

INDEPENDENT AUDITOR'S REPORT

To The Members of Laurus Synthesis Inc

Report on the Standalone Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, 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 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 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 Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

For BASHETTY & JOSHI
Firm Registration Number: 013299S
Chartered Accountants

Gourav Kumar Joshi
Partner
Place: Hyderabad
Date: April 23, 2020

UDIN -20225311AAAABQ7780

Laurus Synthesis Inc
Balance Sheet as at March 31, 2020

	Notes	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		USD	USD	INR	INR
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	608,139	743,483	45,495,439	51,427,691
Financial Assets					
Loans	4A	80,443	80,443	6,018,015	5,564,347
		688,582	823,925	51,513,454	56,992,038
Current Assets					
Financial Assets					
Trade receivables	5A	135,544	16,110	10,140,171	1,114,350
Cash and cash equivalents	5B	17,097	81,627	1,279,042	5,646,246
Other Current Assets	4B	8,134	40,561	608,512	2,805,657
		160,775	138,298	12,027,725	9,566,253
TOTAL		849,357	962,224	63,541,179	66,558,291
EQUITY and LIABILITIES					
Shareholders' Funds					
Share Capital	6	3,000,000	3,000,000	189,259,750	189,259,750
Other Equity		(4,664,417)	(4,332,593)	(313,776,320)	(281,437,005)
		(1,664,417)	(1,332,593)	(124,516,570)	(92,177,255)
Current Liabilities					
Financial Liabilities					
Borrowings	7	1,990,000	1,990,000	148,873,733	137,650,887
Trade Payables	8	7,519	3,297	562,504	228,127
Other current financial liabilities	9	2,861	2,861	214,034	197,899
Other current liabilities	10	513,394	298,659	38,407,478	20,658,632
		2,513,774	2,294,817	188,057,749	158,735,545
TOTAL		849,357	962,224	63,541,179	66,558,291

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Bashetty & Joshi

Chartered Accountants

ICAI Firm Registration Number : 013299S

For and on behalf of the Board of Directors

LAURUS SYNTHESIS INC

Gourav Kumar Joshi

Partner

Membership No : 225311

V V Ravi Kumar

Director

C. Chandrakanth

Director

Place: Hyderabad

Date: April 23, 2020

Place: Hyderabad

Date: April 23, 2020

Laurus Synthesis Inc
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
		USD	USD	INR	INR
I. INCOME					
Revenue from Operations	11	1,816,166	2,538,044	128,697,722	177,262,030
Other Income		-	-	-	-
Total Revenue (I)		1,816,166	2,538,044	128,697,722	177,262,030
II. EXPENSES					
Cost of Materials Consumed	12	77,392	103,208	5,484,176	7,208,252
Employee Benefits Expenses	13	1,166,075	1,506,310	82,630,771	105,203,680
Operating and Selling Expenses	14	703,602	760,863	49,858,831	53,140,180
Total Expenses (II)		1,947,069	2,370,380	137,973,778	165,552,112
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		(130,903)	167,664	(9,276,056)	11,709,918
Depreciation and Amortisation	3	129,620	131,341	9,185,173	9,173,122
Finance Costs	15	71,301	78,171	5,052,554	5,459,618
IV. Profit/(Loss) Before Tax		(331,824)	(41,848)	(23,513,783)	(2,922,822)
V. Tax Expense					
Current Tax		-	-	-	-
Deferred Tax		-	-	-	-
Total Tax Expense		-	-	-	-
VI. Profit/(Loss) for the year		(331,824)	(41,848)	(23,513,783)	(2,922,822)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Bashetty & Joshi
Chartered Accountants
ICAI Firm Registration Number : 013299S

For and on behalf of the Board of Directors
LAURUS SYNTHESIS INC

Gourav Kumar Joshi
Partner
Membership No : 225311

V V Ravi Kumar
Director

C. Chandrakanth
Director

Place: Hyderabad
Date: April 23, 2020

Place: Hyderabad
Date: April 23, 2020

Laurus Synthesis Inc
Cash Flow Statement for the year ended March 31, 2020

Particulars	USD	USD	INR	INR
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow from/ (used in) Operating Activities				
Profit Before Tax	(331,824)	(41,849)	(23,513,783)	(2,922,822)
Adjustments for :				
Depreciation and Amortisation	129,620	131,341	9,185,173	9,173,122
Interest Expense	71,301	78,171	5,052,554	5,459,618
Operating Profit Before Working Capital Changes	(130,903)	167,663	(9,276,056)	11,709,918
Foreign currency translation adjustments	-	-	(516,885)	(112,449)
Movement In Working Capital:				
Increase in Trade Receivables	(119,434)	54,140	(8,934,968)	3,744,932
Increase/ (Decrease) in Other Non Current Assets	-	0	-	-
Increase/ (Decrease) in Other Current Assets	32,427	17,771	2,425,894	1,229,260
Increase/ (Decrease) in Trade Payables	4,222	(32,493)	315,820	(2,247,493)
Increase in Other Current Liabilities	214,735	(165,293)	16,064,523	(11,433,559)
Cash Generated From Operations	1,047	41,788	78,329	2,890,610
Direct Taxes paid	-	-	-	-
Net Cash Flow from/ (used in) Operating Activities (A)	1,047	41,788	78,329	2,890,610
Cash Flow Used In Investing Activities				
Purchase of Tangible Assets, including intangible assets, capital work in progress and capital advances	5,724	(11,293)	428,218	(781,147)
Net Cash Flow Used In Investing Activities (B)	5,724	(11,293)	428,218	(781,147)
Cash Flow From Financing Activities				
Proceeds from Issue of Equity Shares	-	-	-	-
Interest Paid	(71,301)	(78,171)	(5,334,093)	(5,407,190)
Net Cash Flow From Financing Activities (C)	(71,301)	(78,171)	(5,334,093)	(5,407,190)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(64,530)	(47,676)	(4,827,547)	(3,297,727)
Cash and Cash Equivalents at the beginning of the year	81,627	129,302	5,646,246	8,410,317
Effect of exchange differences on cash and cash equivalents	-	-	460,344	533,656
Cash and Cash Equivalents at the end of the year	17,097	81,627	1,279,042	5,646,246
Notes:				
Components of Cash and Cash Equivalents:				
Cash on hand	-	-	-	-
Balances with banks				
On current accounts	17,097	81,627	1,279,042	5,646,246
Total Cash and Cash Equivalents	17,097	81,627	1,279,042	5,646,246

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

For Bashetty & Joshi
Chartered Accountants
ICAI Firm Registration Number : 013299S

For and on behalf of the Board of Directors
LAURUS SYNTHESIS INC

Gourav Kumar Joshi
Partner
Membership No : 225311

V V Ravi Kumar
Director

C. Chandrakanth
Director

Place: Hyderabad
Date: April 23, 2020

Place: Hyderabad
Date: April 23, 2020

Laurus Synthesis Inc.

Statement of Changes in Equity for the year ended March 31, 2020

a. Equity Share Capital

Equity Shares of \$.100 Each, Fully paid up	March 31, 2020		March 31, 2019	
	No.	USD	No.	Rs.
As at March 31, 2018	30,000	3,000,000	30,000	189,259,750
Issued during the year	-	-	-	-
As at March 31, 2019	30,000	3,000,000	30,000	189,259,750
Issued during the year	-	-	-	-
As at March 31, 2020	30,000	3,000,000	30,000	189,259,750

b. Other Equity

	Reserves and surplus	Items of Other Comprehensive Income	Total	Reserves and surplus	Items of Other Comprehensive Income	Total
	Retained Earnings	FCTNR		Retained Earnings	FCTNR	
	USD			INR		
At March 31, 2018	(4,290,744)	-	(4,290,744)	(279,335,069)	6,120,067	(273,215,002)
Profit for the year	(41,849)	-	(41,849)	(2,922,822)	(5,299,180)	(8,222,003)
Received during the year	-	-	-	-	-	-
At March 31, 2019	(4,332,593)	-	(4,332,593)	(282,257,892)	820,887	(281,437,005)
Profit for the year	(331,824)	-	(331,824)	(23,513,783)	(8,825,533)	(32,339,316)
Received during the year	-	-	-	-	-	-
As at March 31, 2020	(4,664,417)	-	(4,664,417)	(305,771,674)	(8,004,646)	(313,776,320)

Laurus Synthesis Inc
Notes to financial statements for the year ended March 31, 2020
3. Property, plant and equipment

Particulars	Plant and Equipment	Furniture and Fixtures	Computers	Total Property, plant and equipment	Plant and Equipment	Furniture and Fixtures	Computers	Total Property, plant and equipment
	USD				INR			
As at March 31, 2018	1,057,689	70,086	88,645	1,216,420	68,796,422	4,558,713	5,765,820	79,120,955
Additions	8,962		2,331	11,293	636,674		78,274	714,948
Disposals				-				-
Exchange Difference				-	4,348,565	289,261	448,794	5,086,620
As at March 31, 2019	1,066,651	70,086	90,975	1,227,713	73,781,661	4,847,974	6,292,887	84,922,522
Additions								
Disposals	(6,479)			(6,479)				-
Exchange Difference				-	5,530,782	395,224	513,036	6,439,042
As at March 31, 2020	1,060,172	70,086	90,975	1,221,234	79,312,443	5,243,198	6,805,923	91,361,564
Depreciation and Impairment								
As at March 31, 2018	279,690	21,854	51,345	352,889	18,192,205	1,421,452	3,339,696	22,953,354
Charge for the year	106,971	7,009	17,361	131,341	7,471,078	489,498	1,212,546	9,173,122
Disposals				-				-
Exchange Difference				-	1,082,594	85,494	200,268	1,368,355
As at March 31, 2019	386,661	28,862	68,706	484,230	26,745,877	1,996,444	4,752,510	33,494,831
Charge for the year	106,168	7,009	16,443	129,620	7,942,512	524,347	1,230,152	9,697,011
Disposals	(756)			(756)	(56,552)		(56,552)	(113,104)
Exchange Difference				-	2,180,597	162,751	444,039	2,787,387
As at March 31, 2020	492,073	35,871	85,150	613,095	36,812,434	2,683,542	6,370,149	45,866,125
Net Block								
As at March 31, 2018	777,999	48,233	37,300	863,531	50,604,217	3,137,260	2,426,123	56,167,601
As at March 31, 2019	679,990	41,224	22,269	743,483	47,035,784	2,851,529	1,540,377	51,427,691
As at March 31, 2020	568,099	34,215	5,825	608,139	42,500,009	2,559,656	435,774	45,495,439

Laurus Synthesis Inc

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

4. Financial Assets

	March 31, 2020	March 31,2019	March 31, 2020	March 31,2019
	USD	USD	INR	INR
4A. Loans				
Non-Current (unsecured, considered good unless otherwise stated)				
Security Deposits	80,443	80,443	6,018,015	5,564,347
Total	80,443	80,443	6,018,015	5,564,347
4B. Other Assets				
Current (unsecured, considered good unless otherwise stated)				
Prepaid Expenses	8,134	25,642	608,512	1,773,690
Other Advances	-	7,500	-	518,785
Advances to related parties	-	7,419	-	513,182
Total	8,134	40,561	608,512	2,805,657
5A. Trade Receivables				
Usesecured, Considered Good	82,271	16,110	6,154,769	1,114,350
Due from related parties	53,273	-	3,985,402	-
	135,544	16,110	10,140,171	1,114,350
5B. Cash and cash equivalents				
Cash and Cash Equivalents				
Balances with Banks				
-On Current Accounts	17,097	81,627	1,279,042	5,646,246
Total	17,097	81,627	1,279,042	5,646,246

Laurus Synthesis Inc

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

	March 31, 2020	March 31,2019	March 31, 2020	March 31,2019
	USD	USD	INR	INR
6. Share Capital				
Authorised				
30,000 Equity shares of \$ 100 each	3,000,000	3,000,000	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Issued, Subscribed and Paid Up				
30,000 (March 31,2019 :30,000) Equity share of \$ 100 each fully paid up	3,000,000	3,000,000	189,259,750	189,259,750
Total	<u>3,000,000</u>	<u>3,000,000</u>	<u>189,259,750</u>	<u>189,259,750</u>
6.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity Shares of \$ 100 Each, Fully paid up	No of Shares	No of Shares	No of Shares	No of Shares
At the beginning of the year	30,000	30,000	30,000	30,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
6.2 Details of Shareholders holding more than 5% shares of the Company:				
Equity Shares of \$ 100 each Held By	% Holding	% Holding	% Holding	% Holding
Laurus Labs Limited (Holding Company)	100	100	100	100

Laurus Synthesis Inc

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

	March 31, 2020	March 31,2019	March 31, 2020	March 31,2019
	USD	USD	INR	INR
7. Short Term Borrowings				
Credit Facility from CITI Bank	1,990,000	1,990,000	148,873,733	137,650,887
	<u>1,990,000</u>	<u>1,990,000</u>	<u>148,873,733</u>	<u>137,650,887</u>
8. Trade Payables				
Trade Payables	7,519	3,297	562,504	228,127
Total	<u>7,519</u>	<u>3,297</u>	<u>562,504</u>	<u>228,127</u>
9. Other current financial liabilities				
Interest Payable	2,861	2,861	214,034	197,899
Total	<u>2,861</u>	<u>2,861</u>	<u>214,034</u>	<u>197,899</u>
10. Other current liabilities				
Advances from customers	88,600	2,100	6,628,248	145,260
Advance from Holding Company	-	296,559	-	20,513,372
Advances from related parties	424,794	-	31,779,230	-
Total	<u>513,394</u>	<u>298,659</u>	<u>38,407,478</u>	<u>20,658,632</u>

Laurus Synthesis Inc

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

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
	USD	USD	INR	INR
11. Revenue from Operations				
Sale of Services	1,816,166	2,538,044	128,697,722	177,262,030
Revenue from Operations (Gross)	1,816,166	2,538,044	128,697,722	177,262,030
12. Cost of Materials Consumed				
Raw Materials Consumed				
Opening stock at the beginning of the year	-	-	-	-
Add : Purchases	77,392	103,208	5,484,176	7,208,252
Less : Closing stock at the end of the year	-	-	-	-
	77,392	103,208	5,484,176	7,208,252
13. Employee Benefits Expenses				
Salaries, allowances and benefits to employees	1,164,884	1,502,803	82,546,374	104,958,744
Staff welfare expenses	1,191	3,507	84,397	244,936
Total	1,166,075	1,506,310	82,630,771	105,203,680
14. Operating and Selling Expenses				
Effluent treatment expenses	40,820	11,225	2,892,600	783,976
Power and Fuel	93,178	137,593	6,602,809	9,609,768
Repairs & maintenance				
Plant and machinery	47,804	43,795	3,387,502	3,058,730
Others	31,230	21,303	2,213,030	1,487,844
Rent	321,771	343,794	22,801,437	24,011,255
Office maintenance	27,553	19,913	1,952,469	1,390,763
Insurance	20,375	21,040	1,443,820	1,469,475
Consultancy and other professional charges	13,536	11,031	959,192	770,427
Membership and subscription	20,916	51,034	1,482,156	3,564,316
Travelling and conveyance	74,396	80,312	5,271,873	5,609,149
Communication expenses	7,317	9,572	518,500	668,527
Net Loss on Sale of fixed assets	2,924	-	207,166	-
Business Promotion & Advertisement	1,782	10,251	126,277	715,950
Total	703,602	760,863	49,858,831	53,140,180
15. Finance Costs				
Interest				
- on working capital loans	68,942	75,305	4,885,390	5,259,451
Bank charges	2,359	2,866	167,164	200,167
Total	71,301	78,171	5,052,554	5,459,618

Laurus Synthesis Inc**Notes to financial statements for the year ended March 31, 2020****1. Corporate Information**

Laurus Synthesis Inc (LSI Inc) offers a broad Chemistry, IP Development and related services to the global Pharmaceutical community, situated in the state of Delaware, USA. LSI Inc, Is a Corporation, incorporated on December 8th, 2014, under the laws of State of Delaware, USA.

1 (a). Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The financial statements have been prepared on an accrual basis and under the historical cost convention.

1 (b). Summary of significant accounting policies**a. Use of Estimates**

The preparation of financial statements in conformity with Indian Accounting Standards requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

b. Tangible Fixed Assets

Tangible Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation 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.

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 or extends its estimated useful life. 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.

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 recognised in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible Fixed Assets

i. Land acquired on lease is amortised over the period of lease.

Depreciation on fixed assets is calculated on a straight-line basis based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

	Useful lives estimated by the management (years)	Useful lives as per schedule II (years)
Plant and Equipment	5-20	5-20
Furniture and fixtures	10	10
Computers	3-6	3-6

d. Revenue Recognition

Revenue is recognised 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 recognised:

Sale of Services

Revenues from contract research operations are recognised as per the terms of the contract with customers when the related services are performed or the agreed milestones are achieved.

e. Foreign currency translation

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

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

e. Provisions

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

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

f. Cash and Cash equivalents

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

g. foreign currency translation

The company converted the standalone Ind AS financial statements for presentation purposes from the relevant currency i.e USD for the business into the presentation currency (INR). The average foreign currency rate applied was 70.8623 INR/USD for profit and loss account transactions. The closing foreign currency rate applied was 74.8109 INR/USD 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.

Laurus Synthesis Inc**Notes to financial statements for the year ended March 31, 2020****h. Measurement of EBITDA**

The Company 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 Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

i. Related Party Disclosures**Names of related parties and description of relationship****Holding Company**

	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	USD	USD	INR	INR
i) Laurus Labs Limited				
a) Transactions During the Year				
Names of related parties and description of relationship				
Holding Company				
i) Laurus Labs Limited				
Revenue from Operations	1,567,225	1,643,484	110,577,285	114,759,462
Advance received (net)	-	296,559	-	20,513,343
Loan from holding company	-	1,100,000	-	78,244,980
Loan repaid to holding company	-	1,100,000	-	77,844,340
Purchases	48,860	8,050	3,462,329	569,251
ii) Laurus Generics Inc				
Advance given	-	7,419	-	513,182
Advance received (net)	424,794	-	31,779,230	-
b) Closing Balances				
i) Laurus Labs Limited				
Disclosed under other current liabilities	-	296,559	-	20,513,372
Disclosed under Trade Receivables	53,273	-	3,985,391	-
ii) Laurus Generics Inc				
Disclosed under other current liabilities	424,794	-	31,779,230	-

For Bashetty & Joshi

Chartered Accountants

ICAI Firm Registration Number : 0132995

For and on behalf of the Board of Directors**LAURUS SYNTHESIS INC****Gourav Kumar Joshi**

Partner

Membership No. 225311

V V Ravi Kumar

Director

C. Chandrakanth

Director

Place : Hyderabad

Date: April 23, 2020

Place : Hyderabad

Date: April 23, 2020