhs except EPS)

S. No.	Particulars	Quarter ended			Year ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		(Audited) (Refer Note 5)	(Unaudited)	(Audited) (Refer Note 5)	(Audited)	(Audited)
I	Revenue from Operations	2,125.23	2,740.06	1,891.17	10,628.63	9,391.73
II	Other Income	(8.26)	33.65	162.89	96.37	132.68
III	Total Income (I+II)	2,116.97	2,773.71	2,054.06	10,725.00	9,524.41
IV	Expenses:					
	a) Cost of materials consumed	1,502.80	2,029.66	1,202.05	7,909.32	7,221.79
	b) Purchase of stock-in-trade	-	-	-	-	-
	c) Change in inventories of finished goods, work-in-progress and stock in trade	(41.12)	76.55	216.40	115.39	(113.83)
	d) Employee benefits expenses	300.67	292.75	235.89	1,080.46	881.72
	e) Finance Costs	108.35	57.27	140.34	252.88	199.61
	f) Depreciation and amortisation expense	44.75	40.71	28.21	166.01	109.83
	g) Other Expenses	296.17	268.40	240.92	1,078.34	844.72
V	Total Expenses (IV)	2,211.62	2,765.34	2,063.81	10,602.40	9,143.84
VI	Profit/(loss) before exceptional items and Tax (III-IV)	(94.65)	8.37	(9.75)	122.60	380.57
VII	Exceptional Items	-	-	-	-	-
VIII	Profit/(loss) Before Tax (V-VI)	(94.65)	8.37	(9.75)	122.60	380.57
	Tax expenses:					
	a) Current Tax	(15.51)	(42.82)	(20.74)	(15.51)	-
	b) Deferred Tax charge / (reversal)	-	42.82	15.80	-	(4.93)
IX	Profit/(loss) for the period (VII-VIII)	(79.14)	8.37	(4.81)	138.11	385.50
X	Other Comprehensive Income					
	A Items that will not be reclassified to Profit or Loss (Net of Tax)	1.53	(0.90)	(2.31)	(1.16)	(3.59)
	B Items that will be reclassified to Profit or Loss	-	-	-	-	-
XI	Total Comprehensive Income for the period (X+XI)	(77.61)	7.47	(7.12)	136.95	381.91
XII	Paid up equity share capital (Face value of Rs.1 per equity share)				463.54	145.94
XIII	Other Equity				864.06	399.62
XIV	Earnings per equity share (not annualised)					
	Basic in Rs.	(0.20)	0.03	(0.03)	0.32	2.64
	Diluted in Rs.	(0.17)	0.02	(0.02)	0.28	1.39

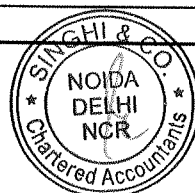


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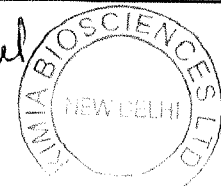
STATEMENT OF ASSETS, EQUITY and LIABILITIES

(₹ Lakhs)

S. No.	Particulars	As at 31-03-2020 (Audited)	As at 31-03-2019 (Audited)
A	ASSETS		
1	Non-Current Assets		
	Property, Plant & Equipment	1661.10	1600.00
	Capital Work-in-Progress	574.39	152.60
	Right of Use	111.68	0.00
	Other Intangible Assets	11.38	15.33
	Financial Assets		
	(i) Other Non Current Financial Assets	14.28	14.13
	Other Non-current Assets	98.87	2.81
2	Current Assets		
	Inventories	2031.23	1609.91
	Financial Assets		
	a. Investment	41.72	1.04
	b. Trade Receivables	3732.57	2912.14
	c. Cash and Cash Equivalents	23.18	9.44
	d. Bank balances other than (c) above	54.14	116.90
	e. Other Current Financial Assets	33.17	18.29
	Current Tax Assets (Net)	74.36	65.84
	Other Current Assets	104.47	21.30
	Total Assets	8566.54	6539.75
B	EQUITY AND LIABILITIES		
1	EQUITY		
	(a) Share Capital	463.54	145.94
	(b) Instruments entirely equity in nature (CCPS)	9.59	65.18
	(c) Other Equity	864.06	399.62
2	NON CURRENT LIABILITIES		
	Financial Liabilities		
	(i) Borrowings	2430.97	2410.97
	(ii) Other financial liabilities	411.39	0.00
	Long Term Provisions	87.93	64.23
	Other Non-Current Liabilities	435.85	409.61
3	CURRENT LIABILITIES		
	Financial Liabilities		
	(i) Borrowings	632.02	541.98
	(ii) Trade Payables		
	a. Total Outstanding due to Micro and Small Enterprises	1.77	78.22
	b. Total Outstanding due to other than Micro and Small Enterprises	2654.46	1687.89
	(iii) Other Financial Liabilities	539.36	705.92
	Short Term Provisions	4.16	3.34
	Other Current Liabilities	31.44	26.83
	Total Equity and Liabilities	8566.54	6539.74



Sanjay Hood



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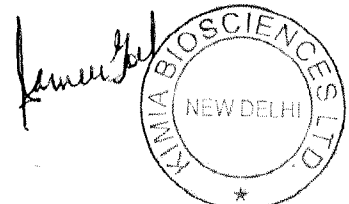
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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

STATEMENT OF CASH FLOWS

(₹ Lakhs)

Particulars	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)
A. Cash Flow from Operating Activities		
Net Profit before tax	122.59	380.56
Adjustment for :		
Depreciation and amortization expense	166.01	109.83
Loss / (profit) on sale/discard of property, plant and equipment (net)	1.55	(1.70)
Finance costs	252.88	199.61
Interest income	(6.50)	(14.56)
Gain on fair value of investment in mutual funds	(0.79)	-
Deferred revenue income	(87.08)	(112.52)
Unrealised (gain)/loss on foreign currency transactions and translations	54.86	(45.17)
Operating Profit Before Working Capital Changes	503.52	516.05
Adjustments for:		
(Increase) / Decrease in inventories	(421.32)	(650.96)
(Increase)/ Decrease in trade and other receivables	(923.80)	113.60
Increase/ (Decrease) in trade and other payables	865.44	(227.86)
Cash Generated From Operations	23.84	(249.16)
Less : Income tax paid/ (refunds)	7.00	(15.82)
Net Cash From Operating Activities	30.84	(264.98)
B. Cash Flow from Investment Activities		
Purchases of property, plant and equipments including intangible assets & capital advances	(901.06)	(258.36)
Proceeds from sales of property, plant & equipment	3.64	1.91
Movement in fixed deposits (net)	62.76	31.55
Purchase of current investments	(39.89)	(1.04)
Interest received	11.69	3.60
Net Cash Used In Investing Activities	(862.86)	(222.35)
C. Cash Flow from Financing Activities		
Receipts from non current borrowings	2,293.12	3,026.67
Repayment of non current borrowings	(2,014.01)	(2,584.73)
Net proceeds of current borrowings	90.03	85.84
Receipt on issuance of equity shares against share warrant	589.50	-
Finance costs paid	(112.88)	(86.04)
Net Cash Used in Financing Activities	845.76	441.73
Net Increase/(Decrease) in Cash and Cash Equivalents	13.74	(45.60)
Cash and Cash Equivalents at the beginning of the year	9.44	55.04
Cash and Cash Equivalents at the end of the year	23.18	9.44



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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

Other Notes

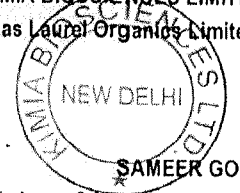
(₹ Lakhs)

- 1 The Company has only one business segment, which is 'Pharmaceuticals'.
- 2 Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach, accordingly comparative information has not been restated. The adoption of the new standard has resulted in recognising a right of use assets and corresponding lease liabilities. The effect of the adoption does not have any material impact on the financial results.
- 3 COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of these Financial results on the carrying value of its assets and liabilities as on 31.3.2020. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of these assets and adequate liquidity is available. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.
- 4 During the period, the Company has issued and allotted 55,59,530 Equity Shares having face value Rs.1 on conversion of Compulsory Convertible Preference Shares
- 5 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures for the full financial figures and the published year to date figures for the nine months.
- 6 The figures for the previous periods have been regrouped/ rearranged, wherever considered necessary, to confirm current period classifications.
- 7 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 26.06.2020.



FOR KIMIA BIOSCIENCES LIMITED
(Formerly known as Laurel Organics Limited)

Sameer Goel



SAMEER GOEL
(Chairman & Managing Director)

DIN: 00161786

Date : June 26, 2020

Place : New Delhi