



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Lyka Exports Limited

Report on the Standalone Financial Statements

**Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31st March, 2020, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Basis of Opinion**

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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be disclosed.

**Information Other than the financial Statements and Auditor's Report thereon**

The Company's management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.





## D. KOTHARY & CO. Chartered Accountants

- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 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"; and
- (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:
- The Company does not have any pending litigations which has impact on its financial position in its financial statements.
  - The Company did not have any on long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2020.

For D. Kothary & Co  
Chartered Accountants  
Firm Regn No. 105335W

  
Mehul N. Patel  
(Partner)  
Membership No. 132650  
UDIN: 20132650AAAACG4625



Place: Mumbai  
Date: 10th June 2020



**Annexure A to Independent Auditors' Report**

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Property, plant & Equipment:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment on the basis of available information.
  - b) As explained to us, all the property, plant & equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us, the title deeds of immovable properties including leasehold land, as disclosed in Note 3 on property, plant and equipment to the Financial Statements, are held in the name of the Company.
- ii. In our opinion and according to the information and explanations given to us, there are no inventory held by the company during the year.
- iii. The Company has not granted any Secured or unsecured loans to Companies, Firms, LLP or Other Parties, covered in the register maintained under section 189 of the Companies Act, 2013, therefore, the said Provision is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from Public.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act, in respect of the activities rendered by the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) Undisputed statutory dues in respect of sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been generally regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of Income-tax, Custom Duty, GST, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2020, for a period of more than six months from the date they became payable.
  - b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.





## D. KOTHARY & CO. Chartered Accountants

- viii. According to the information and explanations given to us, the Company has no default in repayment of loans or borrowings from financial institutions, Banks, Government and due to debenture holders.
- ix. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 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 course of our audit.
- xi. The Company has not paid/provided for managerial remuneration in the books of accounts in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the said clause is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D. Kothary & Co  
Chartered Accountants  
Firm Regn No. 105335W

  
Mehul N. Patel  
(Partner)  
Membership No. 132650  
UDIN: 20132650AAAACG4625



Place: Mumbai  
Date: 10<sup>th</sup> June 2020



**Annexure - B to the Auditors' Report**

To the Members of  
Lyka Exports 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 Exports Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone 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 ('ICAI'). 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 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.





### 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 31 March 2020, 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.

For D. Kothary & Co  
Chartered Accountants  
(Firm Registration No. 105335W)

  
Mehul N. Patel  
Partner

Membership No. 132650  
UDIN: 20132650AAAACG4625



Place: Mumbai  
Date: 10<sup>th</sup> June 2020



**LYKA EXPORTS LTD**  
**Balance Sheet as at 31st March, 2020**

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	1,01,07,071	59,08,066
(b) Capital Work- In- Progress	1	-	-
(c) Intangible assets	2	2,02,96,377	2,13,91,092
(d) Intangible assets under development	2	-	-
(e) Financial Assets			
(i) Investments	3	89,360	1,08,214
(ii) Loan	4	43,82,850	6,81,65,620
(ii) Other Financial Assets	5	38,11,457	41,82,337
(f) Other Non Current Assets	6	2,86,18,626	2,84,37,626
(g) Non Current Tax Assets	7	74,02,015	69,27,704
(h) Deferred tax assets(net)	8	(27,46,059)	(21,50,461)
		<b>7,19,61,697</b>	<b>13,29,70,198</b>
<b>Current Assets</b>			
(a) Inventories	9	-	-
(b) Financial Assets			
(i) Investments	3	-	-
(ii) Trade Receivables	10	24,32,005	8,28,641
(iii) Cash and Cash Equivalents	11	2,45,845	3,23,976
(iv) Loans	12	1,69,124	-
(v) Other Financial Assets	13	-	-
(c) Other Current Assets	14	1,71,338	27,76,649
(d) Current tax Assets	15	4,37,825	3,21,047
		<b>34,56,137</b>	<b>42,50,313</b>
<b>Total Assets</b>		<b>7,54,17,834</b>	<b>13,72,20,511</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	16	7,39,54,240	7,39,54,240
(b) Other Equity	17	(4,10,29,448)	1,66,60,811
		<b>3,29,24,792</b>	<b>9,06,15,051</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	40,62,772	11,87,192
(ii) Other Financial Liabilities	19	82,61,867	1,33,61,867
(b) Provisions	20	65,71,896	65,71,896
(c) Other Non Current Liabilities		-	-
		<b>1,88,96,535</b>	<b>2,11,20,955</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	32,54,404	27,26,161
(ii) Trade Payable	22	1,66,70,097	1,71,56,410
(iii) Other Financial Liabilities	23	36,72,003	28,41,248
(b) Other Current Liabilities	24	-	27,60,683
(c) Provisions	25	-	-
		<b>2,35,96,505</b>	<b>2,54,84,501</b>
<b>Total Equity and Liabilities</b>		<b>7,54,17,834</b>	<b>13,72,20,511</b>

See accompanying notes to the financial statements

In terms of our report of even date,

**For D. Kothary & Co.**

Chartered Accountants

Reg No : 105335W

Mehar N. Patel

Partner

Reg No : 132650

Place : Mumbai

Date : 10/06/2020



For and on behalf of the Board

(Kunal N. Gandhi)

Director

DIN : 01516156

(Vinod S. Shanbaug)

Director

DIN : 00555709

(Miti Shah)

Company Secretary

**LYKA EXPORTS LTD**

**Audited Statement of Profit and Loss for the year ended 31st March, 2020**

Particulars	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>INCOME</b>			
Income from Operations	26	16,86,37,720	10,33,28,870
Other Operating Income	26	94,27,080	63,72,207
		<b>17,80,64,800</b>	<b>10,97,01,077</b>
Other Income	27	3,67,954	7,13,078
<b>Total Income</b>		<b>17,84,32,754</b>	<b>11,04,14,155</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	-	-
Purchases of Stock-in-Trade		16,05,69,900	10,59,11,001
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	29	-	-
Excise Duty		-	-
Employee Benefits Expense	30	43,70,059	27,54,281
Finance Costs	31	9,15,445	7,38,759
Depreciation and Amortization Expense	3 & 4	20,85,781	12,27,898
Other Expenses	32	6,75,67,379	1,01,90,069
<b>Total Expenses</b>		<b>23,55,08,563</b>	<b>12,08,22,009</b>
<b>(Loss) before Exceptional items</b>		<b>(5,70,75,809)</b>	<b>(1,04,07,854)</b>
Exceptional items		-	-
<b>(Loss) before tax</b>		<b>(5,70,75,809)</b>	<b>(1,04,07,854)</b>
<b>Prior Period Adjustments (Net)</b>			
<b>Tax Expense:</b>			
Deferred Tax		5,95,596	21,28,992
Previous years Tax Adjustments			(48,98,986)
<b>Profit/(Loss) for the year</b>		<b>(5,76,71,405)</b>	<b>(76,37,860)</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to Profit or Loss</b>			
(a) Remeasurement of the defined benefit plan			
(b) Gains and losses from investments in equity instruments measured at fair value through OCI.		(18,854)	18,526
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans (net of tax)		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>(5,76,90,259)</b>	<b>(76,19,334)</b>
<b>Earnings per share (of Rs. 10 /- each):</b>			
Basic / Diluted		(7.80)	(1.03)

See accompanying notes to the financial statements

In terms of our report of even date,  
For D. Kothary & Co.  
Chartered Accountants  
Reg No : 05335W

Mehul N. Patel  
Partner  
Reg No : 132650  
Place : Mumbai  
Date : 10/06/2020



For and on behalf of the Board

(Kunal N. Gandhi)  
Director  
DIN : 01516156

(Vinod S. Shanbaug)  
Director  
DIN : 00555709

M. H. Shah  
(Miti Shah)  
Company Secretary

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

(₹ in lakh)

## A. Equity Share Capital (Refer note 16)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	73,95,424	7,39,54,240	73,95,424	7,39,54,240
Changes in equity share capital during the year	-	-	-	-
Balance at the end of reporting year	73,95,424	7,39,54,240	73,95,424	7,39,54,240

## B. Other Equity (Refer note 17)

Particulars	Reserves and surplus		Items of Other Comprehensive Income	Total
	Retained Earnings	Securities Premium Account	Fair Value of Investments	
Balance as at 31st March, 2019	(8,97,53,861)	10,63,66,660	48,012	1,66,60,811
Profit/(Loss) for the year	(5,76,71,405)	-	(18,854)	(5,76,90,259)
Add/(Less) : On Issue/Sale of Equity Shares	-	-	-	-
Other Comprehensive Income for the year, net of income tax	-	-	-	-
Balance as at 31st March, 2020	(14,74,25,266)	10,63,66,660	29,158	(4,10,29,448)

**LYKA EXPORTS LTD**

**Notes Forming Part of Financial Statements**

**1 Property Plant and Equipment**

Carrying amounts of :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Land	-	-
Buildings	94,004	96,533
Plant and Machinery	22,173	32,250
Computers	-	-
Vehicles	99,90,894	57,79,283
Furnitures and Fixtures	-	-
Office Equipments	-	-

Particulars	Land	Buildings	Plant and Machinery	Computers	Vehicles	Furnitures and Fixtures	Office Equipments	Total
Gross Block (Cost or Deemed Cost) :								
Balance at 31st March, 2019	-	1,60,050	1,59,188	16,89,938	58,92,437	6,08,551	6,08,427	91,18,591
Additions	-	-	-	-	51,90,090	-	-	51,90,090
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 31st Mar, 2020</b>	<b>-</b>	<b>1,60,050</b>	<b>1,59,188</b>	<b>16,89,938</b>	<b>1,10,82,527</b>	<b>6,08,551</b>	<b>6,08,427</b>	<b>1,43,08,681</b>
Accumulated Depreciation and Impairment :								
Balance at 31st March, 2019	-	63,517	1,26,938	16,89,938	1,13,154	6,08,551	6,08,427	32,10,525
Depreciation for the year	-	2,529	10,077	-	9,78,479	-	-	9,91,085
Disposals	-	-	-	-	-	-	-	-
<b>Balance at 31st Mar, 2020</b>	<b>-</b>	<b>66,046</b>	<b>1,37,015</b>	<b>16,89,938</b>	<b>10,91,633</b>	<b>6,08,551</b>	<b>6,08,427</b>	<b>42,01,610</b>
Carrying amounts of :								
Balance at 31st March, 2019	-	96,533	32,250	-	57,79,283	-	-	59,08,066
<b>Balance at 31st Mar, 2020</b>	<b>-</b>	<b>94,004</b>	<b>22,173</b>	<b>-</b>	<b>99,90,894</b>	<b>-</b>	<b>-</b>	<b>1,01,07,071</b>

**LYKA EXPORTS LTD**

**Notes Forming Part of Financial Statements**

**2 Intangible Assets**

Carrying amounts of :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trademark	2,02,96,377	2,13,91,092

Particulars	Trademark
Gross Block (Cost or Deemed Cost) :	
Balance at 31st March, 2019	2,38,50,000
Additions	-
Disposals	-
<b>Balance at 31st Mar, 2020</b>	<b>2,38,50,000</b>
Accumulated Amortisation and Impairment :	
Balance at 31st March, 2019	24,58,908
Amortisation for the year	10,94,715
<b>Balance at 31st Mar, 2020</b>	<b>35,53,623</b>
Carrying amounts of :	
Balance at 31st March, 2019	2,13,91,092
<b>Balance at 31st Mar, 2020</b>	<b>2,02,96,377</b>

**LYKA EXPORTS LTD****Notes to the Financial Statements for the year ended March 31st, 2020****3 Non-Current Investments**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares/units	Amount	No of Shares/units	Amount
<b>Investments :</b>				
<b>(a) Investments in Equity Shares (Unquoted) (At cost):</b>				
(i) Equity Shares of Rs. 100 each fully paid up in Janata Sahakari Bank Ltd	10	1,000	10	1,000
<b>(a) Investments in Equity Shares (Quoted) (At cost):</b>				
(i) Equity Shares of Rs. 10 each fully paid up in Paramount Prtg Press P.Ltd (10000 Eq.Shs of Rs /-)	10,000	8,200	10,000	8,200
(i) Equity Shares of Rs. 10 each fully paid up in Themis Medicare Ltd-Shares Transactions A/c	334	80,160	334	99,014
	<b>10,344</b>	<b>89,360</b>	<b>10,344</b>	<b>1,08,214</b>

LYKA EXPORTS LTD

Notes to the Financial Statements for the year ended March 31st, 2020

4 Non-current Loans

Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans and Advances to Others	43,82,850	6,81,65,620
<b>Total</b>	<b>43,82,850</b>	<b>6,81,65,620</b>

5 Other Non-current Financial Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Security Deposit	45,000	2,45,000
Advance to related party	-	1,70,880
Interest Receivable from Related party	37,66,457	37,66,457
<b>Total</b>	<b>38,11,457</b>	<b>41,82,337</b>

6 Other Non-Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Capital Advances	2,84,37,626	2,84,37,626
Balance with Government Authorities	1,81,000	
Others		
<b>Total</b>	<b>2,86,18,626</b>	<b>2,84,37,626</b>

7 Non-Current Tax Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax and Tax deducted at source	74,02,015	69,27,704
<b>Total</b>	<b>74,02,015</b>	<b>69,27,704</b>

8 Deferred Tax Assets (net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets	32,999	32,999
Less: Deferred Tax Liabilities	(27,79,058)	(21,83,460)
<b>Total</b>	<b>(27,46,059)</b>	<b>(21,50,461)</b>

Deferred Tax Assets/(Liabilities) in relation to:	FY 2019-20			FY 2018-19		
	Opening Balance	Recognised in Profit or Loss	Closing Balance	Opening Balance	Recognised in Profit or Loss	Closing Balance
Fair Value Adjustments	-	-	-	-	-	-
ECL Provisions	32,999	-	32,999	1,55,777	(1,22,778)	32,999
Property, Plant and Equipment	(21,83,462)	(5,95,596)	(27,79,058)	(1,68,963)	(20,14,499)	(21,83,462)
<b>Total</b>	<b>(21,50,463)</b>	<b>(5,95,596)</b>	<b>(27,46,059)</b>	<b>(13,186)</b>	<b>(21,37,277)</b>	<b>(21,50,463)</b>

9 Inventories

Particulars	As at 31st March, 2020	As at 31st March, 2019
Raw Materials	-	-
Packing Material	-	-
Work-in-Progress	-	-
Finished Goods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

LYKA EXPORTS LTD

Notes to the Financial Statements for the year ended March 31st, 2020

10 Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured)		
Considered Good	24,32,005	8,28,641
Considered Doubtful	-	-
Less: Provision for Expected Credit Loss	-	-
<b>Total</b>	<b>24,32,005</b>	<b>8,28,641</b>

11 Cash and Cash Equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(A) Cash and Cash Equivalents</b>		
Balances with Banks	2,43,945	3,18,703
Cash on hand	1,900	273
<b>(B) Bank Balances other than Cash and Cash Equivalents</b>		
Deposits with Banks held as margin money	-	5,000
<b>Total</b>	<b>2,45,845</b>	<b>3,23,976</b>

12 Current Loans

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(Unsecured, considered good)</b>		
Loan to Employees	1,69,124	-
Loan to Related Party	-	-
Loan to Others	-	-
<b>Total</b>	<b>1,69,124</b>	<b>-</b>

13 Other Current Financial Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(Unsecured, considered good)</b>		
Deposits	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

14 Other Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Advances	-	27,68,996
Prepaid Expenses	1,71,338	7,653
Balance with Government Authorities	-	-
<b>Total</b>	<b>1,71,338</b>	<b>27,76,649</b>

15 Current Tax Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax Paid	50,000	-
TDS and TCS Receivable	3,87,825	3,21,047
<b>Total</b>	<b>4,37,825</b>	<b>3,21,047</b>



## 16 Share Capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount (In Rs.)	Number of shares	Amount (In Rs.)
Authorised Equity Shares of Rs. 10/- each	90,00,000	9,00,00,000	90,00,000	9,00,00,000
	90,00,000	9,00,00,000	90,00,000	9,00,00,000
Issued, Subscribed and Fully Paid Equity Shares of Rs. 10/- each	73,95,424	7,39,54,240	73,95,424	7,39,54,240
<b>Total</b>	<b>73,95,424</b>	<b>7,39,54,240</b>	<b>73,95,424</b>	<b>7,39,54,240</b>

## 16.1 Rights, preferences and restriction attached to equity shares :

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

## 16.2 Reconciliation of number of shares outstanding as at the beginning and end of the year

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Equity Shares	Equity Shares
Balance as at the beginning of the Year	73,95,424	73,95,424
Add : Issued during the Year	-	-
<b>Balance as at the end of the Year</b>	<b>73,95,424</b>	<b>73,95,424</b>

## 16.3 Details of Shares held by the Shareholders holding more than 5% shares in the Company

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No of Shares held	% of Shares	No of Shares held	% of Shares
Equity Shares of Rs. 10/- each				
Lyka Labs Limited	53,83,636	72.80%	53,83,636	72.80%
Enai Trading & Investment Pvt. Ltd.	3,85,600	5.21%	3,85,600	5.21%
M.J.Desai	4,36,800	5.91%	4,36,800	5.91%
P.C.Shah	4,36,800	5.91%	4,36,800	5.91%

## 17 Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium Account	10,63,66,660	10,63,66,660
Retained Earning	(14,74,25,266)	(8,97,05,849)
<b>Total</b>	<b>(4,10,58,606)</b>	<b>1,66,60,811</b>

## Nature of Reserves:

## Securities Premium

Securities Premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**LYKA EXPORTS LTD**

**Notes to the Financial Statements for the year ended March 31st, 2020**

**18 Non Current Borrowings**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Secured Loan:</b>		
Vehicle Loan		-
Finance Lease Obligations	40,62,772	11,87,192
<b>Unsecured Loan:</b>		
Inter Corporated Debts		
<b>Total</b>	<b>40,62,772</b>	<b>11,87,192</b>

18.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows :  
(Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 18.2)

**19 Other Non-current Financial Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Security Deposit	51,00,000	1,02,00,000
Interest accrued and due on borrowings	31,61,867	31,61,867
<b>Total</b>	<b>82,61,867</b>	<b>1,33,61,867</b>

**20 Non Current Provisions**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Taxation	65,71,896	65,71,896
<b>Employee Benefits:</b>		
Provision for Leave Encashment	-	-
Provision for Gratuity	-	-
<b>Total</b>	<b>65,71,896</b>	<b>65,71,896</b>

**21 Current Borrowings**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Secured Loans</b>		
<b>From Bank</b>		
Loans repayable on demand	-	-
<b>Unsecured</b>		
Loans and Advances from related parties	30,64,404	27,26,161
Inter Corporate Deposits	1,90,000	-
Short Term Loans	-	-
<b>Total</b>	<b>32,54,404</b>	<b>27,26,161</b>

Details of terms of repayment in respect of Short -Term Borrowings:

21.1 Interest on Loans from related parties is 12 % ( simple Interest ).

21.2 Interest on Inter Corporate Deposits is 12% ( simple interest ).

21.3 Interest on Short Term Loans ranges between 12% and 15%

**22 Trade Payables**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	-	1,51,696
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,66,70,097	1,70,04,714
<b>Total</b>	<b>1,66,70,097</b>	<b>1,71,56,410</b>

**22.1 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 as per the records of the Company.**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	1,51,696
Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount	-	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

**23 Other Current Financial Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Maturities of Long-Term Debt		
(iii) Finance Lease Obligations	21,12,182	22,27,044
Employee dues	15,59,821	6,14,204
<b>Total</b>	<b>36,72,003</b>	<b>28,41,248</b>

**24 Other Current Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Payables		
(i) Statutory dues	-	15,05,065
(ii) Advance from Customers	-	12,51,418
(ii) Other Liability	-	4,200
<b>Total</b>	<b>-</b>	<b>27,60,683</b>

**25 Current Provisions**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Employee Benefits:</b>		
Provision for Bonus	-	-
Provision for Gratuity	-	-
Provision for Leave Encashment	-	-
Provision for Superannuation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**LYKA EXPORTS LTD**

**Notes to the Financial Statements for the year ended March 31st, 2020**

**26 Revenue From Operations**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of products	16,86,37,720	10,33,28,870
<b>Total</b>	<b>16,86,37,720</b>	<b>10,33,28,870</b>

**26.2 Other Operating Revenue**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Commission	94,27,080	63,72,207
<b>Total</b>	<b>94,27,080</b>	<b>63,72,207</b>

**27 Other Income**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Income	3,67,954	4,68,716
Other Income	-	2,44,362
<b>Total</b>	<b>3,67,954</b>	<b>7,13,078</b>

**27.1 Interest Income**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(i) Interest from banks on deposits (CY 9,968)	-	-
(ii) Other interest	3,67,954	4,68,657
<b>Total</b>	<b>3,67,954</b>	<b>4,68,657</b>

**28 Cost of material consumed**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening stock of raw material and packing material	-	-
Add: Purchases	-	-
Less: Closing stock of raw material and packing material	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**29 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<u>As at the beginning of the year:</u>		
Finished Goods	-	-
Work-in-Progress	-	-
<b>Total Opening Stock (a)</b>	<b>-</b>	<b>-</b>
<u>As at the end of the year:</u>		
Finished Goods	-	-
Work-in-Progress	-	-
<b>Total Closing Stock (b)</b>	<b>-</b>	<b>-</b>
<b>Net decrease in Finished Goods, work-in-progress and stock in trade(a)-(b)</b>	<b>-</b>	<b>-</b>

**LYKA EXPORTS LTD**

**Notes to the Financial Statements for the year ended March 31st, 2020**

**30 Employee Benefit Expenses**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and Wages	42,64,840	27,37,806
Contribution to Provident and Other Funds		
a) Provident / ESI Fund	16,281	16,475
b) Superannuation Fund	-	-
Provision for Gratuity	-	-
Provision for Leave Encashment	-	-
Staff Welfare Expenses	88,938	-
<b>Total</b>	<b>43,70,059</b>	<b>27,54,281</b>

**31 Finance Costs**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest Expenses on :		
Bank Charges	2,005	3,540
Interest Expenses on Vehicle Loan & other loan	9,13,440	7,35,220
<b>Total</b>	<b>9,15,445</b>	<b>7,38,759</b>

**32 Other Expenses**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Advertisement and Sales Promotion	24,34,994	16,30,500
Doubtful Advances	5,78,16,829	-
Insurance	1,62,342	1,549
Legal and Professional Charges	38,34,732	21,85,379
Loss on Sale of Investment	-	6,32,916
Miscellaneous Expenses	18,00,838	32,71,998
Payments to Auditors (Refer Note No.52)	2,00,000	2,00,000
Rent including Lease Rentals	4,50,000	16,35,323
Repairs and Maintenance - Others	60,372	1,00,500
Travelling and Conveyance	8,07,271	5,31,903
<b>Total</b>	<b>6,75,67,379</b>	<b>1,01,90,069</b>

33. **Contingent Liability:**

Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. -- Nil -- (Previous period Rs. -- Nil --) net of advances.

34. Trade Receivables, Trade Payables and Loans & Advances are subject to confirmation and consequential adjustments, if any, on reconciliation of the accounts.

35. In the opinion of the Management, Current Assets and Loans & Advances have values at least equal to the amount shown in the Balance Sheet, if realized in the ordinary course of business. The provisions for depreciation and all the known liabilities are not in excess of the amount reasonably considered to be necessary.

36. As per Ind AS 24, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

a. **List of related parties and their relationship:**

Name of Related Party	Relationship
Lyka Labs Ltd.	Holding Company
Lyka Animal Healthcare Ltd.	Associate
Lyka BDR International Ltd.	Associate 1
Lyka Healthcare Ltd.	Associate 2
J.B.Singh	KMP 1
N. I. Gandhi	KMP 2
Kunal N. Gandhi	KMP 3
Nehal N. Gandhi	Relative of KMP 2
Alisha K. Gandhi	Relative of KMP 3
Enai Trading and Investment Private Limited	Entities owned by/ over which KMP is able to exercise control
N.I. Gandhi HUF	Relative of KMP 4

b. **Related party Transactions:**

Amount (in Rs.)

Related Party	Nature of Transactions	FY 19-20	FY 18-19
Lyka Labs Ltd.	Rent Expenses reimbursed	3,00,000	3,00,000
	Reimbursement of Expenses	-80,361	4,22,808
	Amount received (Net)	13,98,000	-
	Amount Paid (Net)	-52,24,583	87,97,000
Lyka Animal Healthcare Ltd.	Amount received (Net)	1,94,834	-
Lyka Healthcare Ltd.	Amount Paid (Net)	20,000	-
	Amount received (Net)	20,000	1,50,000
J.B.Singh	Sale of Investment	-	2,50,000
	Consultancy Fees	2,69,446	-
N. I. Gandhi	Loan Taken	2,00,000	-
	Loan repayment	2,00,000	2,50,000
	Interest Payable	7,160	-
Kunal N. Gandhi	Loan Taken	3,50,000	23,19,591
	Loan repayment	1,40,000	10,90,758

## **A.1 CORPORATE INFORMATION**

“Lyka Exports Limited” is unlisted entity incorporated and domiciled in India. 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 pharmaceutical products.

## **B. SIGNIFICANT ACCOUNTING POLICIES**

### **B1 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).

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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, 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.

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

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized 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 realization into cash and cash equivalents.



## B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Property, Plant and Equipment:

Property, Plant and Equipment are recorded at their cost of acquisition, 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 recognized is derecognized 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 derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognized 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 "Straight Line 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 depreciation 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

### 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 recognized is derecognized 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 derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Asset recognized 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 depreciation 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

**c) Inventories:**

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

Inventories are valued at lower of cost, determined based on weighted average, or net realizable 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 recognized 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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**e) Provisions**

Provisions are recognized 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 recognized 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 recognized 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.

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 recognized immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognized immediately in the Statement of Profit or Loss.

**g) Revenue Recognition:**

Sales are net of discount and Sales Tax. Revenue is recognized on dispatch of goods, and significant risk, reward and ownership of products is transferred to customers.

**h) 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.

**i) Taxes on Income:**

**Current Tax:**

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

Current income tax relating to items recognized directly in equity is recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized 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

**j) 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 recognized 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 Amortized 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 Amortized Cost (AC):**

A financial asset is measured at the amortized 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.

**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 amortized 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 recognizing 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 derecognized (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 amortized 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 realized 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 recognized 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 analyzed.

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 recognizing impairment loss allowance based on 12-month ECL.

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 recognized 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 and financial guarantee contracts.

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 amortized 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 date to the short maturity of these instruments.

**LYKA EXPORTS LIMITED**

**Significant Accounting Policies for the year ended 31<sup>st</sup> March 2020**

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 recognized amounts and there is an intention to settle on a net basis, to realize 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.

**k) 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.



	Interest given	3,68,048	1,62,775
	Interest Paid	1,54,153	-
	Sale of Investment	-	10,63,624
Nehal N. Gandhi	Loan Taken	2,00,000	-
Nehal N. Gandhi	Interest paid	16,156	-
Alisha K. Gandhi	Salary	23,49,500	14,65,900
Alisha K. Gandhi	Reimbursement of Exp.	3,26,999	-
Nehal N. Gandhi	Professional Fees	11,00,000	-

c. Balance Outstanding of related parties:

Amount (in Rs.)

Financial Head	Related Party	FY 19-20	FY 18-19
Financials Assets	Lyka BDR International Ltd.	37,66,457	37,66,457
Financials Assets	Lyka Healthcare Ltd.	2,84,37,626	2,84,37,626
Financials Liabilities	Kunal N. Gandhi	28,64,404	26,54,404
Financials Liabilities	Nehal N. Gandhi	2,00,000	-
Trade Payables	Alisha K. Gandhi	50,000	-
Trade Payables	Nehal N. Gandhi	5,53,434	1,387
Trade Payables	Kunal N. Gandhi	2,85,652	71,757
Trade Payables	Nehal N. Gandhi	16,156	-
Financials Liabilities	Lyka Labs Ltd.	1,53,74,660	1,53,76,438

37. Previous year's figures have been re-classified/re-grouped, wherever necessary.

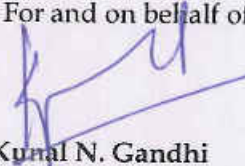
As per our attached report of even date  
For D. Kothary & Co.  
Chartered Accountants  
FRN :105335W



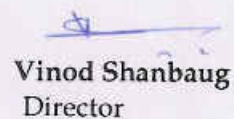
Mehul N. Patel  
(Partner)  
Membership No: 132650



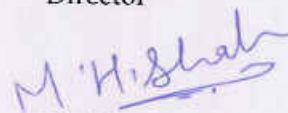
For and on behalf of the Board



Kunal N. Gandhi  
Director



Vinod Shanbaug  
Director



Miti Shah  
Company Secretary

Mumbai  
Date : 10<sup>th</sup> June 2020

Mumbai  
Date : 10<sup>th</sup> June 2020