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, 2021, 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, 2021, 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 23, 2021

Laurus Holdings Limited

Consolidated Balance Sheet as at March 31 2021

	Notes	March 31, 2021 Amount in GBP	March 31, 2020 Amount in GBP	March 31, 2021 Amount in INR	March 31, 2020 Amount in INR
ASSETS					
Non Current Assets					
Property, Plant and Equipment	**3**	12,810	11,839	13,03,381	10,85,167
Loans	**4A**	20,695	23,023	20,88,229	21,31,382
Others					
		33,505	**34,862**	**33,91,610**	**32,16,549**
Current Assets					
Financial Assets					
Inventory	**5**	22,27,017	3,77,506	22,47,17,193	3,49,48,074
Trade receivables	**6**	32,53,325	16,35,591	32,82,76,816	15,14,16,813
Cash and cash equivalents	**7**	7,99,459	59,242	8,06,69,426	54,84,400
Other Current Assets	**4B**	63,844	3,80,007	64,42,228	3,51,79,607
		63,43,645	**24,52,346**	**64,01,05,663**	**22,70,28,894**
Total Assets		**63,77,150**	**24,87,208**	**64,34,97,273**	**23,02,45,443**
EQUITY and LIABILITIES					
Shareholders' Funds					
Share Capital	**8**	8,50,000	8,50,000	7,78,97,649	7,78,97,649
Other Equity					
Retained earnings	**9A**	(2,17,721)	(20,50,200)	(55,48,171)	(18,55,96,883)
Other reserves	**9B**	74,035	(61,680)	(10,67,816)	(91,31,581)
Total Equity		**7,06,315**	**(12,61,880)**	**7,12,81,662**	**(11,68,30,815)**
Current Liabilities					
Financial Liabilities					
Borrowings					
Trade Payables	**10**	27,40,309	22,56,033	27,65,10,931	20,88,54,980
Other current liabilities	**11**	29,25,192	14,89,542	29,51,66,554	13,78,96,150
Income tax liabilities	**12**	5,333	3,512	5,38,126	3,25,128
		56,70,834	**37,49,087**	**57,22,15,611**	**34,70,76,258**
Total Equity and Liabilities		**63,77,150**	**24,87,208**	**64,34,97,273**	**23,02,45,443**

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

M Rama Krishna
Partner
Membership No : 221908

Place: Hyderabad
Date: April 23, 2021

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 23, 2021

Laurus Holdings Limited
Consolidated Profit and Loss for the year ended March 31, 2021

		Notes	For the year ended March 31, 2021 Amount in GBP	For the year ended March 31, 2020 Amount in GBP	For the year ended March 31, 2021 Amount in INR	For the year ended March 31, 2020 Amount in INR
I.	**INCOME**					
	Revenue from Operations	**13**	48,46,317	23,43,258	46,94,39,817	21,11,82,447
	Other Income	**14**	11,258	-	10,90,509	-
	Total Revenue (I)		**48,57,575**	**23,43,258**	**47,05,30,326**	**21,11,82,447**
II.	**EXPENSES**					
	Cost of Materials Consumed	**15**	5,67,844	14,74,456	5,24,59,278	13,28,83,031
	Employee Benefits Expenses	**16**	13,65,799	8,24,449	13,22,98,498	7,43,02,171
	Other Expenses	**17**	10,53,505	13,53,539	10,20,48,032	12,19,85,578
	Total Expenses (II)		**29,87,148**	**36,52,444**	**28,68,05,808**	**32,91,70,780**
III.	**Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)**		**18,70,427**	**(13,09,186)**	**18,37,24,518**	**(11,79,88,333)**
	Depreciation and Amortisation	**3**	1,943	1,514	1,88,171	1,47,826
	Finance Expenses	**18**	30,672	2,204	29,71,052	1,98,632
IV.	**Profit/ (Loss) Before Tax**		**18,37,812**	**(13,12,904)**	**18,05,65,295**	**(11,83,34,790)**
V.	**Tax Expense**					
	Current Tax		5,333	4,586	5,16,583	4,13,306
	Income tax expense		**5,333**	**4,586**	**5,16,583**	
VI.	**Profit/ (Loss) for the year**		**18,32,479**	**(13,17,490)**	**18,00,48,712**	**(11,83,34,790)**

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 23, 2021

Place: Hyderabad
Date: April 23, 2021

Laurus Holdings Limited
Consolidated Cash Flow Statement for the year ended March 31, 2021

Particulars	March 31, 2021 Amount in GBP	March 31, 2020 Amount in GBP	March 31 2020 Amount in INR	March 31, 2020 Amount in INR
Profit Before Tax	18,37,812	(13,12,904)	18,05,65,295	(11,83,27,125)
Cash Flow from/ (used in) Operating Activities				
Adjustments for :				
Depreciation of property, plant and equipment	1,943	1,514	1,88,171	1,40,160
Interest Expense	30,672	2,204	29,71,052	1,98,632
Operating Profit Before Working Capital Changes	**18,70,427**	**(13,09,186)**	**18,37,24,518**	**(11,79,88,333)**
Foreign currency translation adjustments	1,35,865	(55,470)	69,41,702	(85,21,909)
Movement In Working Capital:				
Increase in Trade Receivables	(16,17,735)	(6,87,776)	(17,68,60,003)	(6,56,62,648)
Increase in Inventories	(18,49,511)	8,782	(18,97,69,119)	1,557
Increase/ (Decrease) in Other Non Current Assets	2,328	(1,241)	43,153	(1,60,661)
Increase/ (Decrease) in Other Current Assets	3,16,163	(3,60,051)	2,87,37,379	(3,33,74,065)
Increase/(Decrease) in Trade Payables	4,78,575	14,41,014	6,76,55,951	13,51,15,746
Increase in Other Current Liabilities	14,35,650	8,38,125	15,72,70,404	7,89,58,755
Cash Generated From Operations	**7,71,763**	**(1,25,803)**	**7,77,43,985**	**(1,16,31,558)**
Direct Taxes paid	-	(1,074)	3,630	(93,163)
Net Cash Flow from/ (used in) Operating Activities (A)	**7,71,763**	**(1,26,877)**	**7,77,47,615**	**(1,17,24,721)**
Cash Flow Used In Investing Activities				
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(877)	(720)	(84,980)	(93,155)
Net Cash Flow Used In Investing Activities (B)	**(877)**	**(720)**	**(84,980)**	**(93,155)**
Cash Flow From Financing Activities				
Proceeds from Issue of Equity Shares	-		-	-
Interest Paid	(30,672)	(2,204)	(29,71,052)	(1,98,632)
Net Cash Flow From Financing Activities (C)	**(30,672)**	**(2,204)**	**(29,71,052)**	**(1,98,632)**
Net Increase/ (Decrease) in Cash and Cash Equivalents **(A+B+C)**	7,40,214	(1,29,801)	7,46,91,584	(1,20,16,508)
Cash and Cash Equivalents at the beginning of the year	59,242	1,89,043	54,84,400	1,71,03,767
Effect of exchange differences on cash and cash equivalents	-	-	4,93,441	3,97,141
Cash and Cash Equivalents at the end of the year	**7,99,459**	**59,242**	**8,06,69,426**	**54,84,400**
Notes:				
Components of Cash and Cash Equivalents:				
Balances with banks				
On current accounts	7,99,459	59,242	8,06,69,426	54,84,400
Total Cash and Cash Equivalents	**7,99,459**	**59,242**	**8,06,69,426**	**54,84,400**

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 23, 2021

Place: Hyderabad
Date: April 23, 2021

Laurus Holdings Limited

Consolidated Notes to the financial statements for the year ended March 31, 2021

3. Property, plant and equipment

Particulars	Amount in INR	Amount in INR	Total	Amount in GBP	Amount in GBP	Total
	Computers	Furniture and Fixtures	Property,plant and equipment	Computers	Furniture and Fixtures	Property,plant and equipment
As at March 31, 2019	-	12,95,476	12,95,476	-	14,298	14,298
Additions		-			-	
Disposals		-			-	
Exchange Difference		1,03,536	1,03,536		**814**	814
As at March 31, 2020	-	13,99,012	13,99,012	-	15,112	15,112
Additions	**88,524**		88,524	877		877
Exchange Difference		4,044	4,044		(1,207)	(1,207)
Acquisition		71,32,175	71,32,175		70,682	70,682
As at March 31, 2021	**88,524**	**85,35,231**	**86,23,755**	**877**	**84,587**	**85,464**
	88,524	85,35,231				
		-				
As at March 31, 2019	-	1,52,461	1,52,461	-	1,665	1,665
Charge for the year		1,50,910	1,40,160		1,514	1,514
Disposals		-			-	
Exchange Difference		10,474	10,474		95	95
As at March 31, 2020	-	3,13,845	3,03,095	-	3,274	3,274
Charge for the year	2,819	1,88,171	1,90,990	29	1,943	1,972
Disposals		-	-		-	-
Acquisition		67,85,762	67,85,762		67,249	67,249
Exchange Difference	4,558	35,969	40,527	44	115	159
As at March 31, 2021	**7,377**	**73,23,747**	**73,20,374**	**73**	**72,581**	**72,654**
	-	-				
Net Block						
As at March 31, 2019	-	11,43,015	11,43,015	-	12,633	12,633
As at March 31, 2020	-	10,85,167	10,95,917	-	11,838	11,838
As at March 31, 2021	**81,147**	**12,11,484**	**13,03,381**	**804**	**12,006**	**12,810**

Laurus Holdings Limited

Consolidated Notes to the financial statements for the period ended March 31, 2021

		March 31, 2021 Amount in GBP	March 31, 2020 Amount in GBP	March 31, 2021 Amount in INR	March 31, 2020 Amount in INR
4.	**Financial Assets**				
A	**Loans**				
	Non-Current (unsecured, considered good unless otherwise stated)				
	Security Deposits	20,695	23,023	20,88,229	21,31,382
		20,695	**23,023**	**20,88,229**	**21,31,382**
B	**Other Assets**				
	Current (unsecured, considered good unless otherwise stated)				
	Security Deposits				
	Advances recoverable in cash or kind				
	Prepayments	18,399	21,718	18,56,551	20,10,570
	Balances with Statutory/Government Authorities	2,263	15,012	2,28,348	13,89,754
	Advance Given For Lease Hold Improvement	43,182		43,57,329	-
	Advances given to related parties	-	3,43,277	-	3,17,79,283
		63,844	**3,80,007**	**64,42,228**	**3,51,79,607**
5.	**Inventories**				
	Closing Stock	22,27,017	3,77,506	22,47,17,193	3,49,48,074
		22,27,017	**3,77,506**	**22,47,17,193**	**3,49,48,074**
6.	**Trade Receivables**				
	Trade receivables	30,07,577	16,08,330	30,34,79,645	14,88,93,093
	Receivable from related parties	2,45,748	27,261	2,47,97,171	25,23,720
		32,53,325	**16,35,591**	**32,82,76,816**	**15,14,16,813**
7.	**Cash and cash equivalents**				
	Cash and Cash Equivalents				
	Balances with Banks	-	-	-	-
	- On Current Accounts	7,99,459	59,242	8,06,69,426	54,84,400
		7,99,459	**59,242**	**8,06,69,426**	**54,84,400**
8.	**Share Capital**				
	Issued, Subscribed and Paid Up				
	8,500 Equity share of GBP 100 each fully paid up	8,50,000	8,50,000	7,78,97,649	7,78,97,649
		8,50,000	**8,50,000**	**7,78,97,649**	**7,78,97,649**
	Other Equity				
9A.	**Retained Earnings**				
	Opening balance	(20,50,200)	(7,32,710)	(18,55,96,883)	(6,68,56,452)
	Add : Profit for the period	18,32,479	(13,17,490)	18,00,48,712	(11,87,40,431)
	Net surplus in the Statement of profit and loss	**(2,17,721)**	**(20,50,200)**	**(55,48,171)**	**(18,55,96,883)**
9B.	**Foreign currency translation reserve**				
	Balance as per last financial statements	(61,680)	(6,210)	(91,31,581)	(9,91,078)
	Current year 'Foreign Currency Translation Reserve (FCTNR)	1,35,715	(55,470)	80,63,765	(81,40,503)
	Closing at the end of year	**74,035**	**(61,680)**	**(10,67,816)**	**(91,31,581)**
10.	**Trade Payables**				
	- Outstanding dues to creditors other than micro enterprises and small enterprises	12,90,832	12,51,137	13,02,51,427	11,58,25,519
	- Outstanding dues to related parties	14,49,477	10,04,896	14,62,59,504	9,30,29,461
		27,40,309	**22,56,033**	**27,65,10,931**	**20,88,54,980**
11.	**Other Liabilities**				
	Current				
	Charge back reserves and rebates	29,25,192	14,89,542	29,51,66,554	13,78,96,150
		29,25,192	**14,89,542**	**29,51,66,554**	**13,78,96,150**
12.	**Income tax assets liabilities**				
	Provision for taxes	5,333	3,512	5,38,126	3,25,128
		5,333	**3,512**	**5,38,126**	**3,25,128**

		March 31, 2021 Amount in GBP	March 31, 2020 Amount in GBP	March 31, 2021 Amount in INR	March 31, 2020 Amount in INR
13.	**Revenue from Operations**				
	Sale of Services	31,29,982	7,60,135	30,31,86,552	6,85,05,973
	Sale of Products	17,16,335	15,83,123	16,62,53,265	14,26,76,474
	Revenue from Operations (Gross)	**48,46,317**	**23,43,258**	**46,94,39,817**	**21,11,82,447**
14	**Other income**				
	Provision no longer required written back	11,258		10,90,509	
		11,258	**-**	**10,90,509**	**-**
15	**Cost of Materials Consumed**				
	Opening stock at the beginning of the year	3,77,506	3,85,097	3,40,22,135	3,47,06,262
	Add : Purchases	24,24,576	14,66,865	23,48,57,225	13,21,98,904
	Less : Closing stock at the end of the year	22,34,238	3,77,506	21,64,20,082	3,40,22,135
		5,67,844	**14,74,456**	**5,24,59,278**	**13,28,83,031**
16	**Employee Benefits Expenses**				
	Salaries, allowances and wages	13,65,799	8,24,449	13,22,98,498	7,43,02,171
	Staff welfare expenses	-	-	-	-
		13,65,799	**8,24,449**	**13,22,98,498**	**7,43,02,171**
17	**Other Expenses**				
	Rent	68,752	77,010	66,59,682	69,40,405
	Rates and taxes	2,53,628	3,77,500	2,45,67,746	3,40,21,595
	Storage & Title distribution charges	1,76,555	6,44,778	1,71,02,049	5,81,09,604
	Office maintenance	52,171	4,156	50,53,558	3,74,553
	Insurance	36,550	38,797	35,40,426	34,96,519
	Printing and stationery	9,652	824	9,34,944	74,262
	Consultancy and other professional charges	3,94,554	1,24,353	3,82,18,561	1,12,07,119
	Freight Charges	53,948	-	52,25,688	-
	Travelling and conveyance	2,269	38,674	2,19,787	34,85,434
	Communication expenses	4,960	2,541	4,80,452	2,29,004
	Taxes & Licenses	-	-	-	-
	Other selling expenses	466	44,906	45,139	40,47,083
		10,53,505	**13,53,539**	**10,20,48,032**	**12,19,85,578**
18	**Finance Expenses**				
	Bank charges	30,672	2,204	29,71,052	1,98,632
		30,672	**2,204**	**29,71,052**	**1,98,632**

Laurus Holdings Limited

Consolidated Notes to the financial statements for the period ended March 31, 2021

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, 2021. 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 of ce 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 provisons 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.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:
► Certain financial assets and liabilities measured at fair value.

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%

* With effect from September 30, 2020, Laurus Synthesis Inc, the wholly owned subsidiary of Laurus Labs Limited merged with Laurus Generic Inc. The post merger capital structure of Laurus Generics Inc is as follows : 62 % held by Laurus Holdings Limited and 38% held by Laurus Labs Limited. However, for consolidation purpose 100% numbers included in Laurus Holdings Limited.

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) **Foreign currencies**

The financial statements are presented in Indian rupees, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

\- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net Investment of A foreign operation. These are recognised in OCI until the net Investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
\- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) **Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) **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.

Interest income

For all debt financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Export incentives

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(e) **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.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

(f) **Property, plant and equipment**

Under the previous GAAP (Indian GAAP), property, plant and equipment and capital wok 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).

Capital work in progress, Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipment, 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.

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

Factory buildings	:	30 years
Other buildings	:	60 years
Plant and equipment	:	5 to 20 years
Furniture and fixtures	:	10 years
Vehicles	:	5 years
Computers	:	3 to 6 years

The Group, based on technical assessment and management estimate, depreciates certain items of plant and equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) **Intangible assets**

Computer Software

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

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

(h) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Laurus Holdings Limited
Consolidated Notes to the financial statements for the period ended March 31, 2021

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) **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.

(k) **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.

(l) **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 96.86528 INR/GBP for profit and loss account transactions. The closing foreign currency rate applied was 100.905 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.

Related Party Transactions

Names of related parties and description of relationship

	March 31, 2021 Amount in GBP	March 31, 2020 Amount in GBP	March 31, 2021 Amount in INR	March 31, 2020 Amount in INR
Holding Company				
Transactions During the Year				
i) Laurus Labs Limited				
Purchases	14,87,841	14,66,865	14,41,20,110	13,21,98,904
Business Support Services	4,53,282	3,65,159	4,39,07,286	3,29,09,381
Service biiling	7,58,045	-	7,34,28,228	-
Product filing fee	5,33,613	3,94,976	5,16,88,550	3,55,96,592
Trade Advance Received	1,92,990	-	1,86,94,029.78	-
ii) Laurus Synthesis Inc.				
Advance given	-	3,43,277	-	3,17,79,283
Closing Balances				
i) Laurus Labs Limited				
Disclosed under Trade Payables	14,49,477	10,04,896	14,62,59,504	9,30,29,461
Disclosed under Trade Receivables	2,45,748	27,261	2,47,97,171	25,23,720
ii) Laurus Synthesis Inc.				
Advances given to related parties	-	3,43,277	-	3,17,79,283

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

M Rama Krishna
Partner
Membership No : 221908

Place: Hyderabad
Date: April 23, 2021

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 23, 2021