

M S P & CO.

CHARTERED ACCOUNTANTS

76, RATNAJYOT INDUSTRIAL ESTATE, IRLA LANE, VILE PARLE (WEST), MUMBAI 400 056. TEL.+91 9699957001.

EMAIL: mspandco@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Lyka BDR International Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Lyka BDR International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flow for the year ended and notes to the financial statements, including the summary of significant accounting policies and other explanatory information.

In our Opinion and to the best of our information and according to the explanation given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report. the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Due to defaults in repayment of Temporary Overdraft taken from Bank, the account of the company has been classified as Non-Performing Asset by bank, due to which the bank have not charged the interest from the date the account has been classified as Non-performing. No provision has been made in the books of accounts maintained by the Company for interest/penal interest, if any, on this temporary Overdraft amounting to about Rs. 20,65,581/- (approx.), hence to that extent, finance cost, total loss and current financial liabilities is estimated to be understated by about Rs. 20,65,581/- for the financial year ending March 31, 2019.

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report but does not include the financial statements and our auditor's report

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thereon. The Directors report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Responsibilities 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.

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Emphasis of Matter

1. We would like to draw attention to Note No.34 in Notes to Accounts forming part of financial statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company has a loss of Rs.1,13,49,511/- in financial year 2018-19 and has negative net worth of Rs. 3,38,91,693/- as at March 31,2019. The appropriateness of the said basis is inter alia dependent on the fact that the management is hopeful of better prospects in future. Our opinion is not modified in respect of this matter.
2. The Company has not recognized deferred tax assets in view of virtual uncertainty of sufficient future taxable income to set off current year losses and unabsorbed depreciation.
3. Further refer to **Note No.35** regarding non-confirmation of Current Assets, Loans and Advances, Trade Receivables, Trade Payables and Other Current Liabilities. Accordingly, these balances are subject to confirmation and consequential adjustments / reconciliation, if any with such parties. Since the extent to which these balances are subject to confirmation / reconciliation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.
4. We draw attention to **Note No. 36**, regarding reinstatement of Opening Balances of Assets and Other Equity for the previous financial year (which is the earliest prior period presented), pertaining to errors in adjusting the expenses of previous financial years against revaluation reserves, due to which the Revaluation Reserve was understated and Profit and Loss balance was overstated to that extent. The same has been rectified by restating the opening balances of Revaluation Reserve and Profit and Loss Balance of previous financial year.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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- e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 37 to the financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M S P & CO.
CHARTERED ACCOUNTANTS
FR No: 107565W

Sd/-
M S Parikh
Partner
MNo: 08684
Place: Mumbai
Date: May 15, 2019

M S P & CO.

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"Annexure A" forming part of Independent Auditor's Report on the Ind AS Financial Statements of Lyka BDR International Limited

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2019, we report that:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. With this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) There are no immovable properties held in the name of the Company, therefore this clause of the Order is not applicable to the Company.
- ii) The inventory has been physically verified by the management at the reasonable intervals and no material discrepancies were noticed on physical verification of the inventory.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s 189 of the Act, therefore, the provision of sub - clause (a), (b) and (c) of the Order is not applicable to the Company.
- iv) The Company has not given any loan, investment, guarantee and security, therefore this clause of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits, hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company. Further, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal against the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examinations of the books of accounts and records of the Company, amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income Tax, GST, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for the period more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no material dues of customs, income tax, duty of excise, GST, service tax which have not been deposited with appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following due of sales tax has not been deposited by the Company on account of dispute:

Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which amount relates	Forum where dispute is pending
Maharashtra Value Added Tax, 2002	VAT Liability including interest, penalty.	Rs. 9,97,769/-	April- 2011 to March- 2012	Assistant Commissioner of Tax Department
Income Tax Act, 1961	Compounding fees	Rs.22,36,604/-	April- 2013 to March- 2014	Chief Commissioner of Income Tax

- viii) * In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan to a financial institutions, banks and Government and dues to debenture holders except in case of Bank Temporary Overdraft as mentioned in Basis of Qualification Paragraph
- ix) Based upon the audit procedures performed and according to the information and explanations given to us, no moneys has been raised by way of initial public offer or further public offer (including debt instruments) and term loans availed has been applied for the purposes for which it was raised.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, this clause of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private

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placement of shares or fully or partly convertible debentures during the year under review. Therefore, this clause of the Order is not applicable to the Company.

- xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, this clause of the Order is not applicable to the Company.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 - IA of Reserve Bank of India Act, 1934. Therefore, this clause of the Order is not applicable to the Company.

For M S P & CO.

CHARTERED ACCOUNTANTS

FR No: 107565W

Sd/-

M S Parikh

Partner

MNo: 08684

Place: Mumbai

Date: May 15, 2019

M S P & CO.

CHARTERED ACCOUNTANTS

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“Annexure B” forming part of Independent Auditor’s Report on the Ind AS Financial Statements of Lyka BDR International Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of Lyka BDR International Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For M S P & CO.
CHARTERED ACCOUNTANTS
FR No: 107565W

Sd/-
M S Parikh
Partner
MNo: 08684
Place: Mumbai
Date: May 15, 2019

Lyka BDR International Limited
Balance Sheet as at 31st March 2019

Particulars	Note No.	As at 31st March 2019		As at 31st March 2018	
		Rupees	Rupees	Rupees	Rupees
ASSETS :-					
(1) Non-current assets					
(a) Property, Plant and Equipment	3	2,50,945		4,95,388	
(b) Intangible assets	4	8,51,527		2,06,05,758	
(c) Intangible Asset Under development	5	1,35,56,569		1,44,86,922	
(d) Financial Assets					
(i) Other financial assets	6	36,21,168		38,00,726	
(e) Deferred Tax Assets (Net)	7	71,98,936		58,25,661	
Total Non-Current Assets(A)			2,54,79,145		4,52,14,455
(2) Current assets					
(a) Inventories	8	63,74,634		1,44,08,759	
(b) Financial Assets					
(i) Trade receivables	9	8,48,13,412		9,43,22,511	
(ii) Cash and cash equivalents	10	1,41,49,375		1,85,96,282	
(iii) Others Financial Assets	11	2,66,07,210		5,91,26,852	
(c) Other current assets	12	3,24,65,616		3,18,01,601	
Total Current Assets(B)			16,44,10,247		21,82,56,005
Total Assets(A+B)			18,98,89,392		26,34,70,460
EQUITY AND LIABILITIES :-					
1. Shareholders' funds					
(a) Equity Share capital	13	22,50,00,000		22,50,00,000	
(b) Other Equity	14	(25,88,91,692)		(23,27,14,540)	
Total Equity(A)			(3,38,91,692)		(77,14,540)
2. Non-current liabilities					
(a) Provisions	15	51,12,224		58,27,781	
Total Non-Current Liabilities(B)			51,12,224		58,27,781
3) Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	16	3,26,85,775		8,97,64,442	
(ii) Trade payables	17	6,89,45,137		7,24,06,847	
(iii) Other Financial liabilities	18	3,98,61,594		3,60,78,791	
(b) Provisions	19	1,90,43,938		1,88,69,642	
(c) Other current liabilities	20	5,81,32,416		4,82,37,497	
Total Current Liabilities(C)			21,86,68,860		26,53,57,219
Total Equity and Liabilities (A) + (B) + (C)			18,98,89,392		26,34,70,460
Notes to the financial statements	1 to 45				
As per our report of even date For M.S.P & Co. Chartered Accountants Firm Regn. No: 107565W		For and on behalf of the Board of Directors			
Sd/- CA M.S. Parikh Partner Membership No. 08684 Place : Mumbai Date : 15th May 2019		Sd/- N I Gandhi- Director DIN : 00021530 Sd/- Arun Rao- Executive Director DIN : 02346252 Sd/- Rajiv Malviya- Chief Financial Officer		Sd/- Seema Saneji- Company Secretary	

Lyka BDR International Limited			
Statement of Profit & Loss for the year ended on 31st March 2019			
Particulars		Audited For year	Audited For year
		ended 31st March 2019	ended 31st March 2018
Revenue :			
Revenue from operations	21	28,11,87,515	21,86,11,779
Other Operating Revenue	22	1,46,03,826	1,10,36,866
Other Income	23	39,44,812	36,56,123
Total Income		29,97,36,153	23,33,04,768
Expenses :			
Purchase of stock in Trade	24	19,09,51,447	18,19,26,483
Changes in inventories	25	80,34,125	(93,72,967)
Employee benefits expense	26	1,87,68,675	1,94,68,342
Finance costs	27	1,24,19,615	1,68,18,176
Depreciation and Amortization expenses	28	61,01,342	2,89,89,380
Other expenses	29	7,16,03,701	5,59,64,428
Total Expenses		30,78,78,905	29,37,93,841
Profit / (Loss) before exceptional items and tax		(81,42,752)	(6,04,89,073)
Exceptional Items :			
Exceptional Income	30	1,10,380	1,09,08,132
Exceptional Expenses	30	62,12,625	32,69,597
Profit / (Loss) before tax		(1,42,44,997)	(5,28,50,538)
Tax expenses:			
Current years	31	-	-
Previous years Adjustments	31	-	-
Deferred Tax	31	(13,73,275)	(27,16,667)
Total Tax expenses		(13,73,275)	(27,16,667)
Net Profit/ (Loss) for the period		(1,28,71,722)	(5,01,33,871)
Other Comprehensive Income/(Loss)			
(i) Items that will not be reclassified to Profit or Loss		-	-
(a) Remeasurement of the defined benefit plan	32	15,22,211	(15,14,192)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
(i) Items that will be reclassified to profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Comprehensive Income for the period		(1,13,49,511)	(5,16,48,063)
Earning per Share (of Rs 10/- each)			
Basic	33	(0.50)	(2.30)
Diluted	33	(0.50)	(2.30)
Notes to the financial statements		1 to 45	
As per our report of even date For M.S.P & Co. Chartered Accountants Firm Regn. No: 107565W		For and on behalf of the Board of directors Sd/- N I Gandhi - Director DIN : 00021530 Sd/- Arun Rao - Executive Director DIN : 02346252 Sd/- Rajiv Malviya - Chief Financial Controller Sd/- Seema Sanei - Company Secretary	
Sd/- CA M.S. Parikh Partner Membership No. 08684 Place : Mumbai Date : 15th May 2018			

LYKA BDR INTERNATIONAL LTD

Cash Flow Statement for the year ended 31st March 2019

	For the year ended 31st March 2019			For the year ended 31st March 2018		
	Amount	Amount	Amount	Amount	Amount	Amount
1) CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(Loss) Before tax as per Statement of Profit & Loss Account		(1,42,44,997)			(5,28,50,538)	
Add:						
Depreciation	61,01,342			2,89,89,380		
Effect of Exchange Rate Changes	(11,82,099)			(1,44,451)		
Finance Cost	1,24,19,615	1,73,38,858		1,68,18,176	4,56,63,105	
Operating profit before Working Capital changes :		30,93,861			(71,87,434)	
Cash Flow from working Capital changes:						
Increase/(Decrease) in Current Assets:-						
Trade and Other Receivables	(5,07,60,508)			(6,81,95,418)		
Trade and Other Payables	(4,58,81,704)	48,78,804		(4,53,40,395)	2,28,55,023	
Cash Generated from Operations		79,72,665			1,56,67,590	
Less: Taxes Paid (Net)			79,72,665			1,56,67,590
NET CASH FLOW FROM OPERATING ACTIVITIES:						
2) CASH FLOW FROM INVESTING ACTIVITIES						
Fixed Assets Purchases/Addition	(9,30,353)			(5,34,110)		
Sales of Tangible Assets- Vehicle	44			10,881		
Intangible Asset under development	9,30,353	44		(1,44,86,922)	(1,50,10,151)	
NET CASH FLOW FROM INVESTING ACTIVITIES:			44			(1,50,10,151)
3) CASH FLOW FROM FINANCING ACTIVITIES						
Interest Paid & Other Borrowing cost	(1,24,19,615)			(1,68,18,176)		
		(1,24,19,615)			(1,68,18,176)	
NET CASH FLOW FROM FINANCING ACTIVITIES			(1,24,19,615)			(1,68,18,176)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			(44,46,906)			(1,61,60,738)
Opening Balance of Cash and Cash Equivalents			1,85,96,281			3,47,57,019
Closing Balance of Cash and Cash Equivalents			1,41,49,375			1,85,96,281

Note: Exchange rate difference on year end rate of EEFC Bank accounts is not considered above.

As per our report of even date

For M.S.P & Co.
Chartered Accountants
Firm Regn. No: 107565W

Sd/-
CA M.S. Parikh
Partner
Membership No. 08684
Place : Mumbai
Date : 15th May 2019

For and on behalf of the Board of Directors

Sd/-
N I Gandhi- Director

Sd/-
Arun Rao- Executive Director

Sd/-
Rajiv Malviya- Chief Financial Officer

Sd/-
Seema Sanei- Company Secretary

Lyka BDR International Limited
Statement of Changes in Equity for the year ended 31st March 2019

(Amount in Rs.)

A. Equity Share Capital

Particulars	As at 31st March 2019		As at 31st March 2018		As at 01st April 2017	
	Nos of Shares	Amount	Nos of Shares	Amount	Nos of Shares	Amount
Balance at the beginning of the reporting year/period	2,25,00,000	22,50,00,000	2,25,00,000	22,50,00,000	2,25,00,000	22,50,00,000
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting year/period	2,25,00,000	22,50,00,000	2,25,00,000	22,50,00,000	2,25,00,000	22,50,00,000

B. Other Equity

(Amount in Rs.)

Particulars	Attributable to the Owners of the Company			Items of Other Comprehensive	Total
	Reserves and surplus				
	Retained Earnings	Revaluation Reserve	General Reserve	Other item of other Comprehensive income (Remeasurement of the defined benefit plan)	
Balance as at 31st March 2016	(11,14,00,710)	4,20,46,568	41,87,780	-	(6,51,66,362)
Ind AS impact April 01st 2016	(45,37,364)	-	-	-	(45,37,364)
Balance as at 01st April 2016	(11,59,38,074)	4,20,46,568	41,87,780	-	(6,97,03,726)
Total comprehensive income /Income for the year	(2,92,13,106)	-	-	(8,06,418)	(3,00,19,524)
Add/(less) : Depreciation on revalued assets	-	(1,36,09,464)	-	-	(1,36,09,464)
Balance as at April 01, 2017	(14,51,51,180)	2,84,37,104	41,87,780	(8,06,418)	(11,33,32,714)
Total comprehensive income /Income for the year	(5,01,33,871)	-	-	(15,14,192)	(5,16,48,063)
Add: Registration Rights Revalued (Expired)	(5,41,24,300)	-	-	-	-
Add: Prior Period Adjustment	-	5,41,24,300	-	-	-
Add/(less) : Depreciation on revalued assets	-	(6,77,33,763)	-	-	(6,77,33,763)
Balance as at March 31, 2018	(24,94,09,351)	1,48,27,641	41,87,780	(23,20,610)	(23,27,14,540)
Total comprehensive income /Income for the year	(1,28,71,722)	-	-	15,22,211	(1,13,49,511)
Add/(less) : Depreciation on revalued assets	-	(1,48,27,641)	-	-	(1,48,27,641)
Balance as at March 31, 2019	(26,22,81,074)	-	41,87,780	(7,98,399)	(25,88,91,692)

As per our report of even date
For M.S.P & Co.
Chartered Accountants
Firm Regn. No: 107565W

Sd/-
CA M.S. Parikh
Partner
Membership No. 08684
Place : Mumbai
Date : 15th May 2019

For and on behalf of the Board of Directors

Sd/-
N I Gandhi- Director

Sd/-
Arun Rao- Executive Director

Sd/-
Rajiv Malviya- Chief Financial Officer

Sd/-
Seema Sanei- Company Secretary

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

1. CORPORATE INFORMATION

“Lyka BDR International Limited “is unlisted entity incorporated and domiciled in India. The Company is a subsidiary of Lyka Labs Limited which is Listed Company. The address of its registered office and principal place of business are disclosed in the introduction to the annual report.

Company is engaged in the business of exports of pharmaceutical products.

2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS , ESTIMATES AND ASSUMPTIONS:

A. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

The Ind-AS financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind-AS. Refer to Note No.33 (XVII) for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the company.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.9 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 Company.

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

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.

2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:

An asset is considered 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 considered as 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.

All other liabilities are classified 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 business purpose and their realisation into cash and cash equivalents.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment:

Property, Plant and Equipment are recorded at their cost of acquisition, net of MODVAT/CENVAT, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties, if any, and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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 Statement of Profit or Loss when the asset is derecognised.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as on 1st April, 2017 measured as per previous GAAP as its deemed cost on the date of transition.

Depreciation on Property, Plant and Equipment is being provided on "Written down Value method" basis at the Useful lives/rates specified as per Schedule II of the Companies Act, 2013. Depreciation in respect of addition to the fixed assets is provided on Pro-rata basis from the date in which such assets are acquired / installed / put to use.

The residual value, useful lives and method of deprecation are reviewed at each financial year and adjusted prospectively, if appropriate.

Gains or losses arising out of de-recognition of Property, Plant and Equipment 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.

b) Intangible Assets:

Intangible Assets are recorded at their cost of acquisition, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, borrowing costs and directly attributable cost for bringing the asset to its working condition for its intended use.

An item of intangible asset 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 intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the intangible asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Asset recognised as on 1st April, 2017 measured as per previous GAAP as its deemed cost on the date of transition.

Depreciation on Intangible Asset is being provided on "Written down Value Method" basis at the Useful lives/rates specified as per Schedule II of the Companies Act, 2013, except of Registration Rights which are depreciated on "Straight Line Method" basis considering estimated useful life of 15 years. Depreciation in respect of addition to the Intangible Assets is provided on Pro-rata basis from the date in which such assets are acquired or put to use.

The residual value, useful lives and method of deprecation are reviewed at each financial year and adjusted prospectively, if appropriate.

Gains or losses arising out of de-recognition of Intangible Asset is 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) Inventories

The Company has complied with Ind AS -2 Inventories issued by the Institute of Chartered Accountants of India, to the extent practicable keeping in mind the peculiar nature of the industry.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

Inventories are valued at lower of cost, determined on the basis of weighted average, or net realisable value and valued by using FIFO method of valuation. In the opinion of the management of the Company, this does not have any material impact on the operating results of the Company.

d) Impairment of non-financial asset- property, plant and equipment and intangible assets

The company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called as cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment Loss is recognised in the Statement of Profit and Loss to the extent asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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.

f) Employee Benefits:

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans

The Company pays gratuity as applicable under the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund with Life Insurance Corporation of India, exclusively for gratuity payment to the employees. The said contributions are charged to profit and loss account in the year in which they accrue. Contribution paid/ payable for the year/ period to Defined Contribution Retirement Benefit Plans is charged to Statement of Profit and Loss account. The gratuity fund has been approved by respective IT authorities.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined based on Actuarial Valuation. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit or Loss.

g) Revenue Recognition:

Revenue from Operation:- Revenue from sales of formulations is recognized on dispatch of goods to Customs port by clearing & forwarding agents of the Company. Both in respect of CIF sales and FOB Sales, irrespective of significant risk & reward, the ownership of product is transferred to customers. Sales are stated net of discounts and exclusive of taxes recovered.

Other Operating Revenue:- Export Incentive Entitlement in form of Duty Drawback & Market Focus Scheme Income is accounted when the right to receive credit as per terms of the scheme is established in respect of export made and there is no significant uncertainty regarding the ultimate collection of export proceeds. Market Focus Income has been reinstated at customs foreign exchange rate at the year end and they are discounted by 7% of the realizable value considering its normal realization potential.

Other Incomes: Other operating income is accounted for on accrual basis.

h) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency prevailing rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end rates of the functional currency. Differences arising on settlement or translation of monetary items are recognised in profit or loss except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

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 Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

i) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

j) Taxes on Income:

Current Tax:

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

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.

Current income tax relating to items recognised directly in equity is recognised in Other Comprehensive Income / Equity and not in the Statement of Profit and Loss. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

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 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. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax asset and liabilities are reviewed at each reporting date

k) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets:

A) Initial Recognition and Measurement:

All financial assets and liabilities are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B) Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

- i) Financial assets at Amortised Cost (AC)
- ii) Financial assets at Fair Value through Other Comprehensive Income. (FVTOCI)
- iii) Financial assets at Fair Value through Statement of Profit and Loss. (FVTPL)

i) Financial Assets at Amortised Cost (AC):

A financial asset is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and, the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

iii) Financial Assets at Fair Value through Statement of Profit and Loss. (FVTPL):

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

C) De-recognition:

A financial asset (or, where applicable, a part of a financial asset or group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

D) Impairment of Financial Assets:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss of Financial assets at amortised cost.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii) Financial Liabilities :

A) Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, trade and other payables.

There is no significant impact on valuation of Financial Liabilities at fair value through comprehensive income and hence no profit or loss on such valuation is provided.

B) Subsequent Measurement:

This is dependent upon the classification thereof as under:

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

There is no significant impact on valuation of Financial Liabilities at fair value through comprehensive income and hence no profit or loss on such valuation is provided.

iii) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

iv) De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

I) Contingent Liabilities:

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Contingent Liabilities are not recognized but are disclosed in the notes.

Lyka BDR International Limited
Note 3 : Tangible Assets:-

Following are changes in Carrying value of Property, Plant & Equipment for the period ended 31st March 2019

Particulars	Rate	Gross Carrying value			Accumulated Depreciation as of 31st March 2019			Carrying amount As of 31st March 2019		
		As of 01st April 2018	Addition	Deduction	As of 31st March 2019	As of 01st April 2018	Depreciation for the year		Deletion	
Plant & Equipment	18.10%	22,21,014	-	-	22,21,014	17,68,813	2,08,029	-	19,76,842	2,44,172
Furniture & Fixtures	25.89%	-	-	-	-	-	-	-	-	-
Vehicle	31.23%	38,25,154	-	12,90,625	25,34,529	38,24,392	685	12,90,581	25,34,496	33
Office Equipment	45.07%	61,747	-	-	61,747	61,741	-	-	61,741	6
Computer & Hardware	63.16%	25,36,100	-	-	25,36,100	24,93,681	35,685	-	25,29,366	6,734
Total		86,44,015	-	12,90,625	73,53,390	81,48,627	2,44,399	12,90,581	71,02,445	2,50,945

Following are changes in Carrying value of Property, Plant & Equipment for the year ended March 31st 2018

Particulars	Rate	Gross Carrying value			Accumulated Depreciation as of March 31, 2018			Carrying amount As of 31st March 2018		
		As of 01st April 2017	Addition	Deduction	As of 31st March 2018	As of 01st April 2017	Depreciation for the year		Deletion	
Plant & Machinery	18.10%	17,41,354	4,79,660	-	22,21,014	17,25,493	43,320	-	17,68,813	4,52,201
Furniture & Fixtures	25.89%	19,48,454	-	19,48,454	-	19,38,428	2,908	19,41,336	-	-
Vehicle	31.23%	38,25,154	-	-	38,25,154	38,19,684	4,708	-	38,24,392	762
Office Equipment	45.07%	3,44,232	-	2,82,485	61,747	3,37,805	2,658	2,78,722	61,741	6
Computer & Hardware	63.16%	25,36,100	-	-	25,36,100	24,20,957	72,724	-	24,93,681	42,419
Total		1,03,95,294	4,79,660	22,30,939	86,44,015	1,02,42,367	1,26,318	22,20,058	81,48,627	4,95,388

Lyka BDR International Limited
Note 4 : Intangible Assets:-

Following are changes in Carrying value of Intangible Assets for the period ended Mar 31st 2019

Particulars	Rate	Gross Carrying value			Accumulated Depreciation as of 31st March 2019			Carrying amount As of 31st March 2019		
		As of 01st April 2018	Addition	Deduction	As of 31st March 2019	As of 01st April 2018	Depreciation for the year		Deletion	
Computer Software	63.16%	8,34,594	-	-	8,34,594	7,38,539	61,564	-	8,00,103	34,491
Other Intellectual Property Rights :-										
Registration Right	6.66%	43,19,00,000	-	-	43,19,00,000	42,62,17,938	56,82,062	-	43,19,00,000	-
Registration Rights (Capitalise Reg Exp)	6.66%	-	9,30,353	-	9,30,353	-	1,13,317	-	1,13,317	8,17,036
Registration Right (Revalued)	6.66%	20,49,07,827	-	-	20,49,07,827	19,00,80,186	1,48,27,641	-	20,49,07,827	-0
Total		63,76,42,421	9,30,353	-	63,85,72,774	61,70,36,663	2,06,84,584	-	63,77,21,247	8,51,527

Following are changes in Carrying value of Intangible Assets for the period ended Mar 31st 2018

Particulars	Rate	Gross Carrying value			As of 01st April 2018			Carrying amount As of 31st March 2018		
		As of 01st April 2017	Addition	Deduction	As of 31st March 2018	As of 01st April 2017	Depreciation for the year		Deletion	
Computer Software	63.16%	7,80,144	54,450	-	8,34,594	6,40,017	98,522	-	7,38,539	96,055
Other Intellectual Property Rights :-										
Registration Right	6.66%	43,19,00,000	-	-	43,19,00,000	39,74,53,398	2,87,64,540	-	42,62,17,938	56,82,062
Registration Right (Revalued)	6.66%	20,49,07,827	-	-	20,49,07,827	12,23,46,423	6,77,33,763	-	19,00,80,186	1,48,27,641
Total		63,75,87,971	54,450	-	63,76,42,421	52,04,39,838	9,65,96,825	-	61,70,36,663	2,06,05,758

Note 5 : Changes in Carrying value of Intangible Assets Under Development for the year ended March 31st 2019												
Particulars	Rate	Gross Carrying value				Accumulated Depreciation as of 31st March 2019				Carrying amount		
		As of 01st April 2018	Addition	Deduction	As of 31st March 2019	As of 01st April 2018	Depreciation for the year	Deletion	As of 31st March 2019			
Registration Right (Capitalised)	20%	1,44,86,922	-	9,30,353	1,35,56,569	-	-	-	-	1,35,56,569		
Total		1,44,86,922	-	9,30,353	1,35,56,569	-	-	-	-	1,35,56,569		
Following are changes in Carrying value of Intangible Assets Under Development for the year ended March 31st 2018												
		Gross Carrying value				Accumulated Depreciation as of 31st March 2019						
		As of 01st April 2017	Addition	Deduction	As of 31st March 2018	As of 01st April 2017	Depreciation for the year	Deletion	As of 31st March 2018	As of 31st March 2018		
Particulars	Rate											
Registration Right (Capitalised)	0	-	1,44,86,922		1,44,86,922	-	-	-	-	1,44,86,922		
Total		-	1,44,86,922	-	1,44,86,922	-	-	-	-	1,44,86,922		

Lyka BDR International Limited		
Notes to Balance Sheet		
Note 6: Other Financial Assets	As at 31st March 2019	As at 31st March 2018
Unsecured, considered good		
Security Deposits	13,62,660	12,47,693
Margin Deposit with Khushbu Impex	22,58,508	25,53,033
Total	36,21,168	38,00,726
Note 7: Deferred Tax Balances	As at 31st March 2019	As at 31st March 2018
Deferred Tax Assets	71,98,936	58,25,661
Less: Deferred Tax Liabilities	-	-
Total	71,98,936	58,25,661
Deferred Tax Assets/(Liabilities) in relation to:	Opening Balance	Opening Balance
Fair Value Adjustments	71,98,936	58,25,661
Total	71,98,936	58,25,661
Note-8 : Current assets, (a) Inventories- At Cost	As at 31st March 2019	As at 31st March 2018
Capsules	-	-
Creams	-	-
Injections	63,63,042	1,34,76,726
Liquid/Suspension	-	-
Lotion	-	-
Powder-API's	-	5,04,000
Syrup	-	-
Tablets	11,592	4,28,033
Total	63,74,634	1,44,08,759
Note-9 : Current assets, Trade Receivables	As at 31st March 2019	As at 31st March 2018
a) Secured Considered Good:-		
Due Less than 182 Days	7,65,94,151	8,58,05,158
Due over 182 Days	3,11,99,279	2,66,38,243
b) Unsecured Considered Good:-		
Due Less than 182 Days	-	-
Due over 182 Days	-	-
c) Unsecured Considered Doubtful :-		
Due Less than 182 Days	-	-
Due over 182 Days	-	-
Less: Expected Credit Loss	(2,29,80,018)	(1,81,20,890)
Total	8,48,13,412	9,43,22,511

Lyka BDR International Limited		
Notes to Balance Sheet		
Note-10 : Current assets,Cash & Cash equivalents :-	As at 31st March 2019	As at 31st March 2018
Cash on hand	3,02,522	3,48,157
Balances with banks	90,466	2,01,628
Other Bank Balances		
Deposit against Bank Limits		
(Fixed Deposits held as collateral Securities for limits of LC , FBP, Bank Overdraft, Bank gurantee)		
With Uco Bank - Deposit as Collateral	1,38,81,398	1,28,66,958
With UCo Bank- As Margin Money Deposit	46,11,249	32,13,884
With Dena Bank -Deposit as Collateral	50,000	1,27,55,812
With Dena Bank-Deposit for LC Margin	-	14,32,410
With Dena Bank-Deposit for FBP Margin	-	-
Less:		
Overdraft Account		
Overdraft Account	(47,86,259)	(1,22,22,568)
Total	1,41,49,375	1,85,96,282
Note-11: Other Financial Assets	As at 31st March 2019	As at 31st March 2018
Advance as Margin Money	33,07,419	10,97,672
Advances recoverable from Employees	1,22,667	3,74,014
Advances to Suppliers & Others	54,94,187	3,95,31,722
Advance payment of taxes	1,76,82,938	1,81,23,444
Total	2,66,07,210	5,91,26,852
Note-12: Other Current assets	As at 31st March 2019	As at 31st March 2018
Export Incentives Receivable	72,10,450	45,97,667
Service Tax Receivable	-	1,84,213
Vat Refund Receivable	8,16,879	11,89,621
GST Refundable	58,13,056	33,97,988
Interest Accrued on Term Deposits	13,79,409	18,90,437
Claims Receivable	1,66,99,328	1,96,18,553
Prepaid Expenses	5,46,493	9,23,121
Total	3,24,65,616	3,18,01,601

Lyka BDR International Limited		
Notes to Balance Sheet		
Note-13: Equity Share Capital	As at 31st March 2019	As at 31st March 2018
Authorised Equity Share Capital:		
2,50,00,000 (2,50,00,000) Equity shares of Rs 10/- each	25,00,00,000	25,00,00,000
Total	25,00,00,000	25,00,00,000
Issued, Subscribed and Fully Paid up Equity Share Capital:		
2,25,00,000 (2,25,00,000) Equity shares of Rs 10/- each	22,50,00,000	22,50,00,000
Total	22,50,00,000	22,50,00,000
13.1. Reconciliation of the number of shares outstanding is set below:		
Particulars	Nos.	Nos.
At the beginning of the period	2,25,00,000	2,25,00,000
(+) Issued during the period	-	-
(-) Buy Back during the period	-	-
Outstanding at the end of the period	2,25,00,000	2,25,00,000
	Amount	Amount
At the beginning of the period	22,50,00,000	22,50,00,000
(+) Issued during the period	-	-
(-) Buy Back during the period	-	-
Outstanding at the end of the period	22,50,00,000	22,50,00,000
13.2. Rights, Preferences and Restriction Attached to Equity Shares :		
<p>The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing AGM except in case of Interim Dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
13.3 Shareholders holding more than 5% Shares:		
Particulars	As at 31st March 2019	As at 31st March 2018
Lyka Labs Limited (Nos. of Shares)	1,46,74,995	1,46,74,995
% of Holding	65%	65%
BDR Pharmaceuticals International Pvt. Ltd. (Nos. of Shares)	74,74,995	74,74,995
% of Holding	33%	33%
Total (Nos. of Share)	2,21,49,990	2,21,49,990
% of Holding	98%	98%

Lyka BDR International Limited		
Notes to Balance Sheet		
Note-14: Other Equity	As at 31st March 2019	As at 31st March 2018
1. Revaluation Reserves :		
As per Last Balance Sheet	1,48,27,641	2,84,37,104
Add: Prior Period Adjustment	-	5,41,24,300
Less: Current years transfers	1,48,27,641	6,77,33,763
Total	-	1,48,27,641
2. General Reserve :		
As per Last Balance Sheet	41,87,780	41,87,780
Add: Current year Addition/(Deletion)	-	-
Total	41,87,780	41,87,780
3. Profit & Loss :		
As per Last Balance Sheet	(24,94,09,352)	(14,51,51,180)
Add: Current year Profit	(1,28,71,722)	(5,01,33,871)
Add: Registration Rights Revalued (Expired)	-	(5,41,24,300)
Total	(26,22,81,074)	(24,94,09,352)
4. Other Comprehensive Income :		
As per last balance sheet	(23,20,610)	(8,06,418)
Movement in OCI during the year	15,22,211	(15,14,192)
Total	(7,98,399)	(23,20,610)
Total	(25,88,91,693)	(23,27,14,541)
Note-15: Long Term Provisions	As at 31st March 2019	As at 31st March 2018
Gratuity Payable- Non Current	24,74,159	27,10,382
Leave Encashment Payable-Non Current	26,38,065	31,17,399
Total	51,12,224	58,27,781
Note-16: Current Liabilities	As at 31st March 2019	As at 31st March 2018
Financial Liabilities :		
a) Borrowings		
Bill Discounting from Dena Bank	-	1,84,85,710
Crystallised Bills from Dena Bank	-	-
Bill Discounting from UCO Bank	2,27,00,156	2,51,41,129
Packing Credit Loan From Uco Bank	99,85,619	1,99,99,229
LC Payable of Dena Bank	-	2,59,38,374
FSL Loan with Interest payable thereon	-	-
b) Others		
Loan From N. I. Gandhi	-	2,00,000
Total	3,26,85,775	8,97,64,442

Lyka BDR International Limited		
Notes to Balance Sheet		
Note-17: Trade payables	As at 31st March 2019	As at 31st March 2018
Acceptances	-	20,22,178
Trade Payable- Related Party	6,15,30,879	5,14,22,670
Trade Payable- Direct Party	74,14,258	1,89,61,999
Total	6,89,45,137	7,24,06,847
Note-18: Other Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Commission Payable	55,25,657	55,72,252
Salary Payable	19,83,941	12,17,050
Sundry Creditors for Expenses	3,23,51,997	2,92,89,490
Total	3,98,61,595	3,60,78,792
Note-19: Provisions	As at 31st March 2019	As at 31st March 2018
Provison for income Tax	1,55,13,563	1,55,13,563
Current Liability-Leave & Gratuity Payable	35,30,375	33,56,079
Total	1,90,43,938	1,88,69,642
Note-20: Other Current Liabilities	As at 31st March 2019	As at 31st March 2018
Provision of Expenses	5,22,903	7,50,469
Statutory Liabilities	35,22,139	5,11,805
Advances from Customers	5,40,87,374	4,69,75,222
Total	5,81,32,416	4,82,37,496

LYKA BDR INTERNATIONAL LIMITED

Notes to Financial Statements for year ended 31st March 2019

Particulars	Year ended Mar 2019	Year ended Mar 2018
Note 21: Revenue from Operations		
From Sale of products		
Export Sales	23,33,37,692	21,52,29,441
Domestic Sales	4,78,49,823	33,82,338
Total	28,11,87,515	21,86,11,779
Note 22 : Other Operating Revenues		
a) Export Incentives	1,32,45,734	90,62,061
b) Interest Income	13,58,092	19,74,805
Total	1,46,03,826	1,10,36,866
Note 23: Other Income		
Foreign Exchange Gain	24,15,359	22,41,592
Excise Duty Refund	-	7,72,413
Profit on sale of Vehicle	3,29,617	-
Interest on GST Refund Received	16,854	-
Interest on Vat Refund Received	-	-
CST - Not Payable	-	4,96,440
Reinstatement of balances	11,82,982	1,45,678
Total	39,44,812	36,56,123
Note 24: Purchase of Stock in Trade		
Domestic Purchases		
Local Purchases	7,40,54,419	89,24,000
OMS Purchases	11,67,59,311	17,28,29,151
Total	19,08,13,730	18,17,53,151
Import Purchases	1,37,717	1,73,332
Total	1,37,717	1,73,332
Total	19,09,51,447	18,19,26,483
Note 25: Changes in Inventory		
Inventory at the beginning of the year		
Finished Goods	1,44,08,759	50,35,792
Inventory at the close of the year		
Finished Goods	63,74,634	1,44,08,759
Net increase / (decrease) in Inventory	80,34,125	(93,72,967)

LYKA BDR INTERNATIONAL LIMITED		
Notes to Financial Statements for year ended 31st March 2019		
Particulars	Year ended Mar 2019	Year ended Mar 2018
Note 26: Employee Benefits Expenses		
Salaries and Wages	1,27,35,298	1,45,08,576
Directors Remuneration	33,78,600	32,03,010
Contribution to PF & Other Funds :		
Provident Fund	11,17,769	12,06,174
Gratuity Expenses	13,60,347	2,30,897
Gratuity for Employee (IND AS)	-	-
Staff Welfare & Other expenses	1,76,661	3,19,685
Total	1,87,68,675	1,94,68,342
Note 27 : Finance Costs		
Interest Expenses	53,54,360	71,24,956
Other borrowing costs	70,65,255	96,93,220
Total	1,24,19,615	1,68,18,176
Note 28 : Depreciation & Amortization expenses		
Depreciation of Tangible Assets	2,44,399	1,26,318
Amortization of Intangible Assets	58,56,943	2,88,63,062
Total	61,01,342	2,89,89,380
Note 29 : Other expenses		
Auditors Remuneration:-		
Statutory Audit Fees	3,50,000	3,50,000
Tax Audit Fees	75,000	75,000
Tax Return Filing Fees	75,000	75,000
Certification Charges	40,285	10,000
Communication Expenses	4,86,182	6,93,510
Electricity Charges	5,89,249	6,69,952
Foreign Exchange Loss	-	12,33,527
Freight & Forwarding Expenses	1,84,81,456	1,94,92,721
Membership & Subscription	7,180	41,149
Other Expenses	72,29,821	52,32,575
Product Related Expenses	41,83,614	4,66,400
Rent rates & taxes	40,40,190	39,71,316
Selling Expenses	2,73,19,469	77,22,460
Travelling & Conveyance expenses	38,67,126	66,68,389
Expected Credit Loss(ECL) Expenses (IND AS)	48,59,129	92,62,429
TOTAL	7,16,03,701	5,59,64,428

LYKA BDR INTERNATIONAL LIMITED
Notes to Financial Statements for year ended 31st March 2019

Particulars	Year ended Mar 2019	Year ended Mar 2018
Note 30: Exceptional Revenues / Expenses		
Revenue of Exceptional Nature :		
Bad Debts written Back	1,10,380	-
Quality Claims raised on Vendors :-	-	62,46,382
Quality Claims settled of customers :-	-	46,61,750
Total	1,10,380	1,09,08,132
Expenses of Exceptional Nature :		
Quality Claims raised by Customers	9,18,517	32,69,597
Claim of Commission (Overseas) Not Receivable	-	-
Transport Exp (Exceptional Exp)	-	-
Claim for Non-Moving Goods (Exceptional Items)	52,94,108	-
Total	62,12,625	32,69,597
Note 31: Provision for Taxation		
Previous years Adjustments	-	-
Current years	-	-
Deferred Tax	(13,73,275)	(27,16,667)
Total	(13,73,275)	(27,16,667)
Note 32: Other Comprehensive Income for the		
(a) Remeasurement of the defined benefit plan		
Other Comprehensive Income (IND AS)	15,22,211	(15,14,192)
Gratuity for Employee (IND AS)	-	0
Total	15,22,211	(15,14,192)
Note 33: Earnings Per Share (As per Accounting Standard 20- Earnings per Share)		
Weighted average number of Equity Shares	2,25,00,000	2,25,00,000
Net Profit / (Loss) after Taxes	(1,13,49,511)	(5,16,48,063)
Basic Earnings Per Share	(0.50)	(2.30)
Diluted Earnings Per Share	(0.50)	(2.30)

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

34. Going concern:

The company had in the past net loss and had over the years come out with profits. The previous year had dip in sales to Rs 21.86 cr. and eventually negative bottom line of Rs 5.15 cr. The current year too had similar challenges but the sales improved to Rs 28.11 cr. The Total Comprehensive Income too improved significantly but was still negative at Rs 1.13 cr. despite increase in sales and various cost control measures.

The net worth of the company had to be adjusted in current year due to prior year adjustments and reinstatement of Opening balance, the resultant impact being adjusted in Revaluation Reserve. The balance in Other Equity now is negative at Rs 25.88 cr which exceed the Share Capital of Rs 22.50 cr.

The management is upbeat about the future plans which shall be better than current year and hence the management expects significant improvement in the bottom line in current year. The accounts of the company are thus based on the principles of Going Concern in the current year

The appropriateness of the said basis is inter alia dependent on the fact that the management is hopeful of better prospects in future.

35. Non-Confirmation of Balances:

The balances under Trade Receivables, Other Financial Assets, Trade Payables, Other Financial Liabilities, Other Current Liabilities are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained and shall be adjusted in the year in which the confirmation process is completed.

36. Reinstatement of Opening Balances of Assets and Other Equity for the previous financial year:

The company has reinstatement of Opening Balances of Assets and Other Equity for the previous financial year (which is the earliest prior period presented), pertaining to errors in adjusting the expenses of previous financial years against revaluation reserves, due to which the Revaluation Reserve was understated and Profit and Loss balance was overstated to that extent. The same has been rectified by restating the opening balances of Revaluation Reserve and Profit and Loss Balance of previous financial year.

37. Contingent Liability:

- (i) The company has received claims for unpaid Commission, Claims of Defective Products etc, from overseas customers. The claims are negotiated and reviewed before accepting the same. The company has on precautionary basis, provided for all possible claims which can result in accepting the same after due negotiation and considering the facts of each case. Those claims which not accepted and settled with customers are not provided.
- (ii) The Company has filed appeal Income tax appeal against the income tax assessment order for Assessment year 2014-15 for disallowance of claim of Rs 68 lacs due to reduction in Brand Value. As the matter is sub-judice, no liability is provided as the company.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

- (iii) The company has received assessment order under MVAT for FY 2011-12 with demand of Rs 9,97,769/-. The liability was not acceptable and appeal is filed against the same. The matter is sub-judice.

As the Amnesty Scheme is announced in March 2019 to settle the pending litigations, the company shall avail the benefit under the same and settle the liability. The dues then payable shall be about Rs 3,28,383/- in final settlement and the same is provided.

- (iv) The company has received notice from Mumbai Port Trust for recovery of destruction and other charges of Rs 21,82,863/- towards goods returned by overseas customer and for which legal suit for recovery of charges is filed by them. The same is contested in court for non-payment and no liability is provided as the matter is sub-judice.

- (v) The company has received legal notice from one vendor, Swiss Parenteral Limited for dues payable of Rs 1.41 cr. towards bills and debit notes. However, the debit notes raised by the company of Rs 92.10 lacs on the vendor for goods rejected by customers is not considered by vendor and also goods returned by vendor of Rs 10.81 lacs is not traced for receipt. The disputed liability is contested in court and the matter being sub-judice, no liability is provided.

38. The Actuarial Valuation of the present value of the defined benefit obligation in respect of Gratuity has been carried out as at 31st March 2019. The following table set out the amounts recognized in the financial statements as at 31st March 2019 for the defined benefit plans.

AMOUNT TO BE RECOGNIZED IN BALANCE SHEET		
Particulars	As at 31st March 2019	As at 31st March 2018
Present Value of Funded Obligations	40,64,973	46,29,716
Fair Value of Plan Assets	45,020	8,73,681
Net Liability	40,19,953	39,09,370
<u>Amount in Balance sheet</u>		
Liability	40,19,953	39,09,370
Net Liability is bifurcated as follows:		
Current	15,45,794	11,98,988
Non-Current	24,74,159	27,10,382
Net Liability	40,19,953	39,09,370

The Actuarial Valuation of the present value of the defined benefit obligation in respect of Leave Salary has been carried out as at 31st March 2019.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

The following table set out the amounts recognized in the financial statements as at 31st March 2019 for the defined benefit plans.

AMOUNT TO BE RECOGNIZED IN BALANCE SHEET		
Particulars	As at 31st March 2019	As at 31st March 2018
Present Value of Unfunded Obligations	41,64,092	47,46,412
Net Liability	41,64,092	47,46,412
<u>Amount in Balance sheet</u>		
Liability	41,64,092	47,46,412
Net Liability is bifurcated as follows:		
Current	18,76,883	20,42,948
Non-Current	22,87,209	27,03,464
Net Liability	41,64,092	47,46,412

39. Related Party Transaction

As per Ind AS 24 – Related Party Disclosure, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a) List of Related Parties & their relationship:-

Sr No	Name of the Related Party	Relationship
1	Lyka Labs Limited	Holding Company
2	Lyka Exports Limited Lyka Healthcare Limited BDR Pharmaceuticals International Private Limited	Associate Company Associate Company Associate Company
3	Mr N I Gandhi Mr Dharmesh Shah Arun Rao (Executive Director) Rajiv Malviya (Chief Financial Officer) Seema Sanei (Company Secretary)	Director Director Key Management Personnel (KMP) Key Management Personnel (KMP) Key Management Personnel (KMP)

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

b) List of Related Party transaction

Sr.No	Nature of Transaction	Relationship	Current Year	Previous Year
1	Purchases of Finished Goods	Lyka Labs Limited	18,56,59,856	18,84,52,486
2	Rent Paid	Lyka Labs Limited	34,01,162	28,75,000
3	Finance Charges	Lyka Labs Limited	4,25,354	12,11,102
4	Purchase of Sample	Lyka Labs Limited	18,026	92,523
5	Electricity Expenses	Lyka Labs Limited	4,44,579	5,26,982
6	Telephone Charges	Lyka Labs Limited	95,592	1,89,971
7	Bank Charges	Lyka Labs Limited	Nil	5,198
8	Excise Duty on Purchases	Lyka Labs Limited	Nil	93,982
9	Analytical Charges	Lyka Labs Limited	14,37,032	7,96,498
10	Registration Charges	Lyka Labs Limited	1,89,587	4,52,520
11	Travelling & Visa Expenses	Lyka Labs Limited	43,965	2,13,403
12	Freight Charges	Lyka Labs Limited	Nil	20,650
13	Misc Expenses	Lyka Labs Limited	269	1,414
14	Labour charges	Lyka Labs Limited	23,520	23,520
15	Legal & Professional Fees	Lyka Labs Limited	90,000	Nil
16	Salary paid	Lyka Labs Limited	9,00,000	Nil
17	Transport charges-Inward	Lyka Labs Limited	49,02,041	Nil
18	Claim of Expired Goods	Lyka Labs Limited	59,29,400	Nil
19	Purchase of Sample	Lyka Healthcare Ltd	1,96,000	1,51,164
20	Remuneration (Payments/ Provision)	Arun Rao	33,78,600	34,22,830
22	Remuneration (Payments/ Provision)	Rajiv Malviya	12,50,400	12,50,400
22	Remuneration (Payments/ Provision)	Seema Sanei	3,79,350	3,56,443
23	Loan Received	N I Gandhi	Nil	2,00,000
24	Loan Repaid	N I Gandhi	2,00,000	Nil
	Balance for the year ended:			
	Account Head	Related Party	As on 31st March 2019	As on 31st March 2018
1	Borrowings- Loan Received	N I Gandhi	Nil	2,00,000
2	Trade Payables	Lyka Labs Limited	6,08,68,992(Cr)	5,09,69,624(Cr)
		BDR Pharmaceuticals International Private Limited	3,14,723(Cr)	3,14,723(Cr)
3	Other Financial Liabilities	Lyka Healthcare Limited	3,47,164(Cr)	3,14,723(Cr)
		Arun Rao	12,17,117 (Cr)	1,51,164(Cr)
		Rajiv Malviya	6,56,008 (Cr)	3,43,118 (Cr)
		Seema Sanei	38,070 (Cr)	1,44,592 (Cr)
4	Other Current Liabilities	Lyka Exports Ltd	37,66,457(Cr)	37,66,457(Cr)

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

40. Segmental Reporting :-

Segment Information for primary segment reporting (By geographical segments)

Based on the guiding principles given in Ind AS 108 on Operating Segments , primary segment of the company is geographical segment, which comprises of Domestic and Export sales. The company operates in only one business segment- pharmaceutical products. There is no secondary segment.

The company has a customer base within and outside India: In the opinion of the Management, Current Assets have values at equal to the amount shown in the Balance Sheet, if realized in ordinary course of business. The provisions for depreciation and all known liabilities are not in excess of the amount reasonably considered to be necessary.

41. Additional Information to Notes to Accounts:

(I) OPENING STOCK OF TRADING GOODS :

	ITEM NAME	UNIT	Current year		Previous Year	
			Qty (In '000')	Value (In Lacs)	Qty (In '000')	Value (In Lacs)
A	Tablets	Nos.	255.63	4.28	293.80	7.88
B	Capsules	Nos.	Nil	Nil	515.20	4.05
C	Injections	Nos.	504.54	134.76	107.10	36.45
D	Ointment /Lotion	Kgs	Nil	Nil	0.00	0.00
E	Syrups	Ltrs	Nil	Nil	9.00	1.98
F	Powders	Kgs	21.00	5.04	Nil	Nil
	Total			144.08		50.36

(II) TURNOVER UNIT :

	ITEM NAME	UNIT	Current Year		Previous Year	
			Qty (In '000')	Value (In Lacs)	Qty (In '000')	Value (In Lacs)
A	Tablets	Nos.	3,736.25	256.84	18,782.70	207.03
B	Capsules	Nos.	Nil	Nil	515.20	4.05
C	Injections	Nos.	5,979.22	2,135.28	5,316.93	2,028.85
D	Ointment /Lotion	Kgs	575.66	165.20	608.10	87.86
E	Syrups	Ltrs	25.00	5.89	9.00	1.98
F	Powders	Kgs	10.34	193.83	25.58	146.09
G	Creams	Nos	728.09	94.08	597.37	75.14
	Total			2,851.12		2,551.00

III) PURCHASE OF TRADING GOODS :

	ITEM NAME	UNIT	Current Year		Previous Year	
			Qty (In '000')	Value (In Lacs)	Qty (In '000')	Value (In Lacs)
A	Tablets	Nos.	3,470.91	169.47	18,744.54	156.46
B	Capsules	Nos.	Nil	Nil	Nil	Nil
C	Injections	Nos.	5,793.50	1,451.93	5,714.37	1,740.94
D	Ointment /Lotion	Kgs	575.66	124.06	608.10	49.40
E	Syrups	Ltrs	25.00	4.66	Nil	Nil
F	Powders	Kgs	10.31	100.03	25.60	153.01
G	Creams	Kgs	728.09	60.65	597.37	46.28
	Total			1,910.80		2,146.09

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

(IV) CLOSING STOCK OF TRADING GOODS :

	ITEM NAME	UNIT	Current Year		Previous Year	
			Qty (In '000')	Value (In Lacs)	Qty (In '000')	Value (In Lacs)
A	Tablets	Nos.	20.00	0.12	255.63	4.28
B	Capsules	Nos.	Nil	Nil	Nil	Nil
C	Injections	Nos.	318.82	63.63	504.54	136.47
D	Ointment /Lotion	Kgs	Nil	Nil	Nil	Nil
E	Syrups	Ltrs	Nil	Nil	Nil	Nil
F	Powders	Kgs	Nil	Nil	21.00	5.04
G	Creams	Kgs	Nil	Nil	Nil	Nil
	Total			63.75		144.08

42. DISCLOSURES ON FINANCIAL INSTRUMENTS

A. Financial Instruments by category :-

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March 2019

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortized Cost	Total Carrying Amount
<u>Financial Assets</u>				
Other Financial Assets			3,02,28,378	3,02,28,378
Trade Receivables			8,48,13,412	8,48,13,412
Total	-	-	11,50,41,790	11,50,41,790
<u>Financial Liabilities</u>				
Other Financial Liabilities			3,98,61,595	3,98,61,595
Borrowings			3,26,85,775	3,26,85,775
Trade Payable			6,89,45,137	6,89,45,137
Total	-	-	14,14,92,507	14,14,92,507

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March 2018.

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortized Cost	Total Carrying Amount
<u>Financial Assets</u>				
Other Financial Assets			6,29,27,578	6,29,27,578
Trade Receivables			9,43,22,511	9,43,22,511
Total	-	-	15,72,50,089	15,72,50,089
<u>Financial Liabilities</u>				
Other Financial Liabilities			3,60,78,792	3,60,78,792
Borrowings			8,97,64,442	8,97,64,442
Trade Payable			7,24,06,847	7,24,06,847
Total	-	-	19,82,50,081	19,82,50,081

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B. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

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.

As the company does not have any assets/liabilities for which fair value measurement is carried out, accordingly disclosure with respect to fair value hierarchy is not given.

C. Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments

- I. The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- II. The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

D. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risks mainly include borrowings, deposits and investments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. Policy also includes mandatory initial hedging requirements for exposure above a threshold.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and other income/expenses in foreign currency, primarily with respect to USD.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:

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Particulars of unhedged foreign currency exposure and Derivatives (Outstanding) as at Balance Sheet date:

Particulars	Currency	As on 31st March, 2019	As on 31st March, 2018
Trade Receivable	USD	7,48,67,005	10,71,70,875
Trade Payable	USD	4,75,21,800	94,32,634
Net		2,73,25,205	9,77,38,241
Forward Contracts to Sell (Hedge of Receivables)	USD	-	-
Net Exposure		2,73,25,205	9,77,38,241

The Company's exposure to foreign currency changes from all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant

(in Rupees)

Impact on profit before tax	Currency	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INR/USD - Increase by 5%	USD	1,06,89,182	1,03,26,109
INR/USD - Decrease by 5%	USD	(1,06,89,182)	(1,03,26,109)

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations and investments in debt instruments including debt mutual fund.

Interest rate sensitivity

The below table demonstrate the sensitivity of the company's profit before tax to a reasonable possible change in interest rate with all other variables being constant.

(in Rupees)

Particulars		Change in interest rate	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest expense	Increase	100 basis point	53,544	71,250
	Decrease	100 basis point	(53,544)	(71,250)

E. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

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Trade Receivable

Customer credit risk is managed by SCM team subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of bank deposits and cash credit facilities. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments

Particulars	Year	< 1 year	More than 1 year	Total
Financial Liabilities				
Trade Payables	31st March 2019	6,89,45,137	-	6,89,45,137
	31st March 2018	7,72,06,847	-	7,72,06,847
Borrowings	31st March 2019	3,26,85,775	-	3,26,85,775
	31st March 2018	8,97,64,442	-	8,97,64,442
Other Financial Liabilities	31st March 2019	3,98,61,595	-	3,98,61,595
	31st March 2018	3,60,78,792	-	3,60,78,792

F. Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Company believes that there is no such excessive risk concentration.

43. Capital Management

The Company's objective when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholders expectations. The policy of the company is to borrow through banks supported by committed borrowing facility to meet anticipated funding requirements.

Lyka BDR International Limited
Notes forming part of Ind AS Financial Statements

The capital structure is governed by policies approved by the Board of Directors.

The following table summarises the capital of the Company.

Particulars	As at March 31, 2019	As at March 31, 2018
Short Term Debt (Including Current Maturities of long-term loan)	3,26,85,775	8,97,64,442
Long Term Debt	-	-
Trade Payables	6,89,45,137	7,24,06,847
Less: Cash and Cash Equivalents	1,41,49,375	1,85,96,282
Net Debt	8,74,81,537	14,35,75,008
Equity	(3,38,91,693)	(77,14,541)
Capital and net Debt	5,35,89,844	13,58,60,467
Net Debt to Capital Ratio (Debt/ Equity plus debt)	1.63	1.06

44. Capitalisation for expenses related to Registration Right :

The Management of the Company had considered capitalization of expenses of Rs 1,44 86,922/- in the previous year towards pending registrations and the same has been shown as Intangible under development (Refer note -5). During the year, seven registrations were received and the expenses capitalized towards the same was Rs 9,30,353/-. The balance of Rs 1,35,56,569/- shall be capitalized during the year when the certificate for the same is received.

45. Previous year's figures are reclassified/ regrouped, wherever necessary.

For M S P & CO

Chartered Accountants

FR No:- 107565W

Sd/-

M S Parikh

Partner

MEM No. 08684

For and on behalf of Board of Directors

Sd/-

N.I. Gandhi, Director

DIN : 00021530

Sd/-

Arun Rao, Executive Director

DIN : 02346252

Sd/-

Rajiv Malviya , Chief Financial Officer

Sd/-

Seema Sanei , Company Secretary