

INDEPENDENT AUDITOR'S REPORT

To The Members of Laurus Holdings Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Laurus Holdings Limited** ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its financial performance, its cash flows and the changes in equity for the year ended on that date. These Audited Financial Statements is issued only for the limited purpose of incorporating in Consolidated Financial Statements and statutory filings.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease

operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Requirements

As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

For R Krishna & Associates
Firm Registration Number: 013658S
Chartered Accountants

M. Rama Krishna
Partner
Membership No.: 221908

Place: Hyderabad
Date: April 24, 2020

UDIN: 20221908AAAADT5179

Laurus Holdings Limited
Consolidated Balance Sheet as at March 31, 2020

	Notes	March 31, 2020 Amount in GBP	March 31, 2019 Amount in GBP	March 31, 2020 Amount in INR	March 31, 2019 Amount in INR
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	11,838	12,633	1,095,917	1,143,015
Financial Assets					
Loans	4A	23,023	21,782	2,131,382	1,970,721
		34,861	34,415	3,227,299	3,113,736
Current Assets					
Financial Assets					
Inventory	5	377,506	386,288	34,948,074	34,949,631
Trade receivables	6	1,635,591	947,815	151,416,813	85,754,165
Cash and cash equivalents	7	59,242	189,043	5,484,400	17,103,767
Other Current Assets	4B	380,007	19,956	35,179,607	1,805,542
		2,452,346	1,543,102	227,028,894	139,613,105
Total Assets		2,487,207	1,577,517	230,256,193	142,726,841
EQUITY and LIABILITIES					
Shareholders' Funds					
Share Capital	8	850,000	850,000	77,897,649	77,897,649
Other Equity					
Retained earnings	9A	(2,050,200)	(732,710)	(185,596,883)	(66,856,452)
Other reserves	9B	(61,680)	(6,210)	(9,120,831)	(991,078)
Total Equity		(1,261,880)	111,080	(116,820,065)	10,050,119
Current Liabilities					
Financial Liabilities					
Borrowings					
Trade Payables	10	2,256,033	815,020	208,854,980	73,739,327
Other current liabilities	11	1,489,542	651,417	137,896,150	58,937,395
Income tax liabilities	12	3,512	-	325,128	-
		3,749,087	1,466,437	347,076,258	132,676,722
Total Equity and Liabilities		2,487,207	1,577,517	230,256,193	142,726,841
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 R Krishna & Associates
Chartered Accountants
ICAI Firm Registration Number : 013658S

For and on behalf of the Board of Directors
Laurus Holdings Limited

M Rama Krishna
Partner
Membership No : 221908

Dr.C.Satyanarayana
Director

V V Ravi Kumar
Director

Place: Hyderabad
Date: April 24, 2020

Place: Hyderabad
Date: April 24, 2020

Laurus Holdings Limited
Consolidated Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020 Amount in GBP	For the year ended March 31, 2019 Amount in GBP	For the year ended March 31, 2020 Amount in INR	For the year ended March 31, 2019 Amount in INR
INCOME					
Revenue from Operations	13	2,343,258	520,938	211,182,447	47,742,618
I. Total Revenue (I)		2,343,258	520,938	211,182,447	47,742,618
EXPENSES					
Cost of Materials Consumed	14	1,474,456	191,123	132,883,031	17,515,897
Employee Benefits Expenses	15	824,449	514,357	74,302,171	47,139,517
Other Expenses	16	1,353,539	485,904	121,985,578	44,531,909
Total Expenses (II)		3,652,444	1,191,384	329,170,780	109,187,323
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		(1,309,186)	(670,446)	(117,988,333)	(61,444,705)
Depreciation and Amortisation	3	1,514	1,613	140,160	147,826
Finance Expenses	17	2,204	2,000	198,632	183,309
IV. Profit/ (Loss) Before Tax		(1,312,904)	(674,059)	(118,327,125)	(61,775,839)
V. Tax Expense					
Current Tax		4,586	-	413,306	-
Income tax expense		4,586	-	413,306	-
Profit/ (Loss) for the year		(1,317,490)	(674,059)	(118,740,431)	(61,775,839)
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 R Krishna & Associates
Chartered Accountants
ICAI Firm Registration Number : 013658S

For and on behalf of the Board of Directors
Laurus Holdings Limited

M Rama Krishna
Partner
Membership No : 221908

Dr.C.Satyanarayana
Director

V V Ravi Kumar
Director

Place: Hyderabad
Date: April 24, 2020

Place: Hyderabad
Date: April 24, 2020

Laurus Holdings Limited
Consolidated Cash Flow Statement for the year ended March 31, 2020

Particulars	March 31, 2020 Amount in GBP	March 31, 2019 Amount in GBP	March 31, 2020 Amount in INR	March 31, 2019 Amount in INR
Profit Before Tax	(1,312,904)	(674,059)	(118,327,125)	(61,775,839)
Cash Flow from/ (used in) Operating Activities				
Adjustments for :				
Depreciation of property, plant and equipment	1,514	1,613	140,160	147,826
Interest Expense	2,204	2,000	198,632	183,309
Operating Profit Before Working Capital Changes	(1,309,186)	(670,446)	(117,988,333)	(61,444,705)
Foreign currency translation adjustments	(55,470)	(6,044)	(8,521,909)	(929,067)
Movement In Working Capital:				
Increase in Trade Receivables	(687,776)	(927,244)	(65,662,648)	(83,855,779)
Increase in Inventories	8,782	(357,907)	1,557	(32,330,502)
Increase/ (Decrease) in Other Non Current Assets	(1,241)	(5,994)	(160,661)	(513,732)
Increase/ (Decrease) in Other Current Assets	(360,051)	(15,086)	(33,374,065)	(1,356,116)
Increase/ (Decrease) in Trade Payables	1,441,013	785,700	135,115,652	71,033,543
Increase in Other Current Liabilities	838,125	580,938	78,958,755	52,433,176
Cash Generated From Operations	(125,804)	(616,084)	(11,631,652)	(56,963,180)
Direct Taxes paid	(1,074)		(93,163)	
Net Cash Flow from/ (used in) Operating Activities (A)	(126,878)	(616,084)	(11,724,815)	(56,963,180)
Cash Flow Used In Investing Activities				
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(719)	(2,346)	(93,062)	(192,654)
Net Cash Flow Used In Investing Activities (B)	(719)	(2,346)	(93,062)	(192,654)
Cash Flow From Financing Activities				
Proceeds from Issue of Equity Shares	-	715,000	-	65,724,415
Interest Paid	(2,204)	(2,000)	(198,632)	(183,309)
Net Cash Flow From Financing Activities (C)	(2,204)	713,000	(198,632)	65,541,106
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(129,801)	94,570	(12,016,509)	8,385,272
Cash and Cash Equivalents at the beginning of the year	189,043	94,474	17,103,767	8,718,495
Effect of exchange differences on cash and cash equivalents	-	-	397,141	-
Cash and Cash Equivalents at the end of the year	59,242	189,043	5,484,400	17,103,767
Notes:				
Components of Cash and Cash Equivalents:				
Balances with banks				
On current accounts	59,242	189,043	5,484,400	17,103,767
Total Cash and Cash Equivalents	59,242	189,043	5,484,400	17,103,767

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For R Krishna & Associates
Chartered Accountants
ICAI Firm Registration Number : 013658S

For and on behalf of the Board of Directors
Laurus Holdings Limited

M Rama Krishna
Partner
Membership No : 221908

Dr.C.Satyanarayana
Director

V V Ravi Kumar
Director

Place: Hyderabad
Date: April 25, 2019

Place: Hyderabad
Date: April 25, 2019

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2020

3. Property, plant and equipment

Particulars	Amount in INR	Amount in GBP
	Furniture and Fixtures	Furniture and Fixtures
As at March 31, 2018	1,102,155	11,943
Additions	121,465	1,343
Exchange Difference	71,856	1,012
As at March 31, 2019	1,295,476	14,298
Exchange Difference	103,536	814
As at March 31, 2020	1,399,012	15,112
<u>Depreciation</u>		
As at March 31, 2018	3,968	42
Charge for the year	147,826	1,613
Exchange Difference	667	10
As at March 31, 2019	152,461	1,665
Charge for the year	140,160	1,514
Exchange Difference	10,474	95
As at March 31, 2020	303,095	3,274
<u>Net Block</u>		
As at March 31, 2018	1,098,187	11,901
As at March 31, 2019	1,143,015	12,633
As at March 31, 2020	1,095,917	11,838

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2020

	March 31, 2020 Amount in GBP	March 31, 2019 Amount in GBP	March 31, 2020 Amount in INR	March 31, 2019 Amount in INR
4. Financial Assets				
A Loans				
Non-Current (unsecured, considered good unless otherwise stated)				
Security Deposits	23,023	21,782	2,131,382	1,970,721
Total	23,023	21,782	2,131,382	1,970,721
B Other Assets				
Current (unsecured, considered good unless otherwise stated)				
Prepayments	21,718	16,094	2,010,570	1,456,133
Balances with Statutory/Government Authorities	15,012	3,862	1,389,754	349,409
Advances given to related parties	343,277	-	31,779,283	-
Total	380,007	19,956	35,179,607	1,805,542
5. Inventories				
Closing Stock	377,506	386,288	34,948,074	34,949,631
	377,506	386,288	34,948,074	34,949,631
6. Trade Receivables				
Trade receivables	1,608,330	904,792	148,893,093	81,861,614
Receivable from related parties	27,261	43,023	2,523,720	3,892,551
	1,635,591	947,815	151,416,813	85,754,165
7. Cash and cash equivalents				
Cash and Cash Equivalents				
Balances with Banks	-	-	-	-
- On Current Accounts	59,242	189,043	5,484,400	17,103,767
Total	59,242	189,043	5,484,400	17,103,767
8. Share Capital				
Issued, Subscribed and Paid Up				
8,500 Equity share of GBP 100 each fully paid up	850,000	850,000	77,897,649	77,897,649
Total	850,000	850,000	77,897,649	77,897,649
Other Equity				
9A. Retained Earnings				
Opening balance	(732,710)	(58,651)	(66,856,452)	(5,080,613)
Add : Profit for the year	(1,317,490)	(674,059)	(118,740,431)	(61,775,839)
Net surplus in the Statement of profit and loss	(2,050,200)	(732,710)	(185,596,883)	(66,856,452)
9B. Foreign currency translation reserve				
Balance as per last financial statements	(6,210)	2,824	(991,078)	(62,011)
Current year Foreign Currency Translation Reserve (FCTNR)	(55,470)	(9,034)	(8,129,753)	(929,067)
Closing at the end of year	(61,680)	(6,210)	(9,120,831)	(991,078)
10. Trade Payables				
- Outstanding dues to creditors other than micro enterprises and small enterprises	1,251,137	267,088	115,825,519	24,164,810
- Outstanding dues to related parties	1,004,896	547,932	93,029,461	49,574,517
	2,256,033	815,020	208,854,980	73,739,327
11. Other Liabilities				
Current				
Charge back reserves and rebates	1,489,542	645,745	137,896,150	58,424,197
Advances from other related parties	-	5,672	-	513,198
Total	1,489,542	651,417	137,896,150	58,937,395
12. Income tax assets liabilities				
Provision for taxes	3,512	-	325,128	-
Total	3,512	-	325,128	-

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2020

	March 31, 2020 Amount in GBP	March 31, 2019 Amount in GBP	March 31, 2020 Amount in INR	March 31, 2019 Amount in INR
13. Revenue from Operations				
Sale of Services	760,135	308,788	68,505,973	28,299,578
Sale of Products	1,583,123	212,150	142,676,474	19,443,040
Revenue from Operations (Gross)	2,343,258	520,938	211,182,447	47,742,618
14. Cost of Materials Consumed				
Raw Materials Consumed				
Opening stock at the beginning of the year	385,097	29,976	34,706,262	2,747,233
Add : Purchases	1,466,865	546,244	132,198,904	50,061,841
Less : Closing stock at the end of the year	377,506	385,097	34,022,135	35,293,177
	1,474,456	191,123	132,883,031	17,515,897
15. Employee Benefits Expenses				
Salaries, allowances and wages	824,449	514,219	74,302,171	47,126,888
Staff welfare expenses	-	138	-	12,629
Total	824,449	514,357	74,302,171	47,139,517
16. Other Expenses				
Rent	77,010	68,016	6,940,405	6,233,500
Rates and taxes	377,500	97,069	34,021,595	8,896,163
Storage & Title distribution charges	644,778	132,142	58,109,604	12,110,478
Office maintenance	4,156	1,577	374,553	144,544
Insurance	38,797	20,449	3,496,519	1,874,102
Printing and stationery	824		74,262	
Consultancy and other professional charges	124,353	85,857	11,207,119	7,868,621
Travelling and conveyance	38,674	35,824	3,485,434	3,283,142
Communication expenses	2,541	3,141	229,004	287,880
Other selling expenses	44,906	41,829	4,047,083	3,833,479
Total	1,353,539	485,904	121,985,578	44,531,909
17. Finance Expenses				
Bank charges	2,204	2,000	198,632	183,309
Total	2,204	2,000	198,632	183,309

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2020

1. Corporate information

The consolidated financial statements comprise financial statements of Laurus Holdings Limited (LHL 'the Company') and its subsidiaries (collectively, the Group') for the year ended March 31, 2020. The Company offers wide range of business support services in the fields of Pharmaceuticals and related services to the global Pharmaceutical community, incorporated under the Companies Act 2006 as a private company, that the company is limited by shares, and the situation of its registered office is in England and Wales.

2. Significant accounting policies

2.1 Basis of preparation

(a) The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

The Group has following investments in subsidiaries :

Name of Entity	Principal place of business and Country of Incorporation	Investee relationship	Proportion of ownership interest
Laurus Generics Inc	USA	Subsidiary	100%
Laurus Generics GmbH	Germany	Subsidiary	100%

Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
 - b) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
 - c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
 - d) When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
- (b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Sale of services

Revenue from contract research operations is recognised in accordance with the terms of the relevant contracts with customers and when the agreed milestones are achieved, which are substantiated by the performance of related service work.

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2020

(c) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

(d) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment and capital work in progress were carried in the balance sheet at cost of acquisition. The Group has elected to regard those values of property as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Group has also determined that cost of acquisition or construction does not differ materially from fair valuation as at 1 April 2015 (date of transition to Ind AS).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	:	10 years
Computers	:	3 to 6 years

(e) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(f) Measurement of EBITDA

The Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations and does not include depreciation and amortisation expense, finance costs and tax expense.

foreign currency translation

The company converted the Consolidated Ind AS financial statements for presentation purposes from the relevant currency i.e GBP for the business into the presentation currency (INR). The average foreign currency rate applied was 90.12343 INR/GBP for profit and loss account transactions. The closing foreign currency rate applied was 92.57621 INR/GBP for Balance sheet items. The equity was translated with a historical foreign currency rate. The resulting translation difference is presented in the retained earnings as a foreign currency translation reserve.

(g) Related Party Transactions

Names of related parties and description of relationship

	March 31, 2020 Amount in GBP	March 31, 2019 Amount in GBP	March 31, 2020 Amount in INR	March 31, 2019 Amount in INR
Holding Company				
Transactions During the Year				
i) Laurus Labs Limited				
Proceeds for Issue of shares	-	715,000	-	65,724,415
Purchases	1,379,507	546,244	132,198,904	50,061,840
Business Support Services	365,159	-	32,909,381	21,621,931
Advance received from Parent Group	-	-	-	-
Product filing fee	394,976	-	35,596,592	-
ii) Laurus Synthesis Inc.				
Advance given	343,277	-	31,779,283	-
Closing Balances				
i) Laurus Labs Limited				
Due to Parent Company	-	-	-	-
Disclosed under Trade Payables	1,004,896	547,932	93,029,461	4,957,517
Disclosed under Trade Receivables	27,261	43,023	2,523,720	3,892,551
ii) Laurus Synthesis Inc.				
Advances given to related parties	343,277	-	31,779,283	-

For R Krishna & Associates

Chartered Accountants

ICAI Firm Registration Number : 0136585

M Rama Krishna

Partner

Membership No : 221908

Place: Hyderabad

Date: April 24, 2020

For and on behalf of the Board of Directors

Laurus Holdings Limited

Dr.C.Satyanarayana

Director

V V Ravi Kumar

Director

Place: Hyderabad

Date: April 24, 2020