

INDEPENDENT AUDITOR'S REPORT

To The Members of Laurus Generics Inc

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Laurus Generics Inc** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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, 2019, 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.

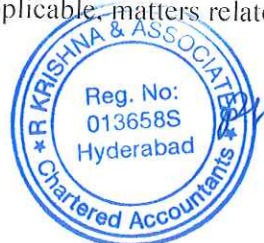
Basis for Opinion

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 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

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 R Krishna & Associates
Chartered Accountants
Firm Registration No. 00156385

Reg. No: 0156385
Hyderabad
M. Ramakrishna
Partner
M No. 221908

Place: Hyderabad
Date: 25th April, 2019

Laurus Generics Inc.

Balance Sheet as at March 31, 2019

	Notes	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
ASSETS					
Non Current Assets					
Property, Plant and Equipment	3	16,524	16,885	12,633	11,900
Financial Assets					
Loans	4A	28,490	22,400	21,782	15,788
		<u>45,015</u>	<u>39,285</u>	<u>34,415</u>	<u>27,688</u>
Current Assets					
Inventories	5	505,262	40,269	386,288	28,381
Financial Assets					
Trade receivables	6	1,183,462	29,187	904,792	20,571
Cash and cash equivalents	7	209,313	5,936	160,026	4,183
Other Current Assets	4C	15,388	5,600	11,765	3,947
		<u>1,913,426</u>	<u>80,992</u>	<u>1,462,871</u>	<u>57,083</u>
Total Assets		<u><u>1,958,441</u></u>	<u><u>120,276</u></u>	<u><u>1,497,287</u></u>	<u><u>84,771</u></u>
EQUITY and LIABILITIES					
Shareholders' Funds					
Share Capital	8	1,000,000	50,000	765,670	35,240
Other Equity					
Retained earnings	9A	(911,180)	(71,324)	(692,493)	(53,093)
Other reserves	9B	-	-	(5,271)	2,824
Total Equity		<u>88,820</u>	<u>(21,324)</u>	<u>67,905</u>	<u>(15,029)</u>
Current Liabilities					
Financial Liabilities					
Trade Payables	10	1,017,571	41,600	777,963	29,320
Other current liabilities	11	852,050	100,000	651,418	70,480
		<u>1,869,621</u>	<u>141,600</u>	<u>1,429,381</u>	<u>99,800</u>
Total Equity and Liabilities		<u><u>1,958,441</u></u>	<u><u>120,276</u></u>	<u><u>1,497,286</u></u>	<u><u>84,771</u></u>
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



M Rama Krishna

Partner

Membership No : 221908

For and on behalf of the Board of Directors

Laurus Generics Inc



Dr.C.Satyanarayana

Director



C. Chandrakanth

Director

Place: Hyderabad

Date: April 25, 2019

Place: Hyderabad

Date: April 25, 2019

Laurus Generics Inc.

Profit and Loss for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019 Amount in USD	For the year ended March 31, 2018 Amount in USD	For the year ended March 31, 2019 Amount in GBP	For the year ended March 31, 2018 Amount in GBP
INCOME					
I. Revenue from Operations (Net)	12	278,349	29,187	212,150	21,727
Other Income		-	-	-	-
Total Revenue (I)		278,349	29,187	212,150	21,727
EXPENSES					
II. Cost of Materials Consumed	13	251,699	1,331	191,123	991
Employee Benefits Expenses	14	415,066	-	316,352	-
Other Expenses	15	448,068	98,990	341,505	73,688
Total Expenses (II)		1,114,833	100,321	848,980	74,679
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		(836,484)	(71,134)	(636,830)	(52,952)
Depreciation and Amortisation	3	2,116	60	1,613	45
Finance Expenses	16	1,256	130	958	97
Profit/ (Loss) Before Tax		(839,856)	(71,324)	(639,400)	(53,093)
Tax Expense		-	-	-	-
V. Current Tax		-	-	-	-
Minimum Alternate Tax credit entitlement		-	-	-	-
Deferred Tax Charge/ (Credit)		-	-	-	-
Income tax expense/(Credit)		-	-	-	-
Profit/ (Loss) for the year		(839,856)	(71,324)	(639,400)	(53,093)
Summary of Significant Accounting Policies	2.1				

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

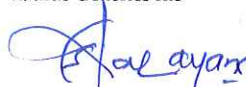
As per our report of even date

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



M Rama Krishna
Partner
Membership No : 221908

For and on behalf of the Board of Directors
Laurus Generics Inc



Dr.C.Satyanarayana
Director



C. Chandrakanth
Director

Place: Hyderabad
Date: April 25, 2019

Place: Hyderabad
Date: April 25, 2019

Laurus Generics Inc.

Cash Flow Statement for the year ended March 31, 2019

Particulars	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Profit Before Tax	(839,856)	(71,324)	(639,400)	(53,093)
Cash Flow from/ (used in) Operating Activities				
Adjustments for:				
Depreciation of property, plant and equipment	2,116	60	1,613	45
Operating Profit Before Working Capital Changes	(837,740)	(71,264)	(637,787)	(53,049)
Foreign currency translation adjustments	-	-	(8,095)	2,824
Movement In Working Capital:				
Increase in Trade Receivables	(1,154,275)	(29,187)	(884,221)	(20,571)
Increase in Inventories	(464,993)	(40,269)	(357,906)	(28,381)
Increase/ (Decrease) in Other Non Current Assets	(6,090)	(22,400)	(5,994)	(15,788)
Increase/ (Decrease) in Other Current Assets	(9,788)	(5,600)	(7,818)	(3,947)
Increase/(Decrease) in Trade Payables	975,971	41,600	748,644	29,320
Increase in Other Current Liabilities	752,050	100,000	580,938	70,480
Cash Generated From Operations	(744,866)	(27,120)	(572,241)	(19,114)
Direct Taxes paid				
Net Cash Flow from/ (used in) Operating Activities (A)	(744,866)	(27,120)	(572,241)	(19,114)
Cash Flow Used In Investing Activities				
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(1,756)	(16,945)	(2,346)	(11,943)
Net Cash Flow Used In Investing Activities (B)	(1,756)	(16,945)	(2,346)	(11,943)
Cash Flow From Financing Activities				
Proceeds from Issue of Equity Shares	950,000	50,000	730,430	35,240
Interest Paid	-	-	-	-
Net Cash Flow From Financing Activities (C)	950,000	50,000	730,430	35,240
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	203,378	5,936	155,843	4,184
Cash and Cash Equivalents at the beginning of the year	5,936		4,184	
Effect of exchange differences on cash and cash equivalents				
Cash and Cash Equivalents at the end of the year	209,313	5,936	160,027	4,184
Notes:				
Components of Cash and Cash Equivalents:				
Balances with banks				
On current accounts	209,313	5,936	160,026	4,183
Total Cash and Cash Equivalents	209,313	5,936	160,026	4,183

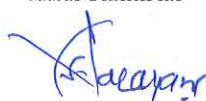
The accompanying notes are an integral part of the financial statements.
As per our report of even date

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



M Rama Krishna
Partner
Membership No : 221908

For and on behalf of the Board of Directors
Laurus Generics Inc



Dr. C. Satyanarayana
Director



C. Chandrakanth
Director

Place: Hyderabad
Date: April 25, 2019

Place: Hyderabad
Date: April 25, 2019

Laurus Generics Inc.

Notes to the financial statements for the year ended March 31, 2019

3. Property, plant and equipment

Particulars	Amount in USD		Amount in GBP	
	Furniture and Fixtures	Total Property, plant and equipment	Furniture and Fixtures	Total Property, plant and equipment
As at March 31, 2017	-	-	-	-
Additions	16,945	16,945	11,943	11,942.68
Disposals	-	-	-	-
Exchange Difference	-	-	-	-
As at March 31, 2018	16,945	16,945	11,943	11,943
Additions	1,756	1,756	1,343	1,343
Disposals	-	-	-	-
Exchange Difference	-	-	1,012	1,012
As at March 31, 2019	18,701	18,701	14,297	14,297

Depreciation and Impairment

As at March 31, 2017				
Charge for the year	60	60	45	44.66
Disposals	-	-	-	-
Exchange Difference	-	-	(2)	(2)
As at March 31, 2018	60	60	42	42
Charge for the period/ year	2,116	2,116	1,613	1,613
Disposals	-	-	-	-
Exchange Difference	-	-	9	9
As at March 31, 2019	2,176	2,176	1,664	1,664

Net Block

As at March 31, 2017	-	-	-	-
As at March 31, 2018	16,885	16,885	11,900	11,900
As at March 31, 2019	16,524	16,524	12,633	12,633

PH

Arayan

Chaudhry

Laurus Generics Inc.

Notes to the financial statements for the year ended March 31, 2019

4. Financial Assets

A Loans

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Non-Current (unsecured, considered good unless otherwise stated)				
Security Deposits	28,490	22,400	21,782	15,788
Total	28,490	22,400	21,782	15,788

B Other Assets

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Current (unsecured, considered good unless otherwise stated)				
Prepayments	15,388	5,600	11,765	3,947
Total	15,388	5,600	11,765	3,947

5. Inventories

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Closing Stock	505,262	40,269	386,288	28,381
Total	505,262	40,269	386,288	28,381

Cost or NRV which ever is lower

6. Trade Receivables

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Trade receivables	1,183,462	29,187	904,792	20,571
Receivable from related parties	-	-	-	-
Total	1,183,462	29,187	904,792	20,571

7. Cash and cash equivalents

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Cash and Cash Equivalents				
Balances with Banks				
- On Current Accounts	209,313	5,936	160,026	4,183
Total	209,313	5,936	160,026	4,183

Sh

Alapra

Chandru

Laurus Generics Inc.

Notes to the financial statements for the year ended March 31, 2019

8. Share Capital

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Authorised				
10,000 Equity shares of USD 100 each	1,000,000	1,000,000	704,800	704,800
Total	1,000,000	1,000,000	704,800	704,800
Issued, Subscribed and Paid Up				
10,000 Equity share of USD 100 (March 31, 2018 500 Equity shares) each fully paid up	1,000,000	50,000	765,670	35,240
Total	1,000,000	50,000	765,670	35,240

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

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Balance as per last financial statements	50,000	-	35,240	-
Issued during the year	950,000	50,000	386,241	35,240
Outstanding at the end of the year	1,000,000	50,000	421,481	35,240

9. Other Equity

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
9A Retained Earnings				
Opening balance	(71,324)	-	(53,093)	-
Add : Profit for the year	(839,856)	(71,324)	(639,400)	(53,093)
Net surplus in the Statement of profit and loss	(911,180)	(71,324)	(692,493)	(53,093)
9B Foreign currency translation reserve				
Balance as per last financial statements	-	-	2,824	-
Current year Foreign Currency Translation Reserve (FCTNR)	-	-	(8,095)	2,824
Closing at the end of year	-	-	(5,271)	2,824
Closing at the end of year	(911,180)	(71,324)	(697,764)	(50,269)

ph

Asayan

Chaudhry

Laurus Generics Inc.

Notes to the financial statements for the year ended March 31, 2019

10 Trade Payables

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
- Outstanding dues to creditors other than micro enterprises and small enterprises	300,879	-	230,031	-
- Outstanding dues to related parties	716,692	41,600	547,932	29,320
	<u>1,017,571</u>	<u>41,600</u>	<u>777,963</u>	<u>29,320</u>

11 Other Liabilities

	March 31, 2019 Amount in USD	March 31, 2018 Amount in USD	March 31, 2019 Amount in GBP	March 31, 2018 Amount in GBP
Current				
Charge back reserves and rebates	844,631	-	645,745	-
Advances from other related parties	7,419	-	5,672	-
Advances from Ultimate Holding company	-	100,000	-	70,480
Total	<u>852,050</u>	<u>100,000</u>	<u>651,418</u>	<u>70,480</u>

ph

[Handwritten signature]

[Handwritten signature]

Laurus Generics Inc

Notes to financial statements for the period ended March 31, 2019

1. Corporate information

Laurus Generics Inc (LGI Inc) offers a broad range of Pharmaceutical and related services to the global Pharmaceutical community, situated in the state of Delaware, USA. LGI Inc, is a Corporation, incorporated under the laws of State of Delaware, USA.

2. Significant accounting policies

2.1 Basis of preparation

(a) The financial statements of the Company 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) 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) 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, 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 Company 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.

(c) 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 Company 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 Company 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 Company 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 Company, 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.

Ph

Aravind

Chandru

Laurus Generics Inc

Notes to financial statements for the period ended March 31, 2019

(d) **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.

(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 Company's cash management.

(f) **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 and does not include depreciation and amortisation expense, finance costs and tax expense.

(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 (GBP). The average foreign currency rate applied was 0.78622 GBP/USD for profit and loss account transactions. The closing foreign currency rate applied was 0.7645 GBP/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.

(h) **Related Party Transactions**

Names of related parties and description of relationship

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	USD	USD	GBP	GBP
a) Transactions During the Year				
i) Laurus Holdings Limited				
Receipt of Share Capital	950,000	50,000	386,241	35,240
ii) Laurus Labs Limited				
Purchases	716,692	41,600	546,244	30,967
Advances received (net)	-	100,000	-	70,480
iii) Laurus Synthesis Inc				
Advances received (net)	7,419	-	5,672	-
b) Closing Balances				
i) Laurus Labs Limited				
Due to Ultimate Holding Company	-	100,000	-	70,480
Disclosed Under Trade Payables	716,692	41,600	547,932	29,320
ii) Laurus Synthesis Inc				
Advance taken from related party	7,419	-	5,672	-

For R Krishna & Associates
Chartered Accountants
ICAI Firm Registration Number : 0136585



M. Rama Krishna
Partner
Membership No. : 221908

For and on behalf of the Board of Directors
Laurus Generics Inc



Dr. C. Satyanarayana
Director



C. Chandrakanth
Director

Place: Hyderabad
Date: April 25, 2019

Place: Hyderabad
Date: April 25, 2019