



LYKIS LIMITED

Corporate Office: Grandeur Bldg., 4th Floor, Veera Desai Road, Opp Gundecha Symphony, Near Country Club, Andheri-West, Mumbai- 400 053.
Registered Office: 57B, C.R. Avenue, 1st Floor, Kolkata 700 012
Tel.: (+9122) 4069 4069 website: www.lykisgroup.com
CIN NO. L74999WB1984PLC038064

September 08, 2020

**To,
The Manager,
Department of Corporate Services,
BSE Limited,
P.J.Towers, Dalal Street,
Mumbai – 400 001.**

Scrip Code: 530689

Subject: Notice of Annual General Meeting and Annual Report for Financial Year 2019-20

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the following for the financial year 2019-20:

1. Notice of the Thirty Sixth Annual General Meeting to be held on Wednesday, September 30, 2020 at 11:30 A.M. IST through Video Conferencing or Other Audio Visual Means.
2. Annual Report for the Financial Year 2019-20

The aforesaid documents are being dispatched to all eligible shareholders and are also available on the website of the company www.lykis.in

Kindly acknowledge and take on record.

Yours Faithfully,

For Lykis Limited

ANUBHAV
SHRIVASTAVA
VA

Digitally signed by
ANUBHAV
SHRIVASTAVA
Date: 2020.09.08
18:03:40 +05'30'

**Anubhav Shrivastava
Company Secretary & Compliance Officer**



ANNUAL REPORT
2019-20

www.lykis.in



Lykis Limited is the fastest growing Home & Personal care Company in India. Lykis has a portfolio of 1000+ SKU product that stretches across the Beauty & Grooming segment, Homecare segment, Food & Beverages segment, Health & Wellbeing segment. These include an enviable portfolio of brand names such as Lykis, Cheers, Britex, Rox, Vogly, etc.

Lykis isn't just a name to us; it is an emotion. Since from its humble beginning with the object of managing tea plantation, manufacturing of quality tea and sale of tea in domestic market, now company has diversified its business and launched multiple products under various brands. For international segment, we have exported our products in more than 45 countries.

Lykis believes on honesty, integrity & fairness in all aspects of its business & expects the same in its relationship. We work to create a better future everyday & help *"People look good, feel good everyday with brands that are good for them"*.



PURE ASSAM TEA



**Rich Aroma &
Great Taste**



H & H™

him and her

PERFUMED BODY SPRAY





PREMIUM BODY OIL



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BRIEF PROFILE OF THE DIRECTORS

- 1 Mr. Vijay Kishanlal Kedia (DIN: 00230480)**

He joined the Board on 19th May, 2009. Mr Vijay Kedia is a Chairman – Non Executive Non Independent Director. He has completed his graduation in Bachelors of Commerce. He is an industrialist and has over 38 years of experience in financial and industrial matters. He is a member of Nomination & Remuneration Committee.
- 2 Mr. Prince Tulsian (DIN: 02691348)**

He joined the Board on 22nd December, 2009. Mr. Prince Tulsian is Managing Director. He has completed his graduation in Bachelors of Commerce. He has more than 20 years vast experience in tea plantation and production of good quality tea. He is a member of Audit Committee and Stakeholder Relationship Committee.
- 3 Mr. Nadir Umedali Dhrolia (DIN: 03303675)**

He joined the Board on 05th December, 2011. Mr. Nadir Dhrolia is Non-Executive, Non-Independent Director. He has completed his graduation in Bachelors of Commerce. He has more than 21 years of rich experience and expertise in the African markets. His contribution towards export business is of immense importance for the Company to grow in the industry. He is a member of Nomination & Remuneration Committee.
- 4 Mr. Mayank Jhunjunwala (DIN: 02695948)**

He joined the Board on 26th February, 2014. Mr. Mayan Jhunjunwala is Non-Executive, Independent Director. He is a Chartered Accountant and has completed his graduation in Bachelors of Commerce. He has over 13 years of experience in financial and industrial matters. He is a Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.
- 5 Ms. Jyoti Budhia (DIN: 00332044)**

She joined the Board on 31st March, 2015. Ms. Jyoti Budhia is Non-Executive, Independent Director. She has completed her graduation in Bachelors of Commerce. She has over 31 years of experience in financial and industrial matters. She is a Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.
- 6 Mr. Rajendra Singh Singhvi (DIN: 08322932)**

He joined the Board on January 08, 2019. He is Chartered Accountant. He has over 30 years of rich & post qualification experience in accounts & finance management, corporate planning (mergers & de-mergers/IPO management), financial restructuring, treasury functions, predominately in auto & telecom sectors. He was appointed as CFO or Head Finance of large Domestic & International organizations like Tata Autocomp (TACO), Automotive Stampings (ASAL), Dish TV India Ltd, Idea Cellular Limited, LG Electronics, Escorts Communications Limited, Usha Martin, Coates of India, JK Tornel (Mexico) & Quality Group (Tanzania).

CHAIRMAN'S MESSAGE

Dear Shareholders,

Let me begin by wishing you good health and safety in these troubled times. I sincerely hope you stay safe and protected.

My heart goes out to the families and friends of all those people whose lives have been impacted by the pandemic. I would also like to take this opportunity to show my immense gratitude to all our frontline heroes – police personnel, doctors, health workers and sanitation workers for their efforts in keeping us safe.

It has been a stable year where all the restructuring we talked about took shape. We have on boarded a new team leading the organization, with good experience and very motivated to instill corporate governance into the DNA of this Company. We are now out of the bad phase I spoke about in our last annual report and we shall soon see the Company we ones envisioned together.

In addition to that, we launched various new products last year and intend to launch some new interesting products this year as well with strong focus on our quality. Your Company is working very hard to create shareholders wealth.

The COVID 19 had an adverse impact on the working and performance of the Company as well. Going ahead there are challenges too and the management is taking steps to meet these challenges by designing effective and strong cost control measures.

I would like to take this opportunity to thank all our shareholders for their continued support and confidence in the Company, also thankful to the employees, my colleagues on the Board of Directors and all other stakeholders for their significant contribution to the Company.

Warm Regards,

Vijay Kedia

Chairman

DIN: 00230480

August 31, 2020

CORPORATE INFORMATION

The Board of Directors:

Mr. Vijay Kedia

Chairman and Non-Executive Director

Mr. Prince Tulsian

Managing Director

Mr. Nadir Dhrolia

Non-Executive Non Independent Director

Mr. Mayank Jhunjhunwala

Independent Director

Ms. Jyoti Budhia

Independent Director

Mr. Rajendra Singh Singhvi

Independent Director

Executive Officers:

Mr. Rajesh Tendolkar

Chief Executive Officer

Mr. Sunil Purohit

Chief Financial Officer

Ms. Neha Mankame

*Company Secretary & Compliance Officer
(Up to June 10, 2020)*

Mr. Anubhav Shrivastava

*Company Secretary & Compliance Officer
(with effect from June 10, 2020)*

Auditors:

M/s. Banshi Jain and Associates
Chartered Accountants
5th Floor, La Magasin,
S V Road, Above Roopkala Store,
Santacruz West - 400054

Bankers:

HDFC Bank
ICICI Bank

Registrar and Share Transfer Agent:

M/s. R & D Infotech Pvt. Ltd.
7A, Beltala Road, 1st Floor,
Kolkata- 700 026.
Phone no. 033-24192642.

Registered Office:

CIN: L74999WB1984PLC038064
57B, C. R. Avenue, 1st Floor,
Kolkata 700012
Phone no. 033-40045265.

Corporate Office:

Grandeur Building, 4th Floor,
Veera Desai Road, Opp. Gundecha Symphony,
Near Country Club, Andheri (West),
Mumbai- 400 053.
Phone No. 022-40694069.
www.lykis.in
Email. Id- lykisho@lykisgroup.com / cs@lykis.in

World Presence

International Presence - 45 Countries

Haiti
El Salvador
United Kingdom
Georgia
Russia
Azerbaijan
Angola
Namibia
Zambia
Mali
Madagascar
Mozambique

D. R. Congo
Mauritania
Benin
Burkina Faso
Cameroon
Gambia
Ghana
Senegal
Togo
Nigeria
Guinea
Algeria

Ivory Coast
Armenia
Chad
Tanzania
Uganda
Malawi
Sierra Leone
Cape Verde
Djibouti
Kenya
South Africa

Jordan
India
Afghanistan
Kuwait
Palestine
Oman
Saudi Arabia
Singapore
Bahrain
Dubai

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their Thirty Sixth Annual Report of the Company along with Audited Financial Statement for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS:

(₹ In Lakhs)

Particulars	For the year ended on 31.03.2020 (Standalone)	For the year ended on 31.03.2019 (Standalone)	For the year ended on 31.03.2020 (Consolidated)	For the year ended on 31.03.2019 (Consolidated)
Income				
Revenue from Operation	8,801.33	14,634.68	8,813.79	14,697.23
Other Income	246.81	89.20	248.49	92.06
Total Income	9,048.14	14,723.88	9,062.28	14,789.29
Expenditure				
Less: Operating & Other Expenses	9,102.07	14,697.91	9,162.99	14,936.41
Profit Before Depreciation and Tax	(53.93)	25.97	(100.71)	(98.37)
Less: Depreciation	74.46	68.45	74.46	68.59
Profit/(Loss) Before Tax	(128.41)	(42.48)	(175.17)	(166.96)
Less : Provision for Taxes	(14.79)	54.56	15.25	75.13
Net Profit/(Loss) for the year	(113.62)	(97.04)	(190.42)	(242.09)
Total Comprehensive Income / Loss for the year	(141.10)	(97.04)	(217.90)	(242.09)

2. COMPANY'S PERFORMANCE

During the year ended March 31, 2020, Operational Revenue including other income on standalone basis was ₹ 9,048.14 lakhs. Profit/(Loss) Before Tax was ₹ (128.41) Lakhs vs ₹ (42.48) Lakhs while Net Profit/(Loss) for the financial year ended March 31, 2020 was ₹ (113.62) Lakhs vs ₹ (97.04) lakhs in previous year.

On a consolidated basis the operational revenue including other income was ₹ 9,062.28 Lakhs and Profit/ (Loss) Before Tax was ₹ (175.17) Lakhs vs ₹ (166.96) Lakhs last year. The Net Profit/(Loss) for the financial year ended March 31, 2020 was ₹ (190.42) Lakhs vs ₹ (242.09) Lakhs in previous year.

Your Company has taken several remedial steps to meet the challenges viz. measures in saving cost at all front of operations, optimize use of available resources etc.

A detailed analysis on the operations of the Company during the year under report and outlook for the current year is included in the Management Discussion and Analysis Report forming part of this Annual Report.

3. DIVIDEND

Your Directors have not recommended dividend for the financial year March 31, 2020.

4. RESERVES

There is no amount proposed to be transferred to the General Reserve during the year under review.

5. SUBSIDIARY AND ASSOCIATES ENTITIES

As on March 31, 2020, your Company has one subsidiary Company and two associate companies, details whereof as under:

➤ SUBSIDIARY ENTITIES

Lykis Marketing is the wholly owned subsidiary of Lykis Limited. The Company has main focused on domestic market of Tea and FMCG product.

In accordance with the provision of section 136 of the Companies Act, 2013, the annual report of the Lykis Marketing Private Limited are placed on the Company website i.e. www.lykis.in

➤ **ASSOCIATE ENTITIES**

Lykis Packaging Private Limited is the associate Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiary and associate Company in Form AOC-1 is attached as **Annexure A** to this report.

6. BOARD OF DIRECTORS

i. Re-appointment

As per Recommendation of Nomination and Remuneration Committee, the Board at its meeting held on February 14, 2020 has approved the re-appointment of Mrs. Jyoti Budhia (DIN: 00332044) as a Non-Executive Independent Director of the Company to hold office for second term of five consecutive years commencing from the conclusion 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company and whose office shall not be liable to retire by rotation subject to the approval of shareholders in the ensuing Annual General Meeting.

ii. Retire by Rotation

Mr. Nadir Dhrolia (DIN: 03303675) shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends his re-appointment and the same forms part of the Annual General Meeting Notice.

The necessary resolutions for the appointment/re-appointment of the above mentioned director and their brief profile have been included in the notice convening the ensuing Annual General Meeting. The brief resume of the Director seeking appointment / re-appointment at the ensuing Annual General Meeting, in pursuance of Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 is annexed to the Annual General Meeting Notice.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of section 164(2) of the Companies Act, 2013.

7. INDEPENDENT DIRECTORS

Mr. Mayank Jhunjunwala, Mr. Rajendra Singh Singhvi and Mrs. Jyoti Budhia are Independent Directors of the Company. The Company has received declaration from all Independent Directors of the Company confirming that they meet with criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

8. BOARD EVALUATION

The Board of Directors have carried out an annual evaluation of its own performance, board committee and individual directors pursuant to provision of the Act and the corporate governance requirement as prescribed by the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation 2015. The performance of the board was evaluated by the board after taking inputs from all the directors on the basis of criteria such as the Board Composition and structure, effectiveness of board process, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors which was held on February 14, 2020, performance of non-independent and the board as whole was evaluated, taking into account the views of Executive Directors and non-executive directors. Performance evaluation of Independent Director was done by the entire board, excluding the Independent Director being evaluated.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board, to the best of their knowledge, hereby confirmed that:

- i. In the preparation of Annual Accounts and Financial Statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- ii. They have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared annual accounts on a going concern basis.
- v. They have laid down internal financial control to be followed by the Company and that such internal financial control is adequate and were operating effectively.
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. MEETINGS OF BOARD OF DIRECTORS

The board met 5 (five) times during the year. The details about the board meeting and the attendance of the directors are provided in Corporate Governance Report.

11. BOARD COMMITTEES

Details of all the following Committees constituted by the Board along with their composition, terms of references and meetings held during the year are provided in the Report on Corporate Governance which forms part of this Report.

1. Audit Committee
2. Stakeholder Committee
3. Nomination & Remuneration Committee

12. BOARD DIVERSITY

The Board recognizes the importance of a diverse composition and has adopted a "Board Diversity Policy" which sets out the approach to diversity. The Board Diversity Policy of the Company is available at <https://www.lykis.in/investors>.

13. KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are Mr. Prince Tulsian (Managing Director), Mr. Rajesh Tendolkar (Chief Executive Officer), Mr. Sunil Purohit (Chief Financial Officer) and Mr. Anubhav Shrivastava (Company Secretary).

Ms. Neha Mankame resigned from the post of Company Secretary and Compliance Officer of the Company with effect from June 10, 2020. The Board of Directors at its Meeting held on June 10, 2020 appointed Mr. Anubhav Shrivastava as Company Secretary and Compliance Officer of the Company in place of Ms. Neha Mankame.

14. EXTRACT OF ANNUAL RETURN

Pursuant to provision of section 92(3) of the Companies Act, 2013, the extract of Annual Return in Form MGT-9 is attached as "Annexure B".

15. AUDITORS

STATUTORY AUDITOR

M/s Banshi Jain & Associates, Chartered Accountants (Firm Registration No: 100990W) were appointed as Statutory Auditors of the Company by the Members at the 35th Annual General Meeting held on 30th September, 2019 to hold office from the conclusion of 35th Annual General Meeting until the conclusion of 40th Annual General Meeting on such remuneration as may be determined by the Board of Directors.

Pursuant to the amendment to section 139 of the Companies Act, 2013 which was notified on May 07, 2018, ratification of appointment of Statutory Auditor at every AGM is no longer required.

There are no qualification, reservation or adverse remark or disclaimer made in the audit report for the financial year 2019-20.

INTERNAL AUDITORS

The Board at its meeting held on August 31, 2020 had appointed M/s KTPS & Co., Chartered Accountant (Firm Registration No 134942W) for a period of one year.

SECRETARIAL AUDITOR

Pursuant to provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24(A) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Company has appointed M/s. SCP & Co., Practicing Company Secretary as Secretarial Auditor of the company.

The Secretarial audit report for the financial year ended March 31, 2020 is appended to this Report as **Annexure C**. There are no qualifications, reservations, adverse remark or disclaimers made by the Secretarial Auditors, in their Report.

16. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards on meetings of Board of Directors and on General Meeting issued by the Institute of Company Secretaries of India in terms of Section 118 (10) of the Companies Act, 2013.

17. INTERNAL FINANCIAL CONTROL

The Company has put in place adequate policies and procedures to ensure that system of Internal Financial Control is commensurate with the size and nature of the company's business. The evaluation of these internal financial controls were done through internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic internal audit programme. Based on the review of the reported evaluations, the directors confirms that the financial statement for the year ended March 31, 2020, are in accordance with the applicable accounting standards.

18. RISK MANAGEMENT

The Company has established a robust Risk Management system to identify & assess the key risks and ensure smooth and efficient operations of the business. Your Company is well aware of these risks and challenges and has put in place mechanism to ensure that they are managed and mitigate with adequate timely actions. The audit committee reviews business risk area covering operational, financial, strategic and regulatory risks.

19. RELATED PARTY TRANSACTIONS

All contracts, arrangements/ transactions entered into during the year by the Company with Related Parties were in ordinary course of business and on an arm's length basis. During the year under review, the Company had not entered into any contract/ arrangement/ transactions with related parties which could be considered as material. The particulars of contracts or arrangements referred to in section 188 (1) of the Companies Act, 2013 with related parties and as mentioned in form AOC-2 is attached as **"Annexure D"**.

20. PARTICULARS OF EMPLOYEE

During the year under report, your Company has not employed any person who was in receipt of remuneration in excess of the limits specified under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details required as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **"Annexure E"**.

However pursuant to provision of section 136(1) of the Act, this report is being sent to the shareholders excluding the information required as per Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the said information, may write to the Company Secretary at the registered office/ Corporate Office of the Company and the said information is open for inspection at the Registered office of the Company.

21. HUMAN RESOURCES

Your Company considers Great Brand and Great People as its biggest asset. The Company is continued to organize various inbound and outbound training programs, recreation and team building activities to enhance employee skills and motivation. Company also conducted various workshops and events for grooming and upgrading vocational skills of the talent pool in order to meet future talent requirements.

22. DEPOSITS

The Company has not accepted any deposits from public. However, There is a deemed deposit on account of advance from customers. Detailed information is disclosed in financial statements.

23. CORPORATE SOCIAL RESPONSIBILITY

In accordance with section 135 of the Companies Act, 2013, the provisions related to Corporate Social Responsibility is not applicable to the Company.

24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given the notes to the Financial Statements.

25. PREVENTION OF SEXUAL HARASSMENT POLICY

Considering gender equality, the Company has zero tolerance for sexual harassment at workplace. The Company has an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaint receive regarding sexual harassment. In Financial Year 2019-20, there were no complaints were received from any of the employee.

- i. Number of Complaints filed during the financial year - NIL
- ii. Number of complaints disposed of during the financial year - NIL
- iii. Number of complaints pending as on end of the financial year - NIL

26. WHISTLE BLOWER/ VIGIL MECHANISM

The Company has established a Vigil Mechanism and adopted a whistle blower policy for its directors and employees, to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. During the financial year 2019-20, no cases under this mechanism were reported to the Company and /or to any of its subsidiaries / associates. Policy on whistle blower is available at <https://www.lykis.in/investors>.

27. CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms an integral part of this report. A certificate from Mr. Swapnil Pande, Practicing Company Secretary regarding compliance on conditions of corporate governance as stipulated in the Listing Regulations is also appended to the report on Corporate Governance.

28. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 is presented in a separate section forming part of the Annual Report.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A. Conservation of Energy:

The Company has initiated to take adequate measures for conservation of energy. The Company shall explore alternative source of energy as and when the necessity arises.

B. Technology Absorption:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products.

C. Foreign Exchange Earnings and Outgo:

Particulars	(₹ in lakhs)	
	Current Year	Previous Year
Foreign Exchange Outgo	393.70	454.69
Foreign Exchange earned	7884.91	11,481.59

30. MATERIAL CHANGES AND COMMITMENTS

a) Approval for Sale of Tea Division of the Company on Slump Sale Basis.

The Board of Directors at its Meeting held on June 10, 2020, approved the Sale of Tea Division of the Company on slump sale basis subject to approval of shareholders. The Shareholders pursuant to Section 108, 110 of Companies Act, 2013 read with Rule 20 and Rule 22 respectively of the Companies (Management and Administration) Rules, 2014 approved the same through Postal Ballot (Remote E-Voting) on July 19, 2020 with requisite majority.

There are no other material changes and commitments which could affect the Company's financial position which have occurred during the year and till the date of this report.

31. ACKNOWLEDGMENT

The Board of Director take this opportunity to thank all its shareholders, valued customer, banks, government and statutory authorities, investor and stock exchange for their continued support to the Company. Your Directors wishes to place on record their deep sense of appreciation for the committed services by employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders and the Promoters of the Company.

For and on behalf of the Board of Directors

Vijay Kedia
Chairman
DIN: 00230480

Date: 31st August 2020.

ANNEXURE A

AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY AND ASSOCIATE COMPANIES Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

(₹ Lakhs)

Sr. No	Name of Subsidiary or Associate Company	Reporting Period	Reporting Currency	Exchange Rate on last day of financial year	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of Shareholding
1	Lykis Marketing Private Limited (Subsidiary Company)	April to March	NA	NA	20	(1,527.7)	97.70663	1,605.411	0	20.2	(70.6671)	0	(70.6671)	0	99.5
2	Lykis Packaging Private Limited (Associate Company)	April to March	NA	NA	121.27	(139.325)	130.1365	148.192	0	37.12	(9.48628)	0	(9.48628)	0	41.22

ANNEXURE B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74999WB1984PLC038064
2.	Registration Date	15/10/1984
3.	Name of the Company	Lykis Limited
4.	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	57.B, C.R.Avenue 1 st Floor, Kolkata 700012
6.	Whether listed Company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s R&D Infotech Pvt. Ltd. 7A, Beltala Road, 1 st Floor, Kolkata-700 026

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Perfumes, Soap, Oral & Dental Hygiene, Cosmetics & Toiletries, Confectionery, Tea	20231, 20234, 20235, 20236, 20237, 10712, 10791	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name of the Company	Address of the Company	CIN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable section under Companies Act, 2013
1.	Lykis Marketing Pvt. Ltd	Grandeur Building, 4th floor, Opp. Gundecha Symphony, Andheri West, Mumbai 400053.	U71420MH2012PTC230365	Wholly Owned Subsidiary	99.95%	2(87)
2.	Lykis Packaging Pvt. Ltd	Grandeur Building, 4th Floor, Gundecha Symphony, Andheri West, Mumbai-400 053.	U74900MH2012PTC230784	Associate Company	41.23%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4184383	-	4184383	21.60%	4184383	-	4184383	21.60%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2479435	-	2479435	12.80%	2479435	-	2479435	12.80%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	6663818	-	6663818	34.39%	6663818	-	6663818	34.39%	-
(2) Foreign									
a) Individual (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Others	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6663818	-	6663818	34.39%	6663818	-	6663818	34.39%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	336687	7900	344587	1.78%	250095	7500	257595	1.33%	- 0.45%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	2521317	4319625	6840942	35.31%	228086	435706	663792	3.43%	-31.88%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	1359073	4062206	5421279	27.98%	8351859	2487170	10839029	55.94%	27.96%
c) Director Relation	-	-	-	-	-	-	-	-	-
d) Others (specify)	-	-	-	-	-	-	-	-	-
NRIs	104529	-	104529	0.54%	950921	-	950921	4.91%	4.37%
Sub Total (B)(2)	4321606	8389731	12711337	65.61%	9780961	2930376	12711337	65.61%	0.00%
Total Public Shareholding (B)=(B) (1)+ (B)(2)	4321606	8389731	12711337	65.61%	9780961	2930376	12711337	65.61%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10985424	8389731	19375155	100.00%	16444779	2930376	19375155	100.00%	0.00%

B. Shareholding of Promoter-

Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Mr. Vijay Kishanlal Kedia	4184383	21.60%	Nil	4184383	21.60%	Nil	Nil
Kedia Securities Pvt. Ltd.	2479435	12.80%	Nil	2479435	12.80%	Nil	Nil

(C) Change in Promoters' Shareholding (please specify, if there is no change)

No Change

D. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year		Date-wise Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	Date	Reason	No. of Shares	No. of Shares	% of Total Shares of the Company
1	Zarin Nazimbhai Charania	0	0	01.04.2019	BUY	2126703	2126703	10.98
				31.03.2020	-	-	2126703	10.98
2.	Anwarali Babubhai Kamani	1569288	8.10	No Change during the period			1569288	8.10
3.	Anil N Gaggar (HUF)	0	0	06.03.2020	BUY	6574	6574	0.03
				13.03.2020	BUY	474576	481150	2.48
				20.03.2020	BUY	467684	948834	4.90
				31.03.2020	-	-	948834	4.90
4.	Pawan Kumar Gupta	939359	4.85	No Change during the period			939359	4.85
5.	Nazim Sadrudin Charania	2998585	15.48	01.04.2019	SELL	2126703	871882	4.50
				31.03.2020	-	-	871882	4.50
6.	Salim Anwarali Kamani	2441170	12.60	01.04.2019	SELL	1569288	871882	4.50
				31.03.2020	-	-	871882	4.50
7	Uttam Bharat Bagri	165000	0.85	31.05.2019	BUY	785	165785	0.86
				07.06.2019	BUY	11682	177467	0.92
				14.06.2019	BUY	9000	186467	0.96
				12.07.2019	BUY	2500	188967	0.98
				26.07.2019	BUY	600	189567	0.98
				30.09.2019	BUY	5979	195546	1.01
				04.10.2019	BUY	4451	199997	1.03
				11.10.2019	BUY	834	200831	1.04
				18.10.2019	BUY	7100	207931	1.07
				29.11.2019	BUY	10690	218621	1.13
8	Pradeep Sutodiya	0	0	31.03.2020	-	-	218621	1.13
				07.06.2019	BUY	146533	146533	0.76
				21.06.2019	BUY	3000	149533	0.77
				28.06.2019	BUY	467	150000	0.77
				31.03.2020	-	-	150000	0.77

Sr. No.	Name	Shareholding at the beginning of the year		Date-wise Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	Date	Reason	No. of Shares	No. of Shares	% of Total Shares of the Company
9	Vighnhar Holdings Private Limited	103000	0.53	No Change during the period			103000	0.53
10	Sonal Deepak Shah	6387	0.03	07.06.2019	BUY	171	6558	0.03
				14.06.2019	BUY	778	7336	0.04
				21.06.2019	BUY	12819	20155	0.10
				28.06.2019	BUY	7642	27797	0.14
				05.07.2019	BUY	10684	38481	0.20
				12.07.2019	BUY	12715	51196	0.26
				19.07.2019	BUY	13570	64766	0.33
				26.07.2019	BUY	19333	84099	0.43
				02.08.2019	BUY	6500	90599	0.47
				10.01.2020	SELL	532	90067	0.46
		17.01.2020	SELL	7229	82838	0.43		
		31.03.2020	-	-	-	82838	0.43	

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date-wise Increase/Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of Total shares of the Company	Date	Reason	No. of Shares	No. of Shares	% of Total Shares of the Company
1.	Mr. Vijay Kedia (Chairman)	4184383	21.60	No Change During the year			4184383	21.60
2.	Mr. Nadir Umedali Dhrolia (Director)	0	0	01.04.2019	BUY	2359370	2359370	12.18
				31.03.2020	-	-	2359370	12.18
3.	Mr. Prince Tulsian	0	0	21.11.2019	BUY	2000	2000	0.01
				31.03.2020	-	-	2000	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-04-2019)				
i) Principal Amount	58.88	4231.38	-	4290.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	58.88	4231.38	-	4290.26
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year (31-03-2020)				
i) Principal Amount	45.48	3658.32	-	3703.8
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45.48	3658.32	-	3703.8

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. Sr.	Particulars of Remuneration	Prince Tulsian (Managing Director)	Total Amount
1	Gross salary	7,20,000	7,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify	0	0
5	Others, please specify	0	0
	Total (A)	7,20,000	7,20,000

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr.Vijay Kedia	Mr.Nadir Dhrolia	Mr. Mayank Jhunjunwala	Ms. Jyoti Budhia	Mr. Rajendra Singh Singhvi	
1	Independent Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	50,000	50,000	1,00,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Remuneration	-	-	-	50,000	50,000	1,00,000

C. Remuneration to Key Managerial Personnel Other Than Managing Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Rajesh Tendolkar (Chief Executive Officer)	Mr. Sunil Purohit (Chief Financial Officer)	Ms. Neha Mankame (Company Secretary)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,42,500	16,40,740	4,15,024	37,98,264
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	17,42,500	16,40,740	4,15,024	37,98,264

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	-	-	-	-
Punishment					
Compounding					
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment					
Compounding					

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s LYKIS LIMITED,
57B, C. R. Avenue,
1st Floor, Kolkata – 700012

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by '**Lykis Limited**' (CIN: L74999WB1984PLC038064) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 ('Audit Period'), the Company has, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020, and made available to us, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as the Company has not issued any shares during the financial year under review.)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable as the Company has not granted any Options to its employees during the financial year under review.)**
 - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (the Listing Regulations).
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued any debt securities during the financial year under review.)**

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back any of its securities during the financial year under review.)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange i.e. Bombay Stock Exchange Limited

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings/Committee Meetings, agenda and detailed notes on agenda were sent adequately in advance. Decisions at the Board meeting and Committee Meeting as represented by the management were carried out unanimously.

We further report that as per the explanations given to me and the representations made by the Management and relied upon, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, as explained and represented by the management, there was no event / action having major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **M/S. SCP & CO.**
Practising Company Secretaries

Place: Mumbai
Date: 21/08/2020

Swapnil Pande
M.No A44893 C.P.No 21962
UDIN: A044893B000604958

Note: This report is to be read with our letter of even date which is annexed as **"ANNEXURE A"** and forms an integral part of this report.)

Annexure A

To,
The Members,
M/s LYKIS LIMITED,
57B, C. R. Avenue,
1st floor, Kolkata – 700012.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/S. SCP & CO.**
Practising Company Secretaries

Place: Mumbai
Date: 21/08/2020

Swapnil Pande
M.No A44893 C.P. No.: 21962
UDIN: A044893B000604958

ANNEXURE D

Related Party Transaction during the Financial Year 2019-20.

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Trasnaction Value (₹ in Lakhs)
1	Lykis Marketing Pvt. Ltd.	Subsidiary	Sales	-
2	Spectra International Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Sales	7.99
3	Lykis Marketing Pvt. Ltd.	Subsidiary	Purchases	-
4	Lykis Biscuit Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loan Given	-
5	Lykon Foods Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loan Given	-
6	Lykon Foods Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loan Repaid	-
7	Lykis Packaging Pvt. Ltd.	Associates	Purchases	-
8	Lykis Packaging Pvt. Ltd.	Associates	Loan Given	2.03
9	Lykis Packaging Pvt Ltd	Associates	Loan Repaid	-
10	Lykis Confectionary Pvt. Ltd.	Common Director	Purchases	-
11	Lykis Confectionary Pvt. Ltd.	Common Director	Loans Repaid	-
12	Lykis Confectionary Pvt. Ltd.	Common Director	Advance given	-
13	Lykis Herbals Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Purchases	-
14	Lykis Herbals Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Inventory Disposal Charges	43.68
15	Lykis Herbals Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Trade Advances	-
16	Dhrolia LLP	Enterprises over which Key Managerial Personel are able to exercise significant influence	Investment	-
17	Sanzi Group Imp & Exp	Enterprises over which Key Managerial Personel are able to exercise significant influence	Purchases	-
18	Cheers Consumers Private Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loans taken	-
19	Spectra International Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Rent	67.02

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Trasnacation Value (₹ in Lakhs)
20	Dharamnagar Tea Estate Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Cost of Material Consumed (Purchase)	19.54
21	Vijay Kedia	Chairman	Loan Received	8.00
22	Vijay Kedia	Chairman	Loan Repaid	410.67
23	Prince Tulsian	MD	Director Remmuneration	7.20
24	Pratik Kedia	Relative of Chariman	Remmuneration	18.10
25	Priyanka Tulsian	Related to Key Managerial Personnel	Remmuneration	4.20
26	Sonam Tulsian	Related to Key Managerial Personnel	Remmuneration	3.60
27	Sunil Purohit	KMP	Remmuneration	16.41
28	Neha Mankame	Company Secretary	Remmuneration	5.15
29	Rajesh Tendolkar	KMP	Remmuneration	17.43
30	Swati Tendolkar	Related to Key Managerial Personnel	Professional Fees	12.00
31	Anushka Tendulkar	Related to Key Managerial Personnel	Professional Fees	0.46
32	Dharamnagar Tea Estate Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Reimbursement of expenses	2.83
33	Dharamnagar Tea Estate Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Reimbursement of incomes	3.74
34	Cheers Consumers Private Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Borrowings Taken	0.23
35	Lykon Foods Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loans & Advances Given	0.05
36	Lykis Biscuit Pvt. Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Loans & Advances Given	0.07
37	Spectra International Ltd.	Enterprises over which Key Managerial Personel are able to exercise significant influence	Reimbursement of expenses	0.25

Annexure E

DISCLOSURE

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sr. No.	Particulars			Remarks
(i)	the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:			
	Sr. No.	Name of Director / Key Managerial Personnel	Designation	Ratio of remuneration of each Director to the median remuneration of the employees
	1.	Mr. Prince Tulsian	Managing Director	2.16:1
	2.	Mr. Rajesh Tendolkar	Chief Executive Officer	5.22:1
	3.	Mr. Sunil Purohit	Chief Financial Officer	4.91:1
	4.	Ms. Neha Mankame	Company Secretary	1.24:1
(ii)	the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;			Nil
(iii)	the percentage increase in the median remuneration of employees in the financial year;			Nil
(iv)	the number of permanent employees on the rolls of Company;			52
(v)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;			Nil
	a) Average % increase in Managerial personnel :			
	b) Average % increase in other personnel:			
(vi)	affirmation that the remuneration is as per the remuneration policy of the Company.			Yes

MANAGEMENT DISCUSSION AND ANALYSIS

Statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

Management Discussion & Analysis is structured to comprise:

- Economic Review
- Segment Wise Report
- Outlook
- Internal Control System And Adequacy
- Strengths
- Risk And Concern
- Threats
- Opportunities
- Human Resource

ECONOMIC REVIEW:

The COVID-19 pandemic is likely to have a major negative impact across the world.

As a result of the pandemic, the global economy is projected to contract sharply by 4.9% in 2020. It has led to quarantines, regional lockdowns and social distancing—which are essential to contain the virus—with particularly acute effects on sectors that rely on social interactions such as travel, hospitality, entertainment, and tourism. Workplace closures are disrupting supply chains and reducing productivity. Layoffs, lower incomes, fear of contagion, and heightened uncertainty make people spend less, leading to consumption squeeze and triggering further business closures and job losses. Health care expenditure, support to vulnerable sections of society and reduced tax revenue is likely to put severe pressure on fiscal balances of the government. In such a scenario, as per IMF, the Indian economy is expected to decline by 4.5% for 2020 as compared to growth outlook of 5.8% given by IMF in January 2020. Some of the developed economies are expected to decline even more significantly – USA is expected to decline by 8.0% and Europe by 10.2% during 2020.

Even in the face of such tumultuous and challenging global upheavals, In India, with structural drivers of growth firmly in place, the pace of economic growth is expected to pick up over time. The significant actions of the Government as well as the Reserve Bank of India in recent months, including monetary stimulus and liquidity facilities to reduce systemic stress, have supported confidence building measures and contributed to limiting the amplification of the shock. Further measures may be warranted going forward to improve demand, drive consumption and revive the Indian economy. During the year, India has moved up 14 places to the 63rd position globally in the 'Ease of Doing Business' rankings on the back of reforms in areas such as starting a business, dealing with construction permits, trading across borders and resolving insolvency. The successful implementation of further structural initiatives identified by the Government towards improving the ease of doing business and fostering greater levels of value addition within the country would be crucial to boost the performance of the Indian economy and realise its full potential.

➤ **Fast Moving Consumer Generation (FMCG):**

The Fast-moving Consumer Goods (FMCG) sector is the 4th largest sector of the Indian economy. During FY2019-20, the sector witnessed growth of 7.2% as per AC Nielsen, which is almost half of the 14% growth reported in FY2018-19. The FMCG sector saw a sharp slowdown during the year on account of moderation in economic activity, low farm incomes and weak rural wage growth, liquidity crunch in the system, high unemployment levels and downtrading across categories. By March 2020, the sectoral growth dropped to 3.3% in value terms and 0.5% in volume terms. The Corona virus pandemic has further impacted the sector since March 2020 due to restrictions

on movement of goods, supply side bottlenecks and impact on consumption. Consumers have been stocking up essential products such as packaged foods, staples, tea, coffee, milk, detergents, and other products of daily usage. During this phase, demand has also surged for health and hygiene products as these aspects came into sharp focus. There was a surge in demand for hygiene products like sanitizers and disinfectants in addition to immunity building OTC and healthcare products. However, discretionary and nonessential items have seen weak demand as the focus during the lockdown has been on food and hygiene.

Changing Dynamics of the FMCG Sector:

The FMCG landscape is undergoing a sea change with the emergence of COVID-19, which is also impacting consumer behaviour across markets and geographies. We expect the following consumer trends to pick up in the post-COVID world:

1. Increased consumer focus on healthcare, particularly preventive healthcare, with a preference for Ayurveda based solutions that boost immunity.
2. Greater focus on Personal Hygiene with demand for hand and home sanitisers expected to grow exponentially.
3. Discretionary spending would be curtailed due to shift of priorities towards essentials.
4. Movement towards financial security to gain momentum.
5. Technology to act as a catalyst for convenient, safe and enhanced consumer experiences.

➤ **Indian Tea Industry:**

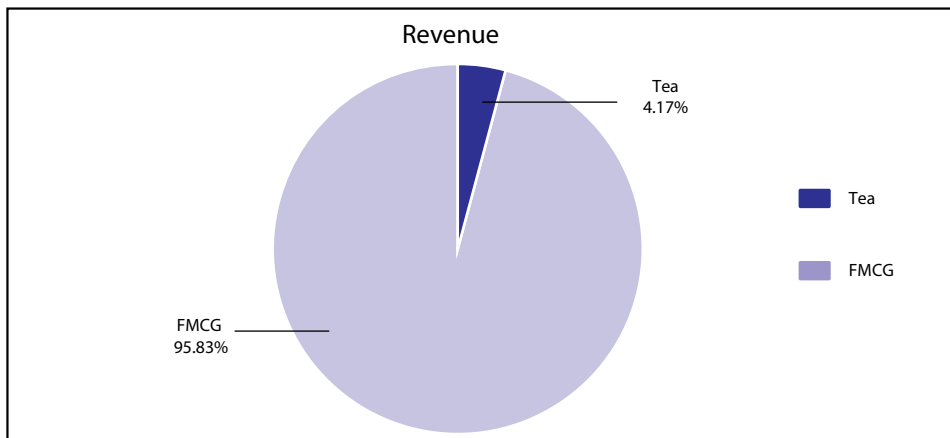
India is largest producer and major consumer of tea. Indian Tea Industry is about 172 years old. The Indian tea market is estimated to be ₹ 26,000 Crores, with unbranded being 30 - 35% of overall market. Tea is the favourite Indian beverage and the industry occupies an important place and plays a very useful part in the national economy. Tea plantations are mainly located in rural hills and backward areas of Northern Eastern and Southern states. The major tea growing areas in India are concentrated in Assam, West Bengal, Tamilnadu and Kerala. Your Company has tea plant location in one of the major growing area in Assam as Iringmara Tea Estate. Of the total production, India accounts for 3/4th domestic consumption of tea.

SEGMENT WISE REPORT

During the year ended March 31, 2020, Operational Revenue including other income on standalone basis was ₹ 9,048.14 lakhs. Profit/(Loss) Before Tax was ₹ (128.41) Lakhs vs ₹ (42.48) Lakhs while Net Profit/(Loss) for the financial year ended March 31, 2020 was ₹ (113.62) Lakhs vs ₹ (97.04) Lakhs in previous year.

On a consolidated basis the operational revenue including other income was ₹ 9,062.28 Lakhs and Profit/ (Loss) Before Tax was ₹ (175.17) Lakhs vs ₹ (166.96) Lakhs last year. The Net Profit/(Loss) for the financial year ended March 31, 2020 was ₹ (190.42) Lakhs vs ₹ (242.09) Lakhs in previous year.

Financial year 2019-20, our segment wise revenue stood as under:



Internationally, we have exported our products in more than 39 countries as on date. The Company is striving hard to expand its geographical base by exporting too many more countries in future.

OUTLOOK

The FMCG landscape is undergoing a sea change with the emergence of COVID-19, which is also impacting consumer behaviour across markets and geographies. We expect the following consumer trends to pick up in the post-COVID world:

1. Increased consumer focus on healthcare, particularly preventive healthcare, with a preference for Ayurveda based solutions that boost immunity.
2. Greater focus on Personal Hygiene with demand for hand and home sanitisers expected to grow exponentially.
3. Discretionary spending would be curtailed due to shift of priorities towards essentials.
4. Movement towards financial security to gain momentum.
5. Technology to act as a catalyst for convenient, safe and enhanced consumer experiences.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has proper and adequate system of Internal Controls which is commensurate with the size and the nature of business, to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and commercial transactions are authorised, recorded and reported correctly. The internal control is supplemented by an extensive program of internal and external audits. The Company accords greatest importance to the security of its information assets and has the requisite security controls and checks. Adequate storage and back-up system is maintained to ensure security and availability of data at all times.

STRENGTHS

Lykis is an existing brand, experienced in operations and management of FMCG products. Operations are handled by a strong experienced management and professional team and also there is a strong technical and development team for support. Moreover, the Company launched packet tea brand "CHEERS" and is getting fair response in the normal domestic market, malls and departmental stores.

RISK AND CONCERN

Fast expansion in various geographical locations may require more exposure in management and control.

THREATS

Since it is a growing industry, there is a threat of competition from the other players who might try to create an unhealthy practice of competition by compromising on the quality and pricing. We have an established team of professionals to handle the operations and are in the process of hiring more such kinds of professionals. Apart from that, changing preference of consumers, commodity prices and currency volatility as well as concentration of retailers in developed markets. The current COVID-19 crisis provides opportunities with likely increase in the in-home consumption.

OPPORTUNITIES

Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. The focus on agriculture, MSMEs, education, healthcare, infrastructure and employment under the Union Budget is expected to directly impact the FMCG sector. These initiatives are expected to increase the disposable income in the hands of the common people, which will be beneficial for the sector.

KEY FINANCIAL RATIOS:

Ratios	Consolidated		Standalone	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Interest Coverage Ratio	0.52	0.23	0.74	0.80
Current Ratio	1.04	1.03	1.30	1.21
Debt Equity Ratio	2.29	4.3	1.15	2.35
Operating Profit Margin	-0.04	0.003	-0.04	0.01
Net Profit Margin	-0.01	-0.02	-0.01	-0.01
Debtors Turnover Ratio	0.10	5.44	0.30	3.29

MATERIAL DEVELOPMENT IN HUMAN RESOURCE

Employees are the valuable assets and the strength of an organisation in its growth, prosperity and development. Your Company has a team of qualified and dedicated personnel who have contributed to the growth and progress of the Company. Necessary training is being imparted to the employees and various seminars and workshops are being conducted to continuously hone their skills.

For and on behalf of the Board of Directors

Vijay Kedia
Chairman
DIN: 00230480

Date: 31st August 2020

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company consider Good Corporate Governance for the systematic rules, practices and process by which a firm is directed and controlled. Your Company firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standards of regulatory compliances.

The Company has adopted a Code of Conduct for its Directors, Employees, and has also adopted a Code of Conduct to regulate, monitor and report trading by insider and also fair disclosure code. Some of the most important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company.

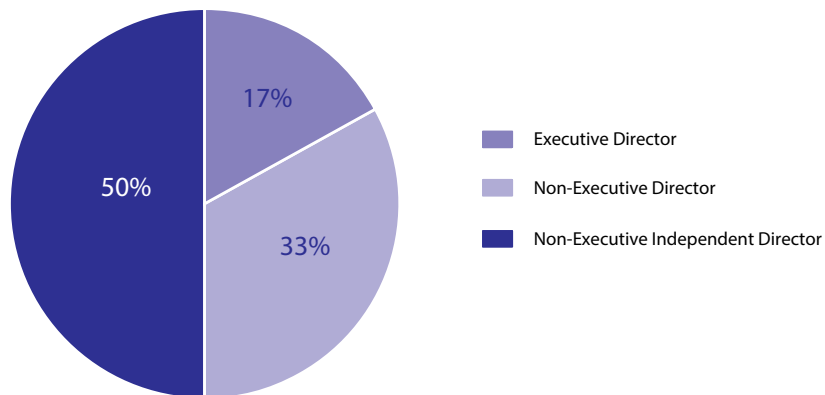
The Company complies with the requirements regarding Corporate Governance as stipulated under Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

i. COMPOSITION

The Company maintains optimum combination of Executive, Non-Executive and Independent Directors on the Board of the Company. The Board of Directors comprises of Six (6) members out of which one (1) is an Executive Director, two (2) are Non-Executive Directors and three (3) are Non-Executive Independent Directors. The Company has Non-Executive Promoter, Chairman and the number of Independent directors is one half of the total number of Directors. The composition of the Board of Directors of the Company is in compliance with Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Composition of Directors



The Composition of Board of Directors of the Company as on March 31, 2020 is given below:

Name	Designation	Category	Shareholding as on 31.03.2020
Mr. Vijay Kedia	Chairman & Promoter	Non-Executive Director	4184383
Mr. Prince Tulsian	Managing Director	Executive Director	2000
Mr. Nadir Dhrolia	Director	Non-Executive Director	2359370
Mr. Mayank Jhunjunwala	Director	Non-Executive Independent Director	-
Mr. Rajendra Singh Singhvi	Director	Non-Executive Independent Director	-
Ms. Jyoti Deviprasad Budhia	Director	Non-Executive Independent Director	-

- ii. The information relating to the number directorship and committee chairmanship/memberships held by directors in other public companies including this listed entity as on March 31, 2020 is given below as required under the Listing Regulation:

Directors	Board Meeting held during the year	Board Meeting attended during the year	Whether attended last AGM	Directorship of Indian Public Companies	Name of the Listed Entity	Committee Membership or Chairmanship	
						Chairmanship	Membership
Mr. Vijay Kedia	5	5	No	3	i. Lykis Limited – Chairman ii. Atul Auto Limited - Non-Executive Non Independent Director	-	-
Mr.Prince Tulsian	5	5	Yes	2	i. Lykis Limited – Managing Director	-	2
Mr. Nadir Dhrolia	5	5	No	2	i. Lykis Limited – Non-Executive Director	-	-
Mr. Mayank Jhunjhunwala	5	5	Yes	2	i. Lykis Limited – Non-Executive Independent Director	2	2
Mr. Rajendra Singh Singhvi	5	5	No	1	i. Lykis Limited – Non-Executive Independent Director	-	-
Mrs. Jyoti Budhia	5	5	No	2	i. Lykis Limited – Non-Executive Independent Director ii. Yash Trading And Finance Limited - Non-Executive Independent Director	1	3

- The Other Directorship and Chairmanship / Membership of Committee held in foreign companies, private limited companies, companies incorporated under section 8 of the Companies Act, 2013 are excluded.
 - The Chairmanship and Membership of Audit Committee and Stakeholder Relationship Committee alone are considered.
 - None of the Directors have any inter-se relation among themselves.
- iii. None of the Directors of the Company hold directorships in more than twenty (20) companies including in more than ten (10) public companies. In accordance with the Listing Regulations, none of the Directors of the Company hold directorship in more than eight (8) listed companies and independent directorship in more than seven (7) listed companies. The Managing Director of the Company does not hold directorship as an Independent Director in any other listed Company. Also, none of the Directors is serving as a member of more than ten (10) committees or as the Chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations.

iv. **BOARD MEETINGS AND BOARD PROCEDURE**

The Board and its Committees meet at regular intervals to consider, discuss and approve inter alia, the unaudited and audited standalone and consolidated financial results of the Company, to decide on the business policies and strategies of the Company. The Board/Committee meetings are pre-scheduled and tentative dates of such meetings are informed well in advance to facilitate the Directors to plan their schedule.

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Chairman and Management and circulate to the Directors as per timelines. In special and exceptional circumstances, additional or supplementary items are permitted to be taken up as any other item with the permission of the Chairman and consent of a majority of the Board Members/ Committee members.

During the year 2019-20, Board met for the five times in a year. The meetings were held at least once in a quarter and the time period between two meetings did not exceed 120 days. The required quorum was present at all the below meetings. Dates for the Board Meetings for the ensuing financial year are decided well in advance and communicated to the Directors.

Board Meeting Date	Board Strength	No. of directors Present
29 th May 2019	6	6
03 rd June 2019	6	6
13 th August 2019	6	6
14 th November 2019	6	6
14 th February 2020	6	6

The draft minutes of the Board and Committee meetings are circulated amongst the Directors/ Members for their perusal and comments in accordance with Secretarial Standards -1 (SS-1) issued by the Institute of Company Secretaries of India. Suggestions, if any received from the Directors/ Members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/Committee. Minutes are signed by the Chairman of the Board/Committee at the next meeting.

v. SEPARATE MEETING OF INDEPENDENT DIRECTOR

During the year, The Independent Directors meeting was held on February 14, 2020 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the board.

All Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 149(6) of the Act . All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 149(6) of the Act. At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting.

The Independent Directors are given a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct, among other items, as required by Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The draft letter of the appointment is available on the Company's website at www.lykis.in

The Board, based on the disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the conditions of Independence as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and are independent of the management of the Company for the year ended March 31, 2020.

The Board at its meeting held on February 14, 2020 has approved the re-appointment of Ms. Jyoti Deviprasad Budhia (DIN: 00332044) as Non-Executive Independent Director for second term of five consecutive years commencing from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company and whose office shall not be liable to retire by rotation subject to the approval of shareholder in the ensuing Annual General Meeting.

vi. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committee and individual directors pursuant to provision of the Act and the corporate governance requirement as prescribed by the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation 2015. The performance of the board was evaluated by the board after taking inputs from all the directors on the basis of criteria such as the Board Composition and structure, effectiveness of board process, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent directors which was held on February 14, 2020, performance of non-independent and the board as whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of Independent director was done by the entire board, excluding the independent director being evaluated.

vii. RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 is annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report.

viii. Key Expertise of the Board of Directors

The Board of Directors of your Company comprises of qualified and proficient Members who bring appropriate expertise and competence enabling them to make effective contribution to the Board and its Committee.

Below are the key skills/expertise/competence identified by the Board of Directors:

- a. Manufacturing Industry
- b. Finance
- c. Compliance & Governance
- d. Global Business
- e. Industry Knowledge
- f. Strategic Vision
- g. Research & Innovations

3. COMMITTEES OF THE BOARD

i. AUDIT COMMITTEE

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Companies Act, 2013, read with regulation 18 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The Audit Committee presently comprises of three directors. All the members of the Audit Committee have accounting and financial management knowledge. Mr. Mayank Jhunjunwala is Chairman of the Audit Committee. He is Chartered Accountant and possessed strong accounting and financial management knowledge.

During the year, the committee met four times i.e. May 29, 2019; August 13, 2019; November 14, 2019 and February 14, 2020.

The Composition of the Audit Committee and the attendance of the members at the meeting held are as follows:

Director	Status	Category	No. of Meeting attended
Mr. Mayank Jhunjunwala	Chairman	Non-Executive Independent Director	4
Ms. Jyoti Budhia	Member	Non-Executive Independent Director	4
Mr. Prince Tulsian	Member	Executive Director	4

The terms of reference to the Audit Committee inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditor's i.e. statutory and internal auditor of the Company.
- Approval of transaction of the Company with related parties, including modification thereto.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the annual financial statement and auditors report thereon and quarterly financial statement before the submission to the board for approval.
- To review Management discussion and analysis of financial condition and result of operations.
- To review Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
- To review Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon.
- To review the functioning of the Whistle Blower mechanism.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligation & Disclosure

Requirements) Regulation, 2015. The Nomination and Remuneration Committee presently comprises of four members. Mr. Mayank Jhunjunwala is chairman of the committee.

During the year, the committee met two times i.e. June 03, 2019 and February 14, 2020.

The Composition of the Nomination and Remuneration Committee and the attendance of the members at the meeting held are as follows:

Director	Status	Category	No. of Meeting attended
Mr. Mayank Jhunjunwala	Chairman	Non-Executive Independent Director	2
Ms. Jyoti Budhia	Member	Non-Executive Independent Director	2
Mr. Vijay Kedia	Member	Non- Executive Director	2
Mr. Nadir Dhrolia	Member	Non- Executive Director	2

The terms of reference to the Nomination and Remuneration Committee inter alia includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the directors. Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors, Committees of Board and the Board.
- Formulating a policy on Board diversity
- Identifying persons who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- The Committee will develop and review induction procedures for new appointees to the Board to enable them to become aware of and understand the Company's policies and procedures and to effectively discharge their duties.

iii. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder and Relationship Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligation Disclosure Requirements) Regulation, 2015. The Stakeholder and Relationship Committee presently comprises of three members. Mr. Mayank Jhunjunwala is chairman of the committee.

During the year, the committee meeting was conducted on February 14, 2020.

The Composition of the Stakeholder and Relationship Committee and the attendance of the members at the meeting held are as follows:

Director	Status	Category	No. of Meeting attended
Mr. Mayank Jhunjunwala	Chairman	Non-Executive Independent Director	1
Ms. Jyoti Budhia	Member	Non-Executive Independent Director	1
Mr. Prince Tulsian	Member	Executive Director	1

The terms of reference to the Stakeholder Relationship Committee inter alia includes:

- Look into the redressing of shareholders complaints and queries and to focus on the strengthening of investor relations.
- To monitor and review performance and service standards of the Registrar and Share Transfer Agents of the Company and provides continuous guidance to improve the service levels of investors.
- Monitor and review any investor complaints received by the Company and through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance Officer and RTA of the Company.

During the financial year, the Company / Company's Registrar and Share Transfer Agent received Nil complaints.

4. GENERAL BODY MEETING

- i. Details of Annual General Meeting (AGM) held during the last three years and the special resolutions passed thereat are as under:

Financial Year	Date & Time	Venue	Whether Special Resolution passed	Summary of Special Resolution Passed
2018-19	30-09-2019 10:30 A.M.	"SANAI" 181/1, Upen Banerjee Road, Behala Airport More, Kolkata 700060	Yes	1. Appointment of Mr. Rajendra Singh Singhvi as a Non-Executive Independent Director 2. Re-appointment of Mr. Mayank Jhunjhunwala as a Non-Executive Independent Director
2017-18	24-09-2018 10:30 A.M	Sujata Devi Smriti Sadan, 7 Hazra Road, Kolkata 700026	No	No Special Resolution has been passed.
2016-17	22-09-2017 10:30 A.M	"SANAI" 181/1, Upen Banerjee Road, Behala Airport More, Kolkata 700060	Yes	1. Authority for borrowing power up to ₹ 200 crores 2. To approve creation of charge/ security over the assets/ undertaking of the company in respect of borrowing 3. Adoption of new set of articles of association

ii. **Postal Ballot**

During the year Company did not pass any resolution through Postal Ballot.

5. MEANS OF COMMUNICATION

The un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English Newspaper having national circulation and one Bengali Newspaper.

6. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

In keeping with the requirements of SEBI and the Stock Exchanges, a Secretarial Audit by a practicing Company Secretary is carried out to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid - up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given as a separate section in Annual Report.

8. CODE OF CONDUCT FOR ALL BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

The Company has adopted the Code of Conduct for all Board members and Senior Management personnel of the Company in compliance with Regulation 26(3) of the SEBI (Listing Obligation & Disclosure Requirements, 2015) and the Companies Act, 2013. All Board members and senior management personnel have confirmed compliance to the code of conduct. A declaration signed by the Managing Director of the Company to this effect is annexed and form part of this report. This code is available on the Company's website at www.lykis.in

9. CEO & CFO CERTIFICATION

Company's CEO & CFO have issued certificate pursuant to the provision of Regulation 17(8) of SEBI LODR, 2015, certifying inter-alia, that the financial statement do not contain any material untrue statement and these statement represent true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Annual Report.

10. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

As required under Schedule V (E) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 the Corporate Governance Compliance Certificate from M/s SCP & Co., Company Secretaries is annexed and forms part of this Annual Report.

11. CERTIFICATE FROM PRACTICING COMPANY SECRETARY

As required under the SEBI Listing Regulation (Amendment) 2018, schedule V Part C (10)(i), the certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed and forms part of this Annual Report.

12. REGISTRAR AND SHARE TRANSFER AGENTS

M/s R & D Infotech Private Limited acted as the Registrar and Share Transfer Agent of the Company for handling all share transfer and related process.

M/s R & D Infotech Private Limited
7A, Beltala Road, 1st Floor,
Kolkata 700026

E-mail Id: rd.infotech@gmail.com

Web Site: rdinfotech@gmail.com

Contact No: (033) 24192642, (033) 24192641

13. SHARE TRANSFER SYSTEM

Share transfers received by the Company are registered within stipulated time from the date of receipt in most of the cases, provided the documents are complete and valid in all respects. A summary of the transfer / transmission so approved is placed at every Board Meeting. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Equity shares to a Stakeholders Relationship Committee. The Registrar and Share Transfer Agent, R & D Infotech Private Limited is authorized by the Board for processing of share transfers which are approved by the Company's Stakeholders Relationship Committee.

14. DEMATERIALIZATION OF SHARES

84.88% of total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2020. The face Value of Share is ₹ 10/- per share.

15. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on March 31, 2020, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments.

16. PLANT LOCATION

IRINGMARA TEAR ESTATE P.O. Dwarbund, Dist- Cachar, Pin Code – 788 113, Assam

17. INVESTOR SERVICES

Shareholders may correspond with the Registrar and Transfer Agent, for the entire range of services with regard to share transfer, change of address, change of mandate, dividend, etc. at the address mentioned here in above. Members may contact Ms. Neha Mankame, Company Secretary and Compliance Officer for all investor related matters at the registered office of the Company at the following address:

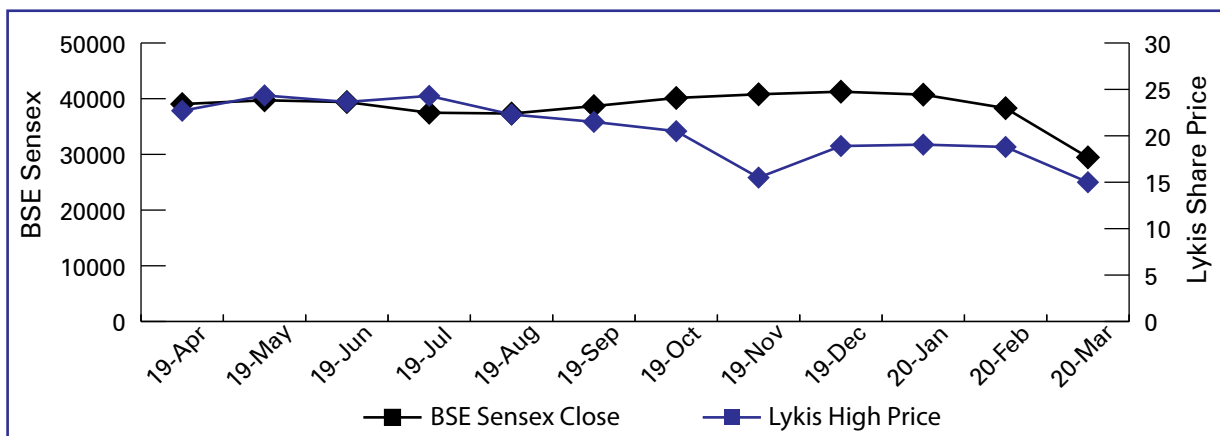
Lykis Limited
57B, C. R. Avenue,
1st Floor, Kolkata 700012

18. MARKET PRICE DATA FOR FY 2020:

The Company's shares are regularly traded on BSE Limited. The monthly high/low and volume of shares of the Company from April 01, 2019 to March 31, 2020 is given below:

Month	BSE		
	High	Low	Close
April – 2019	25.25	21.85	22.70
May- 2019	24.75	19.10	24.35
June – 2019	25.85	21.65	23.65
July – 2019	24.40	20.05	24.30
August – 2019	24.75	21.00	22.30
September – 2019	23.00	19.75	21.50
October – 2019	22.35	17.65	20.50
November – 2019	23.55	15.50	15.50
December – 2019	21.85	14.90	18.90
January – 2020	22.95	17.95	19.05
February – 2020	21.40	15.30	18.80
March – 2020	20.75	12.00	15.00

Lykis and BSE Sensex Share price movement from April 01, 2019 to March 31, 2020



19. SHAREHOLDING AS ON MARCH 31, 2020

i. Categories of Shareholders as on March 31, 2020

Sr. No.	Description	No. of Shares	% of Capital
A.	Promoter and Promoter Group	66,63,818	34.39
B.	Public Shareholding		
	Foreign Portfolio Investor	-	-
	Financial Institution	-	-
	NRI	950921	4.91
	Body Corporate	213144	1.10
	HUF	964582	4.97
	LLP	44451	0.23
	Other	10538239	54.39
	Total	19375155	100

ii. Distribution of Shareholding by value of shares:

Shareholding of Nominal Value	No. of Shareholders	No. of Shares	Percentage (%) to shareholders	% to Paid Up Equity Capital
Upto to 5000	2261	439099	74.793%	2.27%
5010 to 10000	423	350514	13.993%	1.81%
10010 to 20000	167	252541	5.524%	1.30%
20010 to 30000	36	90871	1.191%	0.47%
30010 to 40000	27	96319	0.893%	0.50%
40010 to 50000	32	151355	1.059%	0.78%
50010 to 100000	31	249058	1.025%	1.29%
100010 to 500000	28	601604	0.926%	3.11%
500010 to 1000000	5	320037	0.165%	1.65%
1000010 and Above	13	16823757	0.430%	86.83%
TOTAL	3023	19375155	100.00%	100.00%

20. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting Date, Time & Venue	September 30, 2020 at 11:30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2.	Dates of Book Closure	September 24, 2020 to September 30, 2020 (both days inclusive)
3.	Financial Calendar (Tentative)	2020-2021
	Quarter Ending June 30, 2020	On or before September 15, 2020*
	Half year ending September 30, 2020	On or before November 14, 2020
	Quarter Ending December 31, 2020	On or before February 14, 2020
	Year Ending March 31, 2021	On or before May 31, 2020
4.	Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE) The Calcutta Stock Exchange Association Ltd (CSE) The Ahmedabad Stock Exchange (ASE)
5.	Stock Code:	BSE – 530689 CSE – 17061 ASE – 19707
6.	Payment of Annual Listing Fees	Listing fees for the Financial year 2019-20 has been paid to the exchange.
7.	Corporate Identification Number (CIN)	L74999WB1984PLC038064

*The Company's equity shares are regularly traded in BSE. The Equity Shares are in Suspension at CSE & ASE.

*Due to COVID 19 Pandemic, SEBI has vide circular (SEBI /HO/CFD/CMD1/CIR/P/2020/140) dated July 29, 2020 extended the timeline for submission of financial results for quarter ended June 30, 2020 to September 15, 2020

21. DISCLOSURES:
i. Related Party Transaction

The transactions between the Company and the Directors and Companies in which the Directors are interested have been disclosed in notes to the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interests of the Company.

ii. Statutory Compliance

Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets during the last three years : NIL

iii. Disclosure of Accounting Treatment:

The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.

iv. Compliance with Mandatory Requirement:

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

v. Policy on determining Material Subsidiary

The Company has no material subsidiary.

Declaration on compliance with the Code of Conduct

In accordance with Clause D of Schedule V of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 I, Mr. Prince Tulsian, Managing Director of the Company, hereby declare that the Members of the Board of Director and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended March 31, 2020.

Date: August 31, 2020
Place: Kolkata

For **Lykis Limited**
Prince Tulsian
Managing Director
DIN: 02691348

Chief Executive Officer & Chief Financial Officer Certification

The Board of Directors,
Lykis Limited

We, Mr. Rajesh Tendolkar (Chief Executive Officer) and Mr. Sunil Purohit (Chief Financial Officer), hereby certify that:

- A. We have reviewed the financial statement and the cash flow statements for the year ending March 31, 2020 and to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statements or omit any material fact or contain statement that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the period ending March 31, 2020 which are fraudulent, illegal or violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal controls and that we have taken the required steps to rectify these deficiencies.
- D. We have indicated the Auditors and Audit Committee that:
1. There have been no significant changes in the internal control over financial reporting during the year.
 2. There have been no significant changes in the accounting policies except Ind-AS adoption this year and that the same have been disclosed in the notes to the financial statements.
 3. There have been no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Lykis Limited**
Mr. Rajesh Tendolkar
Chief Executive Officer

Date: August 31, 2020
Place: Kolkata

For **Lykis Limited**
Mr. Sunil Purohit
Chief Financial Officer

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Lykis Limited (CIN: L74999WB1984PLC038064)

We have examined the compliance of conditions of Corporate Governance by Lykis Limited ("the Company") for the year ended March 31, 2020, as specified in Regulation 17 to 27, 46(2)(b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/S. SCP & CO.**
Practising Company Secretaries

Place: Mumbai
Date: 03/09/2020

Swapnil Pande
M. No A44893 C.P. No 21962
UDIN: A044893B000653600

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

To,
M/s LYKIS LIMITED,
57B, C. R. Avenue,
1st Floor, Kolkata – 700012.

We have examined the relevant register, records, forms, return and disclosures received from the Directors of 'Lykis Limited' having CIN: L74999WB1984PLC038064 and having registered office at 57B, C. R. Avenue, 1st Floor, Kolkata – 700012 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para- C sub clause 10(i) of the Securities and Exchange Board of India (Listing obligation & Disclosure Requirements) Regulation, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as consider necessary and explanation furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry Corporate Affairs.

Sr. No	Name of Director	DIN	Date of Appointment
1.	Mr. Vijay Kishanlal Kedia	00230480	02/05/2011
2.	Mrs. Jyoti Deviprasad Budhia	00332044	31/03/2015
3.	Mr. Prince Tulsian	02691348	22/12/2009
4.	Mr. Mayank Jhunhunwala	02695948	28/02/2014
5.	Mr. Nadir Umedali Dhrolia	03303675	05/12/2011
6.	Mr. Rajendra Singh Singhvi	08322932	08/01/2019

For **M/S. SCP & CO.**
Practising Company Secretaries

Swapnil Pande
M. No A44893 C.P. No 21962
UDIN: A044893B000653600

Place: Mumbai
Date: 03/09/2020

LYKIS LIMITED

CIN: L74999WB1984PLC038064

Registered Office: 57B, C. R. Avenue, 1st floor, Kolkata 700012

NOTICE OF THIRTY SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Sixth Annual General Meeting (AGM) of the Members of Lykis Limited will be held on Wednesday, September 30, 2020 at 11:30 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statement

To consider and adopt the Financial Statements of the company for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.

2. Adoption of Consolidated Financial Statement

To consider and adopt the Consolidated Financial Statements of the company for the financial year ended March 31, 2020 and the Report of the Auditors thereon.

3. Re-appointment of Mr. Nadir Umedali Dhrolia (DIN 03303675)

To appoint a Director in place Mr. Nadir Umedali Dhrolia (DIN 03303675), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Ms. Jyoti Deviprasad Budhia as a Non- Executive Independent Director

To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Jyoti Deviprasad Budhia (DIN: 00332044), Non-Executive Independent Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Non-Executive Independent Director of the Company to hold office for second term of five consecutive years commencing from the conclusion 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the company and whose office shall not be liable to retire by rotation.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of its powers to any of its committee(s) or any director or officer or person and to do all such acts, deeds, matters and things for giving effect to this resolution."

By order of the Board of Directors
For **Lykis Limited**

Anubhav Shrivastava
Company Secretary

Kolkata, August 31, 2020

CIN: L74999WB1984PLC038064

Registered office:

57B, C. R. Avenue, 1st Floor,
Kolkata 700012

NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly the **36th Annual General Meeting (AGM) of Lykis Limited (the "Company")** will be held through video conferencing (VC) or other audio visual means (OAVM) in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 36TH AGM OF THE COMPANY (THE "NOTICE").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney/ appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at corporateissues1991@gmail.com with a copy marked to evoting@nsdl.co.in The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
5. **Dispatch of Annual Report through E-mail**

In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. R & D Infotech Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz., www.lykis.in and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., www.evoting.nsdl.com

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.lykis.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. Pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended hereinafter referred to as 'Listing Regulations' and Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India, details of Directors who are proposed to be appointed, forms a part of notice.

8. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (Both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable regulation of the Listing Regulation entered into with the Stock Exchanges.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to M/s. R & D Infotech Pvt. Ltd. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, M/s R & D Infotech Private Limited or to their depository participants in case shares are held in depository form.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. All documents referred to in the notice are open for inspection at the registered office of the company during office hours.
12. Members desires of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 may send the same to the office of the Registrar and Transfer Agent of the Company.
13. The Board of Directors has appointed Mr. Swapnil Pande, Proprietor, M/s. SCP & Co. (ACS : 44893/C.P. No.: 21962), as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner.
14. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard.
15. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.lykis.in) and on the e-Voting website of NSDL (www.evoting.nsdl.com) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for atleast 3 days on the Notice Boards of the Company at its Registered Office in Kolkata and at the Corporate Office in Mumbai.
16. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2020 subject to receipt of the requisite number of votes in favour of the Resolutions.
17. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cutoff date i.e. Wednesday, September 23, 2020.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
19. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 4 is annexed hereto.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 27, 2020 at 10:00 A.M. and ends on Tuesday, September 29, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
 - a. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below under “Instructions for Members whose email ids are not registered.
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select EVEN of "LYKIS LIMITED".
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to corporateissues1991@gmail.com with a copy marked to evoting@nsdl.co.in.
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@lykis.in.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN Card (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@lykis.in.
- iii. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at www.lykis.in.
- vi. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
- vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By order of the Board of Directors
For **Lykis Limited**

Anubhav Shrivastava
Company Secretary

Kolkata, August 31, 2020

CIN: L74999WB1984PLC038064

Registered office:

57B, C. R. Avenue, 1st Floor,
Kolkata 700012

Explanatory Statement

(Pursuant to provision of Section 102 of the Companies Act, 2013)

Item No. 4

Ms. Jyoti Deviprasad Budhia was appointed as an Independent Non-Executive Director of the company by the members at the 31st Annual General Meeting held on September 30, 2015 for a period of five years. As per section 149 (10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing special resolution by the company for another term up to five consecutive years on the Board of the Company.

Based on recommendation of Nomination & Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Jyoti Deviprasad Budhia, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the company and whose office shall not be liable to retire by rotation.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Ms. Jyoti Deviprasad Budhia fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Jyoti Deviprasad Budhia as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working days upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Jyoti Deviprasad Budhia as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Ms. Jyoti Deviprasad Budhia as an Independent Director for another term of five consecutive years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the company and whose office shall not be liable to retire by rotation.

Additional information in respect of Ms. Jyoti Deviprasad Budhia pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015) is annexed to this notice.

Except Ms. Jyoti Deviprasad Budhia being an appointee and his relatives, none of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution. Mr. Mayank Jhunjhunwala is not related to any of the Directors or Key Managerial Personnel of the Company

By Order of the Board of Directors
For **Lykis Limited**

Anubhav Shrivastava
Company Secretary

Place: Kolkata
Date: August 31, 2020

CIN:L74999WB1984PLC038064

Registered Office:
57B, C. R. Avenue, 1st Floor, Kolkata 700012
Telefax: 033-40045265,
E-mail: cs@lykis.in,
Website: www.lykis.in

**Details of Directors Seeking Appointment/Re-appointment at the 36th Annual General Meeting of the Company.
(In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015)**

Name of Director	Nadir Umedali Dhrolia	Jyoti Deviprasad Budhia
DIN	03303675	00332044
Date of Birth	October 02, 1975	February 24, 1965
Date of Appointment	December 05, 2011	March 31, 2015
Qualification	B.Com	B.Com (H)
Directorship in other Company	<ol style="list-style-type: none"> 1. Spectra International Limited 2. Bywell Confectioners Private Limited 3. Lykis Marketing Private Limited 4. Lykis Packaging Private Limited 5. Lykis Biscuits Private Limited 6. Lykis Home Care Private Limited 7. Lykis Herbals Private Limited 8. Pragati Aerosols Private Limited 9. Bion Aerosols Private Limited 10. Spectra Marine Foods Private Limited 11. Lykon Foods Private Limited 	<ol style="list-style-type: none"> 1. Yash Trading And Finance Limited
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit Committees and Shareholders/ Investors' Grievance Committee)	NA	<ol style="list-style-type: none"> 1. Chairman – Audit Committee, Yash Trading & Finance Ltd.
Number of shares held in the company	4659370	-
Relationship between directors inter-se	NA	NA

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LYKIS LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **LYKIS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the audit of Standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under provision of Act 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 on the Standalone financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Adoption of Ind AS 116 – Leases</p> <p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a lease contract.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 44 to the standalone financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> ● Upon transition as at 1st April 2019 we have evaluated that method of transition and related adjustments and tested the completeness of leased data. ● Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116); ● Assessed the Company’s evaluation on the identification of leases based on the contractual agreements and knowledge of the business; ● Evaluated the significant judgements and estimates concerning determination of the discount rates and the lease term. ● We performed the following procedures: <ul style="list-style-type: none"> ➢ Assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ Evaluated computation of lease liabilities, right to use and challenged the key estimates such as, discount rates and the lease term. ● Assessed and verified the presentation and disclosures relating to Ind AS 116.
2	<p>Sundry Balances Written Off</p> <p>During the FY 2019-20, the Company has written off Rs. 117.90 lakhs for advances and receivables which are not recoverable. Refer note no. 38</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● We gained an understanding of the process undertaken by the company for recoverability of such amount. ● We have assessed the management’s forecast and communication with the parties. ● We have verified that the company has taken requisite approval from the appropriate authorities and checked proper presentation and disclosure of the same in financial statements.

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 information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone 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 Standalone financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), Statement of changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specifies 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A. 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 it appears from our examination of those books.
 - c) The Balance Sheet, statement of Profit and Loss Account including Other Comprehensive Income, Statement of changes in Equity and the statement of Cash Flow dealt with by this Report is in agreement with the relevant books of account.
 - d) In our opinion standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - 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 is 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 with reference to these Standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

- B. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended 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 as at 31st March 2020 on its financial position in its Standalone financial statements – Refer Note 40 to the Standalone financial statements;
 - ii. The Company has made provision, as required under the applicable laws or Indian accounting standards for material foreseeable losses, if any, on derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- C. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BANSHI JAIN & ASSOCIATES**
Chartered Accountants
FRN: 0100990W

Place: Mumbai
Date: 31/07/2020

R. B. Golecha
Partner
Membership No: 035348
UDIN : 20035348AAAACC9150

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the Standalone financial statements for the year ended on 31st March 2020. We report that:

i. In Respect of its fixed assets:

- a. The company is in process of maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c. In respect of land and building held by the company, we have not been provided by title deeds and therefore we are unable to comment whether all the title deeds of such land and building are held in the name of the company. The total value of land and building as per the books of the company is Rs. 1,067.29 lakhs.

ii. In respect of its inventories:

As explained to us, the physical verification of inventory is conducted on reasonable intervals by the company. In our opinion, the frequency of verification is reasonable. It has been certified by the management that no material discrepancies were noticed on physical verification of inventories when compared with book records. Wherever the discrepancies were noticed, the same are dealt with in the books of accounts after due reconciliation, confirmation and the approval of the proper authority.

iii. In respect of loans granted:-

According to the information and explanation given to us, the company has granted unsecured loans to 7 body corporate covered in the register maintained under Section 189 of the Companies Act. The balance outstanding as at the end of the year was Rs. 397.95 lakhs.

In our opinion and according to the information and explanation given to us:-

- a. The terms and conditions of the grant of aforesaid loans are not prejudicial to the company’s interest.
- b. In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and no interest has been charged on loan given to these parties.
- c. There are no amounts of loan granted to the company listed in the register maintained under section 189 of the Act, which were overdue for more than ninety days.

- 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 given, investments made, guarantees given and securities provided except the following.
- a. The company has given loan to entities in which directors are interested which is not in line with the provisions of sec 185 of Companies Act 2013. The outstanding amount as on 31st March 2020 is Rs 397.95 lakhs.
 - b. The company has given inter corporate loans in respect of which the company has not charged interest as per the provisions of sec 186 of the Companies Act 2013. The outstanding amount as on 31st March 2020 is Rs 595.89 lakhs.
- v. The Company has not accepted any deposits except advance received from customers amounting to Rs.69.30 lakhs which is still outstanding for more than 365 days and thus falls under the definition of Deemed Deposit from the public as per Rule 2 of Companies Acceptance of Deposit Rules, 2014. In respect of the deemed deposits the Company has not fulfilled with directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
- a. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and any other statutory dues as applicable with the appropriate authorities.
According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, and cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except the following statutory liabilities.

(Rs. in lakhs)

Nature of Statutory Liability	Amount
Liability for Tea Cess	19.82
Liability for Land Revenue	5.16
Liability for Gram Panchayat Tax	0.41
Provident Fund	13.77
Value Added Tax	2.95

- b. According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the particulars of dues of excise duty, Income tax as at 31st March, 2020 which have not been deposited on account of any dispute, are as follows:

(Rs. in lakhs)

Nature Of The Statute	Nature of Dues	Forum where dispute is pending	Period to which the	Amount (Rs.)
The Income Tax Act,1961	Income Tax	CIT Appeal Kolkata	A.Y. 2015-16	73.72

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company does not have any outstanding loans or borrowings from the government and has not issued any debentures during the year.
- ix. In our opinion and 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) or term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud done by the company or any fraud done on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanation provided by the management, the managerial remuneration has been paid/provided in accordance with the provision of section 197 read with Schedule V to the 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, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where

applicable, and the requisite details have been disclosed in the notes to Standalone financial statements, as required by the applicable Ind AS.

- 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. Accordingly, Paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations give 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. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **BANSHI JAIN & ASSOCIATES**
Chartered Accountants
FRN: 0100990W

Place: Mumbai
Date: 31/07/2020

R. B. Golecha
Partner
Membership No: 035348
UDIN : 20035348AAAACC9150

“Annexure-B” to the Independent Auditors’ Report

(Referred to in Paragraph 1(A)(f) under ‘Report On Other Legal and Regulatory Requirements’ section of our report of even date’)

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 with reference to Standalone financial statements of **LYKIS LIMITED** (“the Company”) as of 31st 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 with reference to Standalone financial statements 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 (the “Guidance Notes”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of 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 with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with 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 are applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 internal financial controls with reference to Standalone financial statements 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 with reference to Standalone financial statements and their operating effectiveness. Our audit

of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls with reference to Standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone 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 with reference to Standalone financial statements.

Meaning of Internal Financial Controls over financial statement

A company's internal financial control over Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone financial statements 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 Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to Standalone financial statements 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 **BANSHI JAIN & ASSOCIATES**
Chartered Accountants
FRN: 100990W

Place: Mumbai
Date: 31/07/2020

R. B. Golecha
Partner
Membership No: 035348
UDIN : 20035348AAAACC9150

LYKIS LTD
Standalone Balance Sheet as at March 31, 2020

(INR in Lakhs)

Particulars	Notes	As At 31st March, 2020	As At 31st March, 2019
I. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment	3	1,268.32	1,299.34
(b) Right to Use	4	207.12	-
(c) Capital Work-In-Progress	3	147.12	131.87
(d) Intangible Assets	5	0.26	0.79
(e) Financial Assets			
(i) Investments	6	74.94	86.82
(ii) Other financial assets	7	-	1.47
		1,697.76	1,520.30
2. Current Assets			
(a) Inventories	8	89.47	407.58
(b) Financial Assets			
(i) Trade Receivables	9	2,599.59	3,482.77
(ii) Cash and Cash Equivalents	10	362.38	250.80
(iii) Other Bank Balance	11	996.19	950.36
(iv) Loans	12	638.67	733.79
(v) Other financial assets	13	152.02	504.75
(c) Current Tax Assets	14	182.18	208.61
(d) Other Current Assets	15	2,511.12	3,144.85
		7,531.62	9,683.51
TOTAL		9,229.38	11,203.81
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	1,992.70	1,992.70
(b) Other Equity	17	1,217.16	1,358.25
		3,209.86	3,350.95
Liability			
1. Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1.13	1,003.26
(ii) Lease Liability	19	172.87	-
(b) Deferred Tax (Assets)/Liabilities (Net)	20	(9.81)	11.89
(c) Other Non Current Liabilities	21	38.36	29.96
(d) Provisions	22	14.37	9.72
		216.91	1,054.83
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	3,701.67	3,279.49
(ii) Lease Liability	24	38.21	-
(iii) Trade Payable	25		
Total Outstanding due to Micro and Small Enterprises		7.39	-
Total Outstanding due to creditors other than Micro and small enterprises		499.63	1,415.93
(iv) Other Financial Liabilities	26	1,110.49	78.43
(b) Other Current Liabilities	27	277.74	1,826.27
(c) Provisions	28	24.56	20.75
(d) Current Tax Liabilities	29	142.93	177.16
		5,802.61	6,798.03
TOTAL		9,229.38	11,203.81

Summary of Significant Accounting Policies 2

The accompanying notes are an integral parts of financial statements.

As Per Our Report Of Even Date

For BANSI JAIN & ASSOCIATES
Chartered Accountants
Firm Regn.No.0100990W

For and on behalf of Board of Directors

R. B. GOLECHA
Partner
Mem.No.035348

Vijay Kedia
Chairman
DIN: 00230480

Rajesh Tendolkar
Chief Executive Officer

Place: Mumbai
Dated: 31st July 2020

Sunil Purohit
Chief Financial Officer

Anubhav Shrivastava
Company Secretary

LYKIS LTD
Standalone Profit & Loss Statement for the year ended March 31, 2020

(INR in Lakhs)

Particulars	Notes	31st March, 2020	31st March, 2019
INCOME			
Revenue form Operations	30	8,801.33	14,634.68
Other Income	31	246.81	89.20
Total Revenue		9,048.14	14,723.88
EXPENDITURE			
Cost of Material Consumed	32	47.27	159.92
Purchases of Stock in Trade	33	7,089.88	11,576.57
Change in Inventories of Finished Goods,	34	276.04	190.87
Employee Benefit Expenses	35	512.85	515.94
Finance Cost	36	226.70	216.29
Depreciation & Amortization Expense	37	74.46	68.45
Other Expenses	38	949.34	2,038.32
Total Expenses		9,176.55	14,766.36
PROFIT / (LOSS) BEFORE TAXATION		(128.41)	(42.48)
LESS : Tax Expenses			
- Current Tax			49.67
- Taxes for Earlier Period		6.91	
- Deferred Tax		(21.70)	4.89
PROFIT / (LOSS) FOR THE YEAR		(113.62)	(97.04)
OTHER COMPREHENSIVE INCOME			
a) (i) Items that will not be reclassified to profit or loss			
- Acturial Gain/loss on Gratuity Valuation		(3.68)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss			
b) (i) Items that will be reclassified to profit or loss			
- Fair value of derivative liability		(23.80)	-
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other Comprehensive Income		(27.48)	-
Total Comprehensive Income for the year		(141.10)	(97.04)

Earnings per Equity Share			
Basic (INR)	39	(0.59)	(0.50)
Diluted (INR)		(0.59)	(0.50)
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral parts of financial statements.

As Per Our Report Of Even Date

For BANSI JAIN & ASSOCIATES

Chartered Accountants
Firm Regn.No.0100990W

R. B. GOLECHA
Partner
Mem.No. 035348

For and on behalf of Board of Directors

Vijay Kedia
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DIN: 00230480

Rajesh Tendolkar
Chief Executive Officer

Place: Mumbai
Dated: 31st July 2020

Sunil Purohit
Chief Financial Officer

Anubhav Shrivastava
Company Secretary

LYKIS LIMITED
Standalone Statement Of Changes In Equity as at March 31, 2020

Equity Share Capital

Particulars	(INR in Lakhs)	
	No. of shares	Amount
As at 1st April, 2018	19,375,155.00	1,937.52
Equity Share Capital issued during the year	-	-
As at 31st March, 2019	19,375,155.00	1,937.52
Equity Share Capital issued during the year	-	-
As at 31st March, 2020	19,375,155.00	1,937.52

Other Equity

(INR in Lakhs)

Description	Reserves and Surplus						Other Comprehensive Income	Total
	General Reserve	Development Rebate Reserve	Revaluation Reserve	Investment Allowance Utilised Reserve	Securities Premium Reserve	Retained Earnings		
	Balance as at April 1, 2018	1.76	0.13	10.76	44.25	1,171.06		
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.76	0.13	10.76	44.25	1,171.06	215.34	-	1,443.31
Profit for the year	-	-	-	-	-	(97.04)	-	(97.04)
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(97.04)	-	(97.04)
Movement for the year	-	-	-	4.32	-	7.65	-	11.98
Balance as at March 31, 2019	1.76	0.13	10.76	48.58	1,171.06	125.96	-	1,358.25
Balance as at April 1, 2019	1.76	0.13	10.76	48.58	1,171.06	125.96	-	1,358.25
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	1.76	0.13	10.76	48.58	1,171.06	125.96	-	1,358.25
Profit for the year	-	-	-	-	-	(113.62)	-	(113.62)
Other Comprehensive Income for the year	-	-	-	-	-	-	(27.48)	(27.48)
Total Comprehensive Income for the year	-	-	-	-	-	(113.62)	(27.48)	(141.10)
Movement for the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	1.76	0.13	10.76	48.58	1,171.06	12.34	(27.48)	1,217.15

This is the Statement of Changes in Equity referred to in our report of even date

For BANSI JAIN & ASSOCIATES

Chartered Accountants
Firm Regn.No.100990W

R. B. GOLECHA

Partner
Mem.No.035348

Place: Mumbai

Dated: 31st July 2020

For and on behalf of Board of Directors

Vijay Kedia
Chairman
DIN: 00230480

Rajesh Tendolkar
Chief Executive Officer

Sunil Purohit
Chief Financial Officer

Anubhav Shrivastava
Company Secretary

LYKIS LTD

Standalone Cash Flow Statement for the year ended on 31 March, 2020

(INR in Lakhs)

Particulars	31st March, 2020	31st March, 2019
A. Cash flow from Operating Activities		
Net Profit Before Tax	(128.41)	(42.48)
Adjustments:		
Depreciation and Amortization of Property, Plant and Equipment	74.46	68.45
Loss on Sale of property, plant and equipment (net)	1.30	(0.34)
Loss/ (Profit) on Sale of Current Investments (net)	-	198.25
Income Taxes of Earlier Period	(6.91)	-
Exchange Fluctuation (Gain)/ Loss on Loan	(117.98)	78.06
Provision/ (Reversal of Provision) for Loss Allowance on Trade Receivables	-	106.99
Sundry Balances written back	117.90	-
Provision for Expenses	-	11.78
Dividend Income	-	(1.88)
Finance Costs (Including Fair Value Change in Financial Instruments)	226.70	216.29
Subsidy from Government - Tea Division	-	(4.76)
Interest Income	(69.42)	(58.62)
Operating cash flows before working capital changes	97.65	571.75
Adjustments for Changes in Working Capital - -		
Decrease/ (Increase) in Inventories	318.11	182.44
Decrease/ (Increase) in Trade receivables	883.18	1,123.41
Decrease/ (Increase) in Current Loans advances	95.12	563.49
Decrease/ (Increase) in Income Tax Asset	16.43	(208.61)
Decrease/ (Increase) in Non-Current Financial Assets - Others	1.47	-
Decrease/ (Increase) in Financial Assets - Other	352.73	520.45
Decrease/ (Increase) in Other Current Assets	633.73	2,101.02
Increase/ (Decrease) in Trade Payables	(1,026.81)	918.62
Increase/ (Decrease) in Current Financial Liabilities - Other	1,032.06	(367.33)
Increase/ (Decrease) in Other Current Liabilities	(1,540.13)	(1,711.50)
Increase/ (Decrease) in Non-Current Provisions	(22.83)	-
Increase/ (Decrease) in Current Provisions	(30.43)	-50.90
Cash generated from operations	810.28	3,642.84
Income taxes paid -	(10.00)	76.19
Net cash flow from operating activities	820.28	3,566.65
Add : Unrealised foreign Exchange (Gain) / Losses (Net)	117.98	-
Net cash flow(Used in) from operating activities (A)	938.26	3,566.66
B. Cash Flow from Investing Activities		
Purchase or construction of property, plant and equipment (including capital work-in-progress and capital advances)	(254.13)	(70.39)
Proceeds from/ (Investment in) fixed deposits (net) -	(15.26)	-
Proceeds from sale of property, plant and equipment -	(45.84)	4.45
Proceeds from Sale of Investments	2.80	2.60
Proceeds from Sale of Investments	11.89	223.00
Interest Received	69.42	42.75
Dividend Received	-	(1.88)
Net cash flow from/ (used in) investing activities (B)	(231.12)	200.53
C. Cash Flow from Financing Activities		
Proceeds from/ (Repayment of) Non-Current Borrowings (net)	(829.26)	(1.05)
Increase / (Decrease) in Current Borrowings	460.39	(6,585.60)
Proceed from subsidy received from Government	-	38.90
Finance Costs	(226.70)	(203.43)
Net cash flow from financing activities (C)	(595.57)	(6,751.22)
Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)	111.58	(2,984.03)
Cash and cash equivalents at the beginning of the year (Refer Note 12)	250.80	4,185.19
Cash and cash equivalents at the end of the year (Refer Note 12)	362.38	1,201.16
Net cash Increase/(decrease) in cash and cash equivalent	111.58	(2,984.03)

NOTES:

The Accompanying notes form an integral part of financial statements

1.Cash Flow statement has been prepared under "Indirect Method", set out in Ind AS 7, notified under the Companies (Indian Accounting Standard) Rules, 2015.

2. Cash and cash Equivalents Represent cash and Cash deposit with bank which are considered to be highly liquid

As Per Our Report of Even Date

For BANSI JAIN & ASSOCIATES

Chartered Accountants

Firm Regn.No.0100990W

R. B. GOLECHA

Partner

Mem.No. 035348

Place: Mumbai

Dated: 31st July 2020

For and on behalf of Board of Directors

Vijay Kedia

Chairman

DIN: 00230480

Rajesh Tendolkar

Chief Executive Officer

Sunil Purohit

Chief Financial Officer

Anubhav Shrivastava

Company Secretary

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

1 Corporate information

Lykis Limited is incorporate on October 15, 1984. The Company is limited by shares and its shares are listed on Bombay Stock Exchange. The Company is engaged in trading of FMCG and Tea. The Company's registered office is situated at 57B, C. R. Avenue, 1st floor, Kolkata 700012.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied in all material respect for all the years presented, unless otherwise started.

2.1 Basis of Preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (INDAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values. The Company follows the accrual basis of accounting.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ind AS financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. Earnings per share data are presented in Indian Rupees up to two decimal places.

2.2 Use of estimates

The preparation of financial statements requires management of the Company to make estimates and assumptions that effect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of tangible and intangible assets, valuation of inventories, sales return, employee costs, assessments of recoverable amounts of deferred tax assets and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

2.4 Foreign Currency Transaction and Translation

i. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency.

ii. Transactions and Balances

In preparing the financial statements transactions in currencies other than the entity's functional currency foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except when deferred in other comprehensive income as qualifying cash flow hedges. Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on retranslation on nonmonetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

2.5 Property, Plant and Equipment

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use as estimated by the management. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Company recognises tea bushes as bearer assets which are shown as land and plantation in the financial statement, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage. Bearer assets are carried at historical cost of acquisition. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations. The company does not bifurcate the value between land and bearer plants. The company is unable to estimate the useful life of bearer plants and therefore no depreciation is charged on the same.

Borrowing cost relating to acquisition/construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on WDV basis in FMCG division and Straight Line basis on Property, Plant and Equipment other than land in tea division over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets. Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost can be measured reliably.

Depreciation charged for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Further, the Company evaluated the useful life of certain assets, in respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Tangible Assets	
1	Plant and Machinery-Moulds	5
2	Plant and Machinery-Cylinder	3
3	Motor Cycle	5
4	Electrical Installation	15

Depreciation is provided using the straight line method or written down value as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Tangible Assets	
1	Roads and Bridges	10
2	Plant and Machinery	5 to 15
3	Computers and Printers	3 to 5
4	Furniture and Fittings	10
5	Motor Vehicles	5 to 10
6	Buildings and Fencing	5 to 60

Repairs & maintenance costs are recognised in the statement of Profit and Loss. Assets costing ` 5,000 or less are fully depreciated in the year of purchase.

2.6 Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortization is provided using the Straight Line Method as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Intangible Assets	
1	Trademarks	5

The Company has elected to regard previous GAAP carrying value of Intangible Assets as deemed cost at the date of transition to IND AS.

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.7 Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.8 Borrowing costs

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

General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year.

2.9 Inventories

Inventories are valued as under:

a. Raw Materials, Packing Materials And Stores & Spares:

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.

b. Finished Goods & Work In Progress:

At cost or net realizable value, whichever is lower. Cost is determined on absorption basis due provision for obsolescence is made.

c. Traded Goods:

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Valuation of Biological Assets

As required by Ind AS 41 - "Agriculture", management estimates the fair value of plucked (harvested tea leaf) and unplucked tea leaves (biological assets as at the balance sheet date) through the use of valuation models and recent transaction prices. Significant judgement is required for key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf. The company has no unplucked leaf as on 31.03.2020 .

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.13 Impairment of financial assets & non-financial assets

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

b. Non-financial assets

Intangible assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.14 Government Grants

Company is entitled to several government grants in form of subsidy under various schemes like North East Industrial & Investment Promotion Policy, Special Purpose Tea Fund Scheme, Tea Development & Promotion Scheme etc. towards fulfilment of certain conditions. The entity gets entitled to these subsidies upon undertaking various activities ranging from irrigation & civil work to replanting, replacement planting, rejuvenation pruning etc. Once entitled the sanctioned amount of subsidy has to be claimed over a period of maximum seven years. Owing to the nature, size & scalability of business its impractical to assess the life of plantations put together so the management estimates the maturity of the plantation as the life cycle which is estimated to seven years & accordingly the amount subsidy received is charged to profit & loss account over a period of seven years as deferred revenue.

2.15 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).

Export Incentives

A. Duty Drawback and MEIS:

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

B. Duty Free Import Authorisation Scheme :

Revenue from sale of DFIA license is recognised in the books after the fulfillment of all the pre-conditions of obtaining licenses and upon reasonable assurance & certainty of realization of money. There is no reasonable basis for allocating DFIA License revenues to the specific financial period; Thus management has decided that revenues pertaining to the same shall be recognised after the fulfillment of following conditions

- 1) All the conditions which entitles the entity to obtain the license from DGFT are complied with.
- 2) Buyer has been identified & the revenue can be reliably measured.
- 3) There exists a reasonable certainty that the monies will be received.

Interest income

Interest income is accrued on time proportion basis, by reference to the principal outstanding and effective

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

Dividend

Dividend income is recognised when right to receive payment has been established.

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2.16 Employee Benefit Expenses

All employee benefits payable within a period of twelve months of rendering service are classified as short term employee benefits. Benefits such as salaries, allowances, advances and similar payments paid to the employees of the Company are recognized during the period in which the employee renders such related services.

Defined Contribution plans

Provident Fund: The Company is a member of the Government Provident Fund which is operated by the office of the Regional Provident Fund Commissioner (RPF) and the contribution thereof is paid /provided for during the period in which the employee renders the related service.

Defined Benefits plans

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, covering eligible employees. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

Gratuity is provided as per actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan Assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is reclassified to Profit and Loss.

2.17 Taxes

Tax expenses comprise of current and deferred tax.

Current income tax

- a. Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b. Current tax items are recognised in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax

- a. Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b. Deferred tax liabilities are recognised for all taxable temporary differences.
- c. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- e. 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.
- f. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- g. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.
- h. The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss.

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Significant Accounting Policy & Notes To Accounts

2.18 Earnings Per Share (EPS)

Basic Earnings per Share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past events, for which 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 for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

2.20 Financial instruments

A Financial Assets

The Company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss

However trade receivables that do not contain a significant financing component are measured at transaction price.

Investments and other financial assets

(ii) Classification and Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Financial Assets:

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its financial assets into following categories:

1 Amortised cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

2 Fair value through other comprehensive Income:

Financial assets with a business model:

(A) 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 and

(B) where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the assets are recognised in OCI.

The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

3 Fair value through Profit and Loss:

Financial assets which are not classified in any of the categories above are fair value through profit or loss.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. The investment in subsidiaries, associates and joint ventures are measured at cost.

(iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to received cash flows of the financial assets and has substantially transferred all the risk and rewards of ownership of the financial assets;

iii

The Company retains the contractual rights to receive cash flows but assumes a contractual obligations to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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B Financial liabilities:

(i) Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(ii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial Instrument

A derivative is a financial instrument which changes in value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- (a) Hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) Hedges of a particular risk associated with a firm commitment or a highly probable forecast transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items. Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a noncurrent asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(ii) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the Statement of Profit and Loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to Statement of Profit and Loss when the forecasted cash flows affect profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the Statement of Profit and Loss.

2.21 Fair value measurement

The Company measures financial instruments, such as, derivatives and investments at fair value as per IND AS 113 at each balance sheet date. 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 — The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2 — The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

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

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.22 Key Accounting Estimates And Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- (i) **Useful lives of property, plant and equipment**
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

- (ii) **Impairment of non - financial assets**
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

- (iii) **Provision for Contingent Liabilities**
On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

- (iv) **Valuation of deferred tax assets**
The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note above.

- (v) **Defined benefit plans**
The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

LYKIS LIMITED
Notes to Standalone Financial Statements

3 PROPERTY PLANT & EQUIPMENT

(INR in Lakhs)

<u>Particulars</u>	<u>Land</u>	<u>Building</u>	<u>Roads & Bridges</u>	<u>Plant and Machinery</u>	<u>Computer</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Office Equipments</u>	<u>Electrical Installations</u>	<u>Total</u>	<u>Capital Work-in Progress</u>
Gross Carrying Amount as at April 1, 2018	1,005.19	162.95	22.78	452.96	43.97	0.85	47.21	20.78	53.00	1,809.69	78.83
Additions	-	-	-	4.43	8.21	-	3.00	1.72	-	17.36	53.04
Disposals	-	-	-	-	-	-	-	(2.27)	-	(2.27)	-
As at March 31, 2019	1,005.19	162.94	22.79	457.13	52.18	0.85	50.21	20.46	52.99	1,824.74	131.87
Additions	-	5.21	-	12.73	8.98	0.06	-	1.24	-	28.22	31.46
Transfer	-	-	-	-	-	-	-	0.49	-	0.49	16.21
Disposals	-	-	-	7.67	-	-	-	0.16	-	7.83	-
As at March 31, 2020	1,005.19	168.15	22.79	462.19	61.16	0.91	50.21	21.05	52.99	1,844.64	147.12
Accumulated Depreciation as at April 1, 2018	-	97.53	19.94	232.86	39.21	0.62	31.04	13.45	23.68	458.33	-
Depreciation charge during the year	-	4.16	-	50.32	4.33	0.05	3.66	2.45	2.94	67.91	-
Accumulated depreciation on deletions	-	-	-	(0.85)	-	-	-	-	-	(0.85)	-
Adjustment made during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	101.70	19.94	282.33	43.54	0.67	34.70	15.90	26.62	525.40	-
Depreciation charge during the year	-	4.30	-	34.61	7.25	0.05	4.11	1.87	2.95	55.14	-
Accumulated depreciation on deletions	-	-	-	3.98	-	-	-	0.23	-	4.22	-
Adjustment made during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	106.00	19.94	312.96	50.79	0.72	38.81	17.54	29.57	576.32	-
Net carrying amount as at March 31, 2020	1,005.19	62.15	2.85	149.23	10.37	0.19	11.40	3.51	23.42	1268.32	147.12
Net carrying amount as at March 31, 2019	1,005.19	61.24	2.85	174.80	8.64	0.18	15.51	4.56	26.37	1299.34	131.87

1 Land

The company does not bifurcate the value between land and bearer plants since the company is unable to estimate the useful life of bearer plants and therefore no depreciation is charged on the same.

2 Property, Plant and Equipments pledged/ mortgaged as security

All Property, Plant and Equipment are subject to a first charge/ collateral to secure the loans taken by the Company.

Lykis Limited
Notes to Standalone Financial Statements

4 RIGHT TO USE

(INR in Lakhs)

<u>Particulars</u>	<u>Building</u>
Gross Carrying Amount as at April 1, 2019	
Additions	225.91
Disposals	
As at March 31, 2020	225.91
Accumulated amortisation and impairment as at April 1, 2019	
Amortisation charge during the year	18.80
Disposals	
As at March 31, 2020	18.80
Net carrying amount as at March 31, 2020	207.12
Net carrying amount as at March 31, 2019	-

5 INTANGIBLE ASSETS

(INR in Lakhs)

<u>Particulars</u>	<u>Trademark</u>
Gross Carrying Amount as at April 1, 2018	2.54
Additions	
Disposals	
As at March 31, 2019	2.54
Additions	
Disposals	
As at March 31, 2020	2.54
Accumulated amortisation and impairment as at April 1, 2018	1.22
Amortisation charge during the year	0.53
Disposals	
As at March 31, 2019	1.75
Amortisation charge during the year	0.53
Disposals	
As at March 31, 2020	2.28
Net carrying amount as at March 31, 2020	0.26
Net carrying amount as at March 31, 2019	0.79

Note:

Intangible assets in case of trademarks are amortised on straight-line basis over a period of 5 years, based on management's estimate. The amortisation period and the amortisation method are reviewed at the end of each financial year.

LYKIS LTD
Notes to Standalone Financial Statements

6 INVESTMENTS

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
In Equity Shares of Subsidiary Companies - Unquoted, carried at cost		
1,99,900 (1,99,900) shares of Lykis Marketing Pvt Ltd	19.99	19.99
In Equity Shares of Associate Companies - Unquoted, carried at cost		
5,00,000 (5,00,000) shares of Lykis Packaging Pvt Ltd	50.00	50.00
In Equity Shares - Unquoted, carried at fair value through Profit & Loss		
73,339 (73,339) shares of Lykon Foods Pvt. Ltd*	-	7.33
65,000 (65,000) shares of Lykis Herbal Pvt Ltd*	-	6.50
10,000 (10,000) shares of Nakamichi Securities Ltd*	2.95	1.00
In Partnership firm-Carried at cost		
Dhrolia LLP (Capital)	2.00	2.00
Total Non - Current Investments	74.94	86.82
Aggregate Amount of quoted Investments	-	-
Market Value of quoted Investments	-	-
Aggregate Amount of unquoted Investments	74.94	86.82
Aggregate Amount of provision for diminution in value of investment	-	-

*Fair value of Lykon foods Pvt. Ltd as on 31.03.2020 is Rs.(3.26) per share, Fair value of Lykis Herbal Pvt. Ltd is Rs.(61.82) per share and Fair value of Nakamichi Securities Ltd is Rs. 29.45 per share.

7 OTHERS

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Fixed Deposits with Banks with a maturity period more than 12 months	-	1.47
	-	1.47

8 INVENTORIES

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Raw Material (At cost or net realizable value whichever is less)		
- Greenleaf	0.42	1.11
- Nursery Plants	39.03	66.06
Stock in trade (At cost or net realizable value whichever is less)		
- FMCG Products	24.58	276.08
Finished Goods (At cost or net realizable value whichever is less)		
- Tea	4.76	29.29
Stores & Spares (At cost)	20.68	35.03
	89.47	407.58

9 TRADE RECEIVABLES

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Unsecured		
Considered Good	2,623.83	3,489.47
Considered Doubtfull	-	-
Less: Allowances for Credit Loss	(24.24)	-6.70
	2,599.59	3,482.77

There are debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member (Refer Related Party Note No 46)

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables on the basis of ECL matrix. The ECLs are calculated on outstanding balances of trade receivables as at the year end.

LYKIS LTD
Notes to Standalone Financial Statements

10 CASH & CASH EQUIVALENTS

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Balances with Banks		
- In Current Accounts	359.58	246.01
Cash in Hand	2.80	4.79
	362.38	250.80

11 OTHER BANK BALANCE

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Fixed Deposits having original maturities more than 12 months but current maturities less than 12 months	1.47	-
Fixed Deposits having original maturities more than 3 months but less than 12 months	994.72	950.36
	996.19	950.36

12 LOANS AND ADVANCES

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Unsecured-Considred good		
Loans to related parties (Note 2)	397.95	396.13
Others		
-Advances to employees	42.79	46.81
-Others (Note 3)	197.93	290.86
Less: Impairment loss allowance	-	-
	638.67	733.79

Note 1: Loans including Installment and Interest outstanding due from the directors amounts to Rs. NIL/- (As at March 31, 2019 of Rs. NIL)and other related parties Rs. 397.95 lakhs (As at March 31, 2019 of Rs. 396.13 lakhs). (Refer Note 46)

Note 2: The company has given loans amounting to Rs.397.94 lakhs (As at March 31,2019 of Rs.396.12 lakhs) to entities in which directors are interested.

Note 3: The company has given interest free inter corporate loans amounting to Rs.197.93 lakhs (As at March 31, 2019 of Rs.290.86 lakhs)

13 OTHER FINANCIAL ASSETS

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Security deposits*	14.53	13.87
Interest accrued but not due on Term Deposit	9.62	15.87
Export Incentives & Subvention Interest receivable	127.87	475.01
	152.02	504.75

*Security deposit represents and relates leased office premises and utilities like electricity supplies,telephone supplies etc.

14 INCOME TAX

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Income Tax Assets	182.18	208.61
	182.18	208.61

15 OTHER CURRENT ASSETS

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Advance Payment to Vendors	2,273.06	2,762.40
Balance with Government Authorities		
- GST Receivables	192.39	342.46
- Others	19.00	19.20
Other Receivables	3.73	5.00
Prepaid Expenses	22.94	15.79
	2,511.12	3,144.85

LYKIS LTD
Notes to Standalone Financial Statements

16 SHARE CAPITAL

(INR in Lakhs)

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Authorised		
200,00,000 (PY 200,00,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
Issued, Subscribed and Paid up		
- 1,93,75,155 (1,93,75,155) Equity Shares of 10/- each	1,937.52	1,937.52
- Add : Forfeited Equity Shares	55.18	55.18
	<u>1,992.70</u>	<u>1,992.70</u>

Notes of the Above

- i (a) 45,000 Equity shares of Rs10/- each issued as fully paid up for consideration other than Cash.
(b) 12,75,340 Equity shares of Rs 10/- each issued as fully paid up bonus shares through capitalisation of Reserve & Surplus.
(c) The above (a) and (b) were not issued within the period of five years immediately preceding the date as at 31st March 2020.
(d) 22,07,350 Equity Shares of Rs.10/-each are forfeited shares.

ii **Terms / rights 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 shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

iii **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year**

(INR in Lakhs)

Particulars	31st March, 2020		31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance as at the Beginning of the year	19,375,155	1,937.52	19,375,155	1,937.52
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	<u>19,375,155</u>	<u>1,937.52</u>	<u>19,375,155</u>	<u>1,937.52</u>

iv **Details of shareholders holding more than 5% shares in the company**

Name of the Shareholder	31st March, 2020		31st March, 2019	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares of Rs.10/- each fully paid up				
Vijay Kishanlal Kedia	4,184,383	21.60	3,234,383	16.69
Anwarli Budhwani	1,569,288	8.10	-	-
Zarin Nazimhai Charania .	2,126,703	10.98	-	-
Nadir Umedali Dhrolia	2,359,370	12.18	-	-
Kedia Securities Pvt.Ltd.	2,479,435	12.80	2,479,435	12.80
Nazim S Charania	-	-	2,998,585	15.48
Salim Anwarali Kamani	-	-	2,441,170	12.60
Sajid Umedali Dhrolia	-	-	2,359,370	12.18
Vighnhar Holdings Pvt Ltd	-	-	2,000,000	10.32

As per records of the company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

17 RESERVES & SURPLUS

(INR in Lakhs)

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Securities Premium Account		
Balance as per Last Account	1,171.06	1,171.06
Add : During the Year	-	-
	<u>1,171.06</u>	<u>1,171.06</u>
General Reserve		
Balance as per Last Account	1.76	1.76
Add : During the Year	-	-
	<u>1.76</u>	<u>1.76</u>
Development Rebate Reserve		
Balance as per Last Account	0.13	0.13
Add : During the Year	-	-
	<u>0.13</u>	<u>0.13</u>
Investment Allowance Utilised Reserve		
Balance as per Last Account	48.58	44.25
Add : During the Year	-	4.32
	<u>48.58</u>	<u>48.58</u>
Revaluation Reserve		
Balance as per Last Account	10.76	10.76
Less : Transferred to Profit & Loss Account	-	-
	<u>10.76</u>	<u>10.76</u>
Other Comprehensive Income		
Balance as per Last Account	-	-
Add : During the Year	(27.48)	-
	<u>(27.48)</u>	<u>-</u>
Sub Total	(A)	<u>1,204.81</u>
Sub Total	(A)	<u>1,232.29</u>
Surplus / (Deficit) in the statement of Profit & Loss		
Balances as per last Financial Statements	125.97	215.34
Add : Profit / (Loss) during the year	(113.62)	(97.04)
Income Tax Provision for A.Y. 2016-17 written back	-	8.49
Less : Agriculture Income Tax paid for earlier year	-	(0.83)
Sub Total	(B)	<u>12.35</u>
Sub Total	(B)	<u>125.96</u>
Sub Total	(A+B)	<u>1,217.16</u>
Sub Total	(A+B)	<u>1,358.25</u>

LYKIS LTD
Notes to Standalone Financial Statements

18 NON CURRENT BORROWINGS

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Secured		
Term Loans		
-From Banks (Note 1)	0.33	1.64
-From Others		
Plantation Finance Loan from Tea Board (Note 2)	0.80	6.61
Demand Loans		
-From Others		
Bajaj Finance Limited (Note 3)	-	995.00
	1.13	1,003.26

*Net of Current maturities of long-term debts and Interest accrued, which are included in Note 26

Note 1 : Term loan of INR 0.33 lakhs (2019-INR 1.64 lakhs) taken from Indian Bank is secured against hypothecation of motor car loan. The loan carries interest rate at 8.5 % pa and balance is repayable 14 equal instalments (2019 - 26 equal instalments)

Note 2 : Term loan of INR 0.80 lakhs (2019-INR 6.61 lakhs) taken from Tea Board of India is secured against hypothecation of land and building . The loan carries interest free and repayable in 60 monthly instalments starting from 30th September 2016

Note 3 : Loan against shares of INR Nil (2019 INR 995.00 lakhs) was taken from Bajaj Finance Limited and was secured against shares of directors. The loan carried interest at 10% pa was repayable within 24 months

19 LEASE LIABILITY

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Lease Liability	172.87	-
	172.87	-

20 DEFERRED TAX LIABILITY

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Deferred Tax liability		
On account of carrying value of property, plant and equipment	12.42	13.76
On account of Right to Use	53.85	-
	(A)	66.27
Deferred Tax asset		
On account of expected credit loss on trade receivables	6.30	0.13
On account of provision for gratuity	4.13	1.74
On account of loss on revaluation	3.09	-
On account of lease liability	54.88	-
On account of Provision for Bonus	1.53	-
On account of Business Loss	6.15	-
	(B)	76.08
Net Deferred Tax Liability	(A-B)	-9.81
		11.89

LYKIS LTD
Notes to Standalone Financial Statements

21 OTHER NON CURRENT LIABILITIES

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Deferred government grant	38.36	29.96
	38.36	29.96

22 PROVISIONS

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Gratuity	14.37	9.72
	14.37	9.72

23 BORROWINGS

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Secured		
Demand Loans		
Working capital loan from bank (Note No 1)	44.35	43.11
Unsecured (Repayable on demand)		
From Banks		
- Packing Credit Foreign Currency Loan (Note No 2)	-	2,411.84
- Export Packing Credit INR Loan (Note No 2)	3,235.45	-
From Others		
-Cheers Consumer Products Ltd	4.94	4.94
-Directors	416.93	819.60
	3,701.67	3,279.49

Note No 1 : These facilities are secured against the following charge on various assets of the Company:

- (a) Primary : Hypothecation charge on the entire current assets of the Company, both present & future.
(b) Collateral :Fixed deposits of the company.

Note No:2 Working Capital Loan from HDFC Bank amounting to INR 2,315.45 lakhs (2019 : INR 2,411.84 lakhs) & ICICI Bank Limited 920.00 lakhs (2019 : NIL) is repayable on demand and is secured against fixed deposits of third party and fixed deposits of the company.

24 LEASE LIABILITY

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Lease Liability	38.21	-
	38.21	-

25 TRADE PAYABLES

<u>Particulars</u>	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Total Outstanding due to Micro and Small Enterprises *	7.39	-
Total Outstanding due to other than Micro and small enterprises	499.63	1,415.93
	507.02	1,415.93

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Notes to Standalone Financial Statements

***Details Of Dues To Micro And Small Enterprises As Defined Under Micro, Small And Medium Enterprises Development Act, 2006 (MSMED Act, 2006)**

Particulars

Principal amount due to suppliers under MSMED Act, 2006	7.27	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.12	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.12	-
	7.39	-

26 OTHER FINANCIAL LIABILITIES

Particulars

	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Current maturities of long term debts	1,001.98	7.52
Employee Benefits payable	77.12	66.85
Fair Value of derivative liability	23.80	-
Others	7.60	4.06
	1,110.49	78.43

27 OTHERS CURRENT LIABILITIES

Particulars

	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Advance from Customers*	199.16	1,763.50
Payable to Government Authorities	72.26	58.61
Deferred Government Grant	6.31	4.16
	277.74	1,826.27

*Advance received from customers amounting to Rs.69.29 lakhs is outstanding for more than 365 days as on date and thus falls under the definition of Deemed Deposit from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under

28 PROVISIONS

Particulars

	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Fringe Benefit Tax	-	1.56
Provision for Expenses	17.84	18.59
Provision for Gratuity	0.82	0.60
Provision for Bonus	5.90	-
	24.56	20.75

29 CURRENT TAX LIABILITIES

Particulars

	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for tax	142.93	177.16
	142.93	177.16

LYKIS LTD
Notes to Standalone Financial Statements

30 REVENUE FROM OPERATIONS

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Sales of Goods		
Finished Goods (Tea)	362.75	669.06
Traded Goods		
-Domestic	403.80	12.77
-Export	7,313.96	13,306.51
	<u>7,717.76</u>	<u>13,319.28</u>
Other Operating Revenue		
Export Benefits	716.28	641.58
Other Incentives & Subsidies	4.54	4.76
	<u>8,801.33</u>	<u>14,634.68</u>

31 OTHER NON OPERATING INCOME

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Interest Income		
On bank deposits	69.42	58.62
Dividend Income	-	1.88
Other Non Operating Income		
Profit on Sale of property plant and equipment	-	0.34
Gain/Loss on Forward Contract Cancellation	-	2.36
Foreign Exchange Fluctuation Gain	136.80	-
Miscellaneous Income	40.59	26.01
	<u>246.81</u>	<u>89.20</u>

32 COST OF MATERIAL CONSUMED

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Opening Inventories	67.18	64.91
Add : Purchase	19.54	162.19
Less : Closing inventories	39.45	67.18
	<u>47.27</u>	<u>159.92</u>

33 PURCHASE OF TRADED GOODS

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
FMCG	7,089.88	11,576.57
	<u>7,089.88</u>	<u>11,576.57</u>

34 CHANGE IN INVENTORIES OF FINISHED GOODS,

WORK IN PROGRESS & TRADED GOODS

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Inventories at the end of the year	29.33	305.37
Less: Inventories at the beginning of the year	305.37	496.24
(Increase)/Decrease in Inventories	<u>276.04</u>	<u>190.87</u>

35 EMPLOYEE BENEFIT EXPENSES

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Director's Remuneration	7.20	7.20
Salary, Wages and Bonus	444.64	435.38
Employers' Contribution to PF & ESI	25.26	21.99
Gratuity Expenses	4.76	4.93
Employees' Welfare Expenses	30.99	46.43
	<u>512.85</u>	<u>515.94</u>

LYKIS LTD
Notes to Standalone Financial Statements

36 FINANCE COSTS

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Interest		
-On Car Loans	0.23	0.36
-On Bank Overdrafts	3.08	2.93
-On Unsecured Loan	99.71	76.32
-On PCFC	107.74	114.46
-Lease Liability	9.17	-
-On MSME creditors	0.12	-
Bank Charges and Commission	6.65	22.23
	<u>226.70</u>	<u>216.29</u>

37 DEPRECIATION & AMORTIZATION EXPENSE

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Depreciation on tangible assets	55.14	67.92
Amortization of intangible assets	0.53	0.53
Amortization of right to use	18.80	-
	<u>74.46</u>	<u>68.45</u>

38 OTHER EXPENSES

<u>Particulars</u>	<u>31st March, 2020</u>	<u>31st March, 2019</u>
		(INR in Lakhs)
Auditor's Remuneration*	5.40	3.00
Clearing & Forwarding Expenses	194.86	467.83
Commission Charges paid	13.91	13.98
Cultivation Expenses	12.01	23.59
Discount Allowed	19.07	13.74
Freight Charges	38.62	140.62
Impairment loss on financial instrument	17.54	-
Interest & Penalty on Statutory Payments	46.95	0.39
Legal, Professional & Consultancy Fees	96.27	63.53
License Expenses	8.94	4.27
Loss on Foreign Exchange Fluctuation	-	392.78
Loss on Forward Contract Cancellation	18.82	0.02
Loss on sale of property plant and equipment	1.30	-
Loss on Sale of non current Investment	-	198.25
Miscellaneous Expenses	35.95	28.11
Motor Car Expenses	15.96	35.43
Packing & Development Expenses	16.58	67.08
Postage & Telegram	7.48	8.87
Power & Fuel	53.75	100.31
Printing & Stationery	10.59	14.41
Products Testing Expenses	3.25	3.23
Remeasurement of Financial Instrument	11.89	-
Rent Rates and Taxes	111.84	118.09
Repairs and Maintenance	11.59	27.59
Sales Promotion & Advertisement Expenses	27.71	233.04
Stock exchange expenses	5.00	3.17
Sundry Debit Balance Written off	117.90	40.30
Telephone & Internet Expenses	3.46	3.21
Travelling & Conveyance Expenses	42.70	33.46
	<u>949.34</u>	<u>2,038.31</u>
*Auditors Remuneration		
Statutory audit fees	3.50	2.25
Tax audit fees	1.00	0.75
Audit fees for limited review	0.80	-
Certification Charges	0.10	-
	<u>5.40</u>	<u>3.00</u>

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Notes to Standalone Financial Statements

39 EARNINGS PER SHARE (EPS)

Particulars

	31st March, 2020	31st March, 2019
Profit / (Loss) as per Profit & Loss Account (INR)	(11,361,972.52)	(9,703,856.60)
Weighted average number of Equity Shares (Nos.)	19,375,155.00	19,375,155.00
Face Value per Equity Share (INR)	10.00	10.00
Basic & Diluted Earnings per Share (INR)	(0.59)	(0.50)

40 CONTINGENT LIABILITY

	(INR in Lakhs)	
(a) Particulars	31st March, 2020	31st March, 2019
Disputed Liabilities under MVAT Act, 2002 for AY 2013-14*	-	41.44
Disputed Liabilities under CST Act, 1956 for AY 2013-14*	-	13.32
Disputed Liabilities under Income Tax, 1961 for AY 2015-16**	73.72	-
Total	73.72	69.02

(b) *Disputed liabilities under CST Act, 1956 for AY 2013-14 and Disputed Liabilities under MVAT Act 2002 for AY 2013-14 has been settled at full after obtaining the eligible waiver of Rs. 6.80 lakhs and Rs.20.78 lakhs respectively under Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019.

(c) **Income tax department had passed a assessment order dt 26.12.2017 under which a tax liability of Rs. 95.05 lakhs is payable, The company has filed for the appeal by depositing 20% of demand which is amounting to Rs. 19.00 lakhs. Matter still pending before authority as on 31st March 2020.

(d) The company has given unconditional undertaking to pay Rs 0.88 lakhs to DGFT by way of Bank Guarantee for taking the EPCG Licence. The said bank guarantee is issued by Indian Bank, Silchar Branch against Fixed Deposit of the Rs. 1.47 lakhs.

(e) The company has given a comfort letter to it's subsidiary Lykis Marketing, whereby the company has agreed to invest additional funds incase difficulties arises to continue as a going concern. Also comfort provided on adoption of necessary resolution by the company which will ensure net worth of Lykis marketing will be enough to meets it's liabilities.

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Notes to Standalone Financial Statements

41 EMPLOYEES BENEFIT OBLIGATION

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a unfunded plan.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

Particulars	(INR in Lakhs)
As at April 1, 2018	17.48
Current service cost	1.34
Interest expense/(income)	3.59
Past Service Cost	-
Total amount recognised in profit or loss	4.93
Remeasurements	
(Gain)/Loss from change in Demographic assumptions	-
(Gain)/Loss from change in financial assumptions	0.33
Experience (gains)/losses	(8.08)
Total amount recognised in other comprehensive income	(7.75)
Less: Benefit payments	(4.34)
As at March 31, 2019	10.32
Current service cost	0.74
Interest expense/(income)	4.02
Past Service Cost	-
Total amount recognised in profit or loss	4.76
Remeasurements	
(Gain)/Loss from change in Demographic assumptions	-
(Gain)/Loss from change in financial assumptions	0.88
Experience (gains)/losses	2.80
Total amount recognised in other comprehensive income	3.68
Less: Benefit payments	(3.58)
As at March 31, 2020	15.18

b) The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
The significant actuarial assumptions were as follows:		
Interest/Discount rate	6.43% p.a	7.22% p.a
Rate of increase in compensation	10.64% p.a	10.64% p.a
Expected average remaining service	6 years	6 years
Retirement Age	60 years	60 years
Employee Attrition Rate	14.58% p.a	14.58% p.a

c) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is shown below:

Assumption	Discount Rate		Salary Growth Rate	
	1% increase	1% decrease	1% increase	1% decrease
March 31, 2020				
Impact on defined benefit obligation	(1.10)	1.27	1.20	(1.07)
% Impact	-7.27%	8.33%	7.92%	-7.07%
March 31, 2019				
Impact on defined benefit obligation	(0.74)	0.84	0.81	(0.72)
% Impact	-7.13%	8.17%	7.83%	-6.99%

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions

d) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Expected Payout Year one	0.82	0.60
Expected Payout Year two	0.84	0.69
Expected Payout Year three	1.27	0.78
Expected Payout Year four	1.65	1.05
Expected Payout Year five	1.66	1.22
Expected Payout Year six to ten	7.35	5.32
Total expected payments	13.60	9.66

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2019: 9 years)

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Notes to Standalone Financial Statements

42 FAIR VALUE MANAGEMENT

i. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2019 are as follows:

Particular	Carrying Amount				Fair Value			
	FVPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
31st March, 2019								
FINANCIAL ASSETS								
Investments	14.83	-	71.99	86.82	-	14.83	71.99	86.82
Security Deposits	-	-	13.87	13.87	-	-	-	13.87
Trade Receivables	-	-	3,482.77	3,482.77	-	-	-	3,482.77
Cash and Cash Equivalents	-	-	250.80	250.80	-	-	-	250.80
Other Bank Balances	-	-	950.36	950.36	-	-	-	950.36
Loans and Advances	-	-	733.79	733.79	-	-	-	733.79
Other Financial Assets	-	-	492.35	492.35	-	-	-	492.35
Total financial assets	14.83	0.00	5,995.93	6,010.77	0.00	14.83	71.99	6,010.77
FINANCIAL LIABILITIES								
Borrowings	-	-	4,282.75	4,282.75	-	-	-	4,282.75
Trade payables	-	-	1,415.93	1,415.93	-	-	-	1,415.93
Other financial liabilities	-	-	78.43	78.43	-	-	-	78.43
Total financial liabilities	-	-	5,777.11	5,777.11	-	-	-	5,777.11

The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:

Particular	Carrying Amount				Fair Value			
	FVPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
31st March, 2020								
FINANCIAL ASSETS								
Investments	2.95	-	71.99	74.94	-	2.95	71.99	74.94
Security Deposits	-	-	14.53	14.53	-	-	-	14.53
Trade Receivables	-	-	2,599.59	2,599.59	-	-	-	2,599.59
Cash and Cash Equivalents	-	-	362.38	362.38	-	-	-	362.38
Other Bank Balances	-	-	996.19	996.19	-	-	-	996.19
Loans and Advances	-	-	638.67	638.67	-	-	-	638.67
Other Financial Assets	-	-	137.49	137.49	-	-	-	137.49
Total financial assets	2.95	0.00	4,820.84	4,823.78	0.00	2.95	71.99	4,823.78
FINANCIAL LIABILITIES								
Borrowings	-	-	3,702.80	3,702.80	-	-	-	3,702.80
Lease Liability	-	-	211.08	211.08	-	-	-	211.08
Trade payables	-	-	507.02	507.02	-	-	-	507.02
Other financial liabilities	-	-	1,110.49	1,110.49	-	-	-	1,110.49
Total financial liabilities	-	-	5,531.39	5,531.39	-	-	-	5,531.39

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Notes to Standalone Financial Statements

The management assessed that the fair value of cash and cash equivalent, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

ii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of unquoted equity instruments has been measured on the basis of their networth and valuation of their shares.
- the fair value of equity shares of group companies are measured at cost.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iii. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

43 CAPITAL MANAGEMENT"

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particular	(INR in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
A) Debts		
Borrowings (Current and Non-Current)	4,704.78	4,290.27
	Debt (A)	4,704.78
B) Equity		
Equity Share Capital	1,992.70	1,992.70
Other Equity	1,217.16	1,358.25
	Total Equity (B)	3,209.86
Gearing Ratio (Debt / Capital) i.e. (A/B)	147%	128%

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Notes to Standalone Financial Statements

44 LEASE

The Company does not have any contract classifying as lease existing as on April 1, 2019. The Company has adopted a lease accounting during the year for which treatment as per applicable Ind AS 116 is given.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

In current year, the Company has recognised Interest on Lease Liability and Amortization of Right of use Asset as per IndAS 116 'Lease' in the statement of Profit and Loss under

- Finance Cost' in Note no. 36. Interest on Lease Liability of Rs. 9.17 lakhs.
- Depreciation and Amortization expense' in Note no. 37. Amortization of Lease Liability of Rs. 18.80 lakhs.
- The total outstanding cash outflow for lease as per the agreement is Rs. 264 lakhs.
- There has been addition to right of use asset in the current period

-The carrying amount of Right of use asset as on 31st March, 2020 is Rs. 207.12 lakhs classified under 'Note no. 4. 'Right to use'.

The Company has taken premises under leave and license agreement, the rent and escalation depends upon the lease by the Company. The Company has entered into an lease agreement for the period of 4 years, with no escalation clause.

The disclosure requirement and maturity analysis of lease liability and asset as per IndAS 107 'Financial Instrument : Disclosures' are as follows:

a) The net carrying amount of Right of use asset :

(INR in Lakhs)

Particulars	As at 1st April, 2019	Addition	Deletion / Amortization	As at 31st March, 2020
Right of Use Asset	-	225.91	18.80	207.12

b) A reconciliation between the total minimum lease payment as on 31st March,2020 and their present value:

(INR in Lakhs)

Particulars	Amount
Lease Liability as at balance sheet date	211.08
Add: Interest on above*	52.92
Minimum Lease Payment	264.00

*The rate of interest taken is on the basis of rate of loan liabilities of the Company

c) Maturity Analysis of the Minimum lease payment for the following years are as follow:

(INR in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Not later than 1 year	57.60	-
Later than 1 year but not later than 5 year	206.40	-
Total	264.00	-

Rental expenses recorded for short term lease was Rs.2.67 lakhs during the year ended 31st March,2020.

LYKIS LTD
Notes to Standalone Financial Statements

45 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Market Risk;
- Credit Risk; and
- Liquidity Risk

Covid 19 has been declared as Global Pandemic as it has led to an impact on the routine business of the company. The Company continued to supply their goods in the relevant market. As the Company's major revenue comes from export of FMCG products in global market, the extended lockdowns have caused adverse impact on sales due to disruption in market opening. The impact on the business of the company is very uncertain and will depend on the future developments in the country.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity/real estate risk.

(i) Foreign currency risk

The Company operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

Foreign currency Risk Management

In respect of the foreign currency transactions, the company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions.

Impact of Covid 19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Further, the Company's recent trends believe that the probability of the non-occurrence of forecasted transactions is minimal. The Company also does not expect any material deterioration in both counterparty credit risk and own credit risk. Accordingly, the Group continues to believe that there is no impact on effectiveness of its hedges. Future outlook would depend on how the pandemic develops and the resultant impact on businesses.

(ii) Interest rate risk

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 interest rate risk can also impact the provision for retirement benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Fluctuation Risk

The Company exposure to Foreign Currency risk at the end of reporting period is as follows:

	(INR in Lakhs)	
	As at 31st	
	As at 31st March, 2020	March, 2019
Financials Assets		
Trade Receivables	956.83	1,852.53
Cash & Cash Equivalent	8.18	-
Net Exposure to Foreign Currency Risk Assets	965.01	1,852.53
Financials Liabilities		
Trade Advance	108.56	-
Borrowings	-	2,411.84
Other Financial Liabilities	23.80	1468.58
Net Exposure to Foreign Currency Risk Liabilities	132.36	3,880.42
Foreign Currency Sensitivity	832.65	-2,027.90

(iii) Equity price risk

The Company is exposed to equity price risk, which arises from FVTPL and FVOCI investments. The Company's unlisted equity securities are of subsidiary and deemed cost of the same are taken as per the valuation report. The value of the financial instruments is not material and accordingly any change in the value of these investments will not affect materially the profit or loss of the Company.

(B) 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 financial institutions and other financial instruments

Trade Receivable

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company is in the business of Shop activities. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

An impairment analysis is performed at each re-equipmenting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the re-equipmenting date is the carrying value of each class of financial assets disclosed in Note 6 & 7.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers. The movement of allowance for impairments of trade receivables are as follows

	(INR in Lakhs)	
	Carrying Amount	
Particulars	31st March, 2020	31st March, 2019
Opening Balance	6.70	-
Impairment Loss recognized	17.54	6.70
Closing Balance	24.24	6.70

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as stated in balance sheet except for balances of subsidiary company. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in the liquidity table below.

(C) 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, 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 tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows.

Contractual maturities of financial liabilities

	(INR in Lakhs)		
Particular	Less than 1 year	1 to 5 years	More than 5 years
As at March 31st, 2020			
Borrowings	3,701.67	1.13	-
Trade payables	507.02	-	-
Other financial liabilities	1,110.49	-	-
Lease liabilities	38.21	172.87	-
Total Financial Liabilities	5,357.39	174.00	-
As at March 31st, 2019			
Borrowings	3,279.49	1,003.26	-
Trade payables	1,415.93	-	-
Other financial liabilities	78.43	-	-
Total Financial Liabilities	4,773.85	1,003.26	-

LYKIS LTD
Notes to Standalone Financial Statements

46 INFORMATION ABOUT PRIMARY BUSINESS SEGMENT

The Company has identified business segments as its primary segment. The Company is engaged in Trading of FMCG Goods & related activities during the year, consequently the Company have separate reportable business segment for the year ended March 31, 2020.

	<u>Tea</u>	<u>FMCG</u>	(INR in Lakhs)
<u>Year ended March 31, 2020</u>			<u>Total</u>
Revenue	367.29	8,434.04	8,801.33
Expenses	412.58	8,747.72	9,160.30
Other Income	3.42	243.39	246.81
Segment Profit	(41.88)	(70.29)	(112.17)
Less : Unallocable Expenses			16.66
Profit Before Tax			(128.83)
Tax Expenses			(14.79)
Profit After Tax			(114.04)

	<u>Tea</u>	<u>FMCG</u>	<u>Total</u>
<u>Year ended March 31, 2019</u>			
Revenue	669.06	14,000.48	14,669.54
Expenses	690.24	14,094.94	14,785.18
Other Income	8.18	94.92	103.10
Segment Profit	(13.00)	0.46	(12.54)
Less : Unallocable Expenses			29.93
Profit Before Tax			(42.47)
Tax Expenses			54.56
Profit After Tax			(97.03)

LYKIS LTD
Notes to Standalone Financial Statements

47 RELATED PARTY DISCLOSURE

i) Relationship

Description of relationship

Subsidiary Company
Associate Company
Enterprises over which key Managerial personnel are able to exercise significant influence

Names of Related Parties

Lykis Marketing Pvt. Ltd.
Lykis Packaging Pvt. Ltd.
Spectra International Ltd.
Lykon Foods Pvt. Ltd.
Pragati Aerosols Pvt. Ltd.
Dhrolia LLP
Lykis Herbals Pvt. Ltd.
Lykis Biscuit Pvt. Ltd.
Cheers Consumers Pvt Ltd
Sanzi Exporters & Importers
Lykis Soaps Pvt Ltd
Dharamnagar Tea Estate

Chairman

Mr. Vijay Kishanlal Kedia

Key Managerial Personnel

Mr. Prince Tulsian (Managing Director)
Mr. Rajesh Tendulkar (CEO)
Mr. Sunil Chadraprakash Purohit (Chief Financial Officer)
Mrs.Neha Mankame (Company Secretary upto 10.06.2020)
Mr. Anubhav Shrivastava (Company Secretary w.e.f 10.06.2020)

Relative of Key Managerial Person

Mrs. Priyanka Tulsian
Ms. Sonam Tulsian
Mrs. Swati Tendulkar
Ms. Anushka Tendulkar
Mr. Pratik Kedia

Notes

- 1 The list of related parties above has been limited to entities with which transactions have taken place.
- 2 Related party transactions have been disclosed till the time the relationship existed.

LYKIS LTD
Notes to Standalone Financial Statements

ii) Transaction with Related party during the Year and balance as at year end

Particulars	Subsidiary		Associate		Key Managerial Persons		Relative of Key Managerial Persons		Companies/ Firms/ controlled by Key Managerial Persons / Relatives		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Purchase of goods and services												
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	-	-	-	852.93	-	852.93
Dharamagar Tea Estate Pvt Ltd	-	-	-	-	-	-	-	-	19.54	161.83	19.54	161.83
Lykis Marketing Pvt Ltd	-	41.80	-	-	-	-	-	-	-	-	-	41.80
Lykis Packaging Pvt Ltd	-	-	-	76.70	-	-	-	-	-	-	-	76.70
Lykis Confectionary Pvt Ltd	-	-	-	-	-	-	-	-	-	229.35	-	229.35
Sanzi Group imp & exp	-	-	-	-	-	-	-	-	-	1.70	-	1.70
Sale of goods and services												
Lykis Marketing Pvt Ltd	-	15.07	-	-	-	-	-	-	-	-	-	15.07
Spectra International Ltd.	-	-	-	-	-	-	-	-	7.99	-	7.99	-
Remuneration paid												
Prince Tulsian	-	-	-	-	7.20	7.20	-	-	-	-	7.20	7.20
Sunil Chadraprakash Purohit	-	-	-	-	16.41	10.60	-	-	-	-	16.41	10.60
Rajesh Tendolkar	-	-	-	-	17.43	-	-	-	-	-	17.43	-
Pratik Kedia	-	-	-	-	-	-	18.10	13.59	-	-	-	13.59
Swati Tendolkar	-	-	-	-	-	-	12.00	-	-	-	12.00	-
Others	-	-	-	-	4.15	5.29	8.27	7.80	-	-	12.42	13.09
Rent Paid												
Spectra International Ltd.	-	-	-	-	-	-	-	-	67.02	56.16	67.02	56.16
Other Expenses												
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	-	-	43.68	-	43.68	-
Purchase of investment												
Dhrolia LLP	-	-	-	-	-	-	-	-	-	2.00	-	2.00
Reimbursement of expenses												
Dharamagar Tea Estate Pvt Ltd	-	-	-	-	-	-	-	-	2.83	15.30	2.83	15.30
Others	-	-	-	-	-	-	-	-	0.25	-	0.25	-
Reimbursement of incomes												
Dharamagar Tea Estate Pvt Ltd	-	-	-	-	-	-	-	-	3.74	7.90	3.74	7.90
Loans & Advances Given												
Lykis Packaging Pvt Ltd	-	-	2.03	13.78	-	-	-	-	-	-	2.03	13.78
Lykon Foods Pvt. Ltd.	-	-	-	-	-	-	-	-	-	3.06	-	3.06
Others	-	-	-	-	-	-	-	-	0.12	0.56	0.12	0.56
Loans & Advances Received Back												
Lykis Packaging Pvt Ltd	-	-	-	140.36	-	-	-	-	-	-	-	140.36
Lykis Soaps Pvt Ltd	-	-	-	-	-	-	-	-	-	392.12	-	392.12
Lykon Foods Pvt. Ltd.	-	-	-	-	-	-	-	-	-	6.75	-	6.75
Borrowings Taken												
Vijay Kedia	-	-	-	-	8.00	169.84	-	-	-	-	8.00	169.84
Cheers consumer	-	-	-	-	-	-	-	-	0.23	4.94	0.23	4.94
Borrowings Repaid												
Vijay Kedia	-	-	-	-	410.67	30.00	-	-	-	-	410.67	30.00
Outstanding balance at the end of the year												
Loans & Advances												
Lykis Packaging Pvt Ltd	-	-	83.25	81.21	-	-	-	-	-	-	83.25	81.21
Cheers Consumer Products Limited	-	-	-	-	-	-	-	-	0.11	0.11	0.11	0.11
Lykis Biscuits Pvt Ltd	-	-	-	-	-	-	-	-	53.25	53.18	53.25	53.18
Lykis Herbals Pvt Ltd	-	-	-	-	-	-	-	-	107.50	107.50	107.50	107.50
Lykis Soaps Pvt Ltd	-	-	-	-	-	-	-	-	0.19	0.19	0.19	0.19
Lykon Foods Pvt Ltd	-	-	-	-	-	-	-	-	3.11	3.06	3.11	3.06
Siddharth Shah	-	-	-	-	-	-	-	-	-	0.33	-	0.33
Pragati Aerolos Pvt Ltd	-	-	-	-	-	-	-	-	150.55	150.55	150.55	150.55
Borrowings												
Vijay Kedia	-	-	-	-	416.93	819.60	-	-	-	-	416.93	819.60
Cheers Consumers Private Ltd	-	-	-	-	-	-	-	-	5.17	4.94	5.17	4.94
Trade Advances												
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	-	-	168.88	217.01	168.88	217.01
Dharamagar Tea Estate Pvt Ltd	-	-	-	-	-	-	-	-	479.16	447.85	479.16	447.85
Trade Receivables												
Lykis Marketing Pvt Ltd	1,600.97	1,598.57	-	-	-	-	-	-	-	-	1,600.97	1,598.57
Lykis Biscuits Pvt Ltd	-	-	-	-	-	-	-	-	3.73	3.73	3.73	3.73
Lykis Confectionary Pvt. Ltd.	-	-	-	-	-	-	-	-	1.56	1.56	1.56	1.56
Sanzi Group imp & exp	-	-	-	-	-	-	-	-	-	1.70	-	1.70
Trade Payables												
Spectra International Ltd.	-	-	-	-	-	-	-	-	2.38	5.05	2.38	5.05

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Notes to Standalone Financial Statements

48 OTHER NOTES

- i) The company is a well established listed company engaged primarily in the business of marketing and adding of fast moving consumer goods (FMCG), and also engaged in the business of tea plantation and processing in its tea garden, Iringmara a Tea Estate, situated at Silchar, Assam. Company is intend to sell./ transfer /dispose off tea division. Thus the Board of Directors (“Board” which expression for the purposes of this resolution shall include any Committee of Directors constituted by the Board proposed to the member of the Company to sell/ transfer/discard off the whole or substantially the whole of the undertaking of the Company i.e. tea division for such consideration and on such terms and conditions as the Board of directors of the company consider beneficial to the Company. The further process will undertake after the approval from the members.
- ii) The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis that the world is grappling with. The impacts of the COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak has already had a significant effect on the economies of affected countries and international financial markets. As the companies in India approach their year -end, there is an urgent need to evaluate the impacts of the outbreak on their accounting and financial reporting.
The financial reporting impacts of the COVID -19 outbreak will depend on facts and circumstances, including the degree to which company’s operations are exposed to impacts of the outbreak.
This overall impact & implication of the outbreak on the area of accounting & auditing will be evaluated in upcoming financial year 2020-21 & accordingly will be addressed on financial statements.
- iii) There are no material prior period errors which could impact the financial position of the company as per IND AS 8.
- iv) Previous years Figures are regrouped and restated wherever required.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LYKIS LIMITED**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **LYKIS LIMITED** ("the holding Company") and **LYKIS MARKETING PRIVATE LIMITED** ("the Subsidiary Company") and **LYKIS PACKAGING PRIVATE LIMITED** ("the Associate Company"), together referred to as 'the Group', which comprise of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2020, the consolidated loss and total consolidated comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the audit of Consolidated financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under provision of Act 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 on the consolidated financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	<p><u>Adoption of 116 – Leases</u> The Company has adopted 116 Leases (116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a lease contract. 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 44 to the consolidated financial statements.</p>	<p>Our audit procedures on adoption of 116 include:</p> <ul style="list-style-type: none"> ● Upon transition as at 1st April 2019 we have evaluated that method of transition and related adjustments and tested the completeness of leased data. ● Assessed and tested new processes and controls in respect of the lease accounting standard (116); ● Assessed the Company’s evaluation on the identification of leases based on the contractual agreements and knowledge of the business; ● Evaluated the significant judgments and estimates concerning determination of the discount rates and the lease term. ● We performed the following procedures: <ul style="list-style-type: none"> ➢ Assessed the key terms and conditions of each lease with the underlying lease contracts; and ➢ Evaluated computation of lease liabilities, right to use and challenged the key estimates such as, discount rates and the lease term. ● Assessed and verified the presentation and disclosures relating to 116.
2	<p><u>Sundry Balances Written Off</u> During the FY 2019-20, the Company has written off Rs. 117.90 lakhs for advances and receivables which are not recoverable. Refer note no. 38</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● We gained an understanding of the process undertaken by the company for recoverability of such amount. ● We have assessed the management’s forecast and communication with the parties. ● We have verified that the company has taken requisite approval from the appropriate authorities and checked proper presentation and disclosure of the same in financial statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the consolidated financial statements

The Holding 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 Consolidated financial statements that give a true and fair view of the state of affairs, consolidated loss (including other comprehensive income), consolidated statement of changes in Equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards () specifies under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and its associates.

Auditors' Responsibilities for the Audit of the consolidated financial statements

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of the subsidiary company - **LYKIS MARKETING PRIVATE LIMITED**, whose financial statements reflect total assets of Rs. 97.71 Lakhs as at March 31, 2020, total revenues of Rs. 20.20 Lakhs and negative net cash flows amounting to Rs. 5.25 Lakhs for the year ended on that date and of associate company – **LYKIS PACKAGING PRIVATE LIMITED**, whose financial statements reflect total assets of Rs. 130.14 Lakhs as at March 31, 2020, total revenues of Rs. 37.12 Lakhs and negative net cash flows amounting to Rs. 1.91 Lakhs for the year ended on that date, as considered in the consolidated financial statements. While consolidating associate the impact of current year losses have not been taken as the cost of the investment has become NIL on account of accumulated losses. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate company, and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid subsidiary and associate company is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditor

Report on Other Legal and Regulatory Requirements

- A. 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 it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, Consolidated statement of Profit and Loss Account including Other Comprehensive Income, Consolidated Statement of changes in Equity and the Consolidated statement of Cash Flow dealt with by this Report is in agreement with the relevant books of account.
 - d) In our opinion consolidated financial statements comply with the specified under section 133 of the Act.

- 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 is 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 with reference to these Consolidated financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
- B. With respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended 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 as at 31st March 2020 on its financial position in its Consolidated financial statements – Refer Note 40 to the Consolidated financial statements;
 - ii. The Company has made provision, as required under the applicable laws or Indian accounting standards for material foreseeable losses, if any, on derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- C. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BANSHI JAIN & ASSOCIATES**
Chartered Accountants
FRN: 0100990W

Place: Mumbai
Date: 31/07/2020

R. B. Golecha
Partner
Membership No: 035348
UDIN : 20035348AAAACD6921

“Annexure-A” to the Independent Auditors’ Report

(Referred to in Paragraph 1(A)(f) under ‘Report On Other Legal and Regulatory Requirements’ section of our report of even date’)

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

In conjunction with our audit of Consolidated financial statements of LYKIS LIMITED as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of LYKIS LIMITED. (hereinafter referred to as the “Holding Company”) its subsidiary company and its associate company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Notes”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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 Holding Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with 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 are applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 internal financial controls with reference to Consolidated financial statements 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 with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the Consolidated 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 with reference to Consolidated financial statements.

Meaning of Internal Financial Controls over financial statement

A company's internal financial control over Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated financial statements 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 Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, 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 with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements 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, to the best of our information and according to the explanation given to us, the Holding Company, its subsidiary company and its associate company has, in all material respects, an internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to Consolidated financial statements 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.

Other Matter

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of the Holding Company, its subsidiary and its associate company which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For **BANSHI JAIN & ASSOCIATES**
Chartered Accountants
FRN: 100990W

Place: Mumbai
Date: 31/07/2020

R. B. Golecha
Partner
Membership No: 035348
UDIN : 20035348AAAACD6921

LYKIS LTD
Consolidated Balance sheet as at March 31, 2020

(INR in Lakhs)

Particulars	Notes	As At 31 March, 2020	As At 31 March, 2019
I. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment	3	1,268.32	1,299.35
(b) Right to Use	4	207.12	-
(c) Capital Work-In-Progress	3	147.12	131.87
(d) Intangible Assets	5	0.26	0.79
(e) Financial Assets			
(i) Investments	6	4.95	9.50
(ii) Other financial assets	7	-	1.47
		1,627.77	1,442.98
2. Current Assets			
(a) Inventories	8	89.47	472.48
(b) Financial Assets			
(i) Trade Receivables	9	917.22	1,963.73
(ii) Cash and Cash Equivalents	10	391.01	284.67
(iii) Other Bank Balance	11	996.73	950.90
(iv) Loans	12	638.67	733.79
(v) Other financial assets	13	158.21	508.05
(c) Current Tax Assets	14	182.18	208.61
(d) Other Current Assets	15	2,573.05	3,209.17
		5,946.53	8,331.40
TOTAL		7,574.30	9,774.38
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	1,992.70	1,992.70
(b) Other Equity	17	(376.50)	(158.64)
(c) Non Controlling Interest		(0.75)	(0.72)
		1,615.45	1,833.34
Liability			
1. Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1.13	1,003.26
(ii) Lease Liability	19	172.87	0.00
(b) Deferred Tax Liabilities (Net)	20	20.25	11.91
(c) Other Non Current Liabilities	21	38.35	29.96
(d) Provisions	22	14.37	9.72
		246.97	1,054.85
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	3,702.67	3,280.49
(ii) Lease Liability	24	38.21	-
(iii) Trade Payable	25		
Total Outstanding due to Micro and Small Enterprises		7.39	-
Total Outstanding due to creditors other than Micro and small enterprises		448.55	1,494.53
(iv) Other Financial Liabilities	26	1,110.49	78.43
(b) Other Current Liabilities	27	235.84	1,829.94
(c) Provisions	28	25.80	25.65
(d) Current Tax Liabilities	29	142.93	177.16
		5,711.88	6,886.20
TOTAL		7,574.30	9,774.38
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral parts of financial statements.			
As Per Our Report Of Even Date			
For BANSI JAIN & ASSOCIATES	For and on behalf of Board of Directors		
Chartered Accountants			
Firm Regn.No.100990W			
R. B. GOLECHA	Vijay Kedia	Rajesh Tendolkar	
Partner	Chairman	Chief Executive Officer	
Mem.No.035348	DIN: 00230480		
Place: Mumbai	Sunil Purohit	Anubhav Shrivastava	
Dated: 31st July 2020	Chief Financial Officer	Company Secretary	

LYKIS LTD
Consolidated Profit & Loss Statement for the year ended March 31, 2020

(INR in Lakhs)

Particulars	Notes	31 March, 2020	31 March, 2019
INCOME			
Revenue form Operations	30	8,813.79	14,697.23
Other Income	31	248.49	92.06
Total Revenue		9,062.28	14,789.29
EXPENDITURE			
Cost of Material Consumed	32	47.27	159.92
Purchases of Stock in Trade	33	7,090.85	11,564.63
Change in Inventories of Finished Goods,	34	340.94	338.52
Employee Benefit Expenses	35	518.55	530.78
Finance Cost	36	226.73	216.66
Depreciation & Amortization Expense	37	74.46	68.59
Other Expenses	38	938.65	2,077.15
Total Expenses		9,237.45	14,956.25
PROFIT / (LOSS) BEFORE TAXATION		(175.17)	(166.96)
LESS : Tax Expenses			
- Current Tax			49.67
- Taxes for Earlier Period		6.91	
- Deferred Tax		8.34	25.46
PROFIT / (LOSS) FOR THE YEAR		(190.42)	(242.09)
OTHER COMPREHENSIVE INCOME			
a) (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain/loss on Gratuity Valuation		(3.68)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
b) (i) Items that will be reclassified to profit or loss			
- Fair value of derivative liability		(23.80)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		(27.48)	-
Total Comprehensive Income for the year		(217.90)	(242.09)
Earnings per Equity Share			
Basic (INR)	39	(0.98)	(1.25)
Diluted (INR)		(0.98)	(1.25)
Summary of Significant Accounting Policies		2	
The accompanying notes are an integral parts of financial statements.			
As Per Our Report Of Even Date			
For BANSI JAIN & ASSOCIATES		For and on behalf of Board of Directors	
Chartered Accountants Firm Regn.No.100990W			
R. B. GOLECHA Partner Mem.No.035348		Vijay Kedia Chairman DIN: 00230480	Rajesh Tendolkar Chief Executive Officer
Place: Mumbai Dated: 31st July 2020		Sunil Purohit Chief Financial Officer	Anubhav Shrivastava Company Secretary

LYKIS LTD
Consolidated Cash Flow Statement for the year ended on 31 March, 2020

Particulars	(INR in Lakhs)	
	As At 31 March, 2020	As At 31 March, 2019
A. Cash Flow from Operating Activities		
Net Profit Before Tax	(175.17)	(166.96)
Adjustments:		
Depreciation and Amortization of Property, Plant and Equipment	55.14	68.59
Loss on Sale of property, plant and equipment (net)	1.30	(0.34)
Exchange Fluctuation (Gain)/ Loss	(117.98)	78.06
Provision/ (Reversal of Provision) for Loss Allowance on Trade Receivables	(1.86)	106.99
Finance Costs (Including Fair Value Change in Financial Instruments)	226.73	216.66
Interest Income	(69.42)	(58.62)
Remeasurement of Financial Instrument	(7.33)	
Amortisation and Impairment of Intangible Assets	19.32	-
Interest on Lease Liability	9.17	-
Lease Rent Paid	(24.00)	-
Loss/ (Profit) on Sale of Current Investments (net)	-	198.25
Sundry Balance written off	2.83	(7.39)
Dividend Income	-	(1.88)
Operating cash flows before working capital changes	(81.27)	433.36
Adjustments for Changes in Working Capital		
Decrease/ (Increase) in Inventories	386.25	337.48
Decrease/ (Increase) in Trade receivables	866.42	1,135.19
Decrease/ (Increase) in Current Loans advances	95.12	563.49
Decrease/ (Increase) in Income Tax Asset	29.52	(208.61)
Decrease/ (Increase) in Non-Current Financial Assets - Others	(1.41)	-
Decrease/ (Increase) in Financial Assets - Other	352.73	520.45
Decrease/ (Increase) in Other Current Assets	636.12	2,147.39
Increase/ (Decrease) in Trade Payables	(913.76)	840.67
Increase/ (Decrease) in Current Financial Liabilities - Other	1,037.47	(373.52)
Increase/ (Decrease) in Other Non Current Liabilities	8.40	27.26
Increase/ (Decrease) in Other Current Liabilities	(1,548.43)	(1,707.34)
Increase/ (Decrease) in Non-Current Provisions	(22.83)	
Increase/ (Decrease) in Current Provisions	(34.09)	(38.63)
Cash generated from operations	810.24	3,677.19
Less : Income taxes paid	(10.00)	(76.19)
Net cash flow from operating activities	800.24	3,601.00
Add : Unrealised foreign Exchange (Gain) / Losses (Net)	117.98	-
Net cash flow(Used in) from operating activities (A)	918.22	3,601.00
B. Cash Flow from Investing Activities		
Purchase or construction of property, plant and equipment (including capital work-in-progress and capital advances)	(43.48)	(70.39)
Proceeds from/ (Investment in) fixed deposits (net) -	(45.84)	4.45
Proceeds from sale of property, plant and equipment -	2.80	2.60
Proceeds from Sale of Investments	11.89	223.00
Interest Received	69.42	42.75
Dividend Received	-	(1.88)
Net cash flow from/ (used in) investing activities (B)	(5.21)	200.53
C. Cash Flow from Financing Activities		
Proceeds from/ (Repayment of) Borrowings (net)	(579.95)	(6,586.65)
Finance Costs	(226.73)	(203.79)
Net cash flow from financing activities (C)	(806.68)	(6,790.44)
Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)	106.33	(2,988.91)
Cash and cash equivalents at the beginning of the year (Refer Note 12)	285.21	3,274.13
Cash and cash equivalents at the end of the year (Refer Note 12)	391.54	285.22
Net cash Increase/(decrease) in cash and cash equivalent	106.33	(2,988.91)
NOTES:		
The Accompanying notes form an integral part of financial statements		
1. Cash Flow statement has been prepared under "Indirect Method", set out in Ind AS 7, notified under the Companies (Indian Accounting Standard)		
2. Cash and cash Equivalents Represent cash and Cash deposit with bank which are considered to be highly liquid		
As Per Our Report of Even Date		
For BANSI JAIN & ASSOCIATES	For and on behalf of Board of Directors	
Chartered Accountants		
Firm Regn.No.0100990W		
R. B. GOLECHA	Vijay Kedia	Rajesh Tendolkar
Partner	Chairman	Chief Executive Officer
Mem.No. 035348	DIN: 00230480	
Place: Mumbai	Sunil Purohit	Anubhav Shrivastava
Dated: 31st July 2020	Chief Financial Officer	Company Secretary

LYKIS LIMITED
Consolidated Statement Of Changes In Equity as at March 31, 2020

Particular	Reserves and Surplus							Other Comprehensive Income	Total Other Equity	Non-controlling Interest
	General Reserve	Development Rebate Reserve	Revaluation Reserve	Investment Allowance Utilised Reserve	Securities Premium Reserve	Retained Earnings				
Equity Share Capital	(INR in Lakhs)									
	No. of shares	Amount								
As at 1st April, 2018	1,93,75,155	1,937.52								
Equity Share Capital issued during the year	-	-								
As at 31st March, 2019	1,93,75,155	1,937.52								
Equity Share Capital issued during the year	-	-								
As at 31st March, 2020	1,93,75,155	1,937.52								
Other Equity	(INR in Lakhs)									
Balance as at April 1, 2018	1.76	0.13	10.76	48.57	1,171.06	(1,561.61)	-	(329.33)	(0.64)	
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the reporting period	1.76	0.13	10.76	48.57	1,171.06	(1,561.61)	-	(329.33)	(0.64)	
Profit for the year	-	-	-	-	-	(249.40)	-	(249.40)	(0.08)	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	-	-	(249.40)	-	(249.40)	(0.08)	
Movement for the year	-	-	-	-	-	420.08	-	420.08	-	
Balance as at March 31, 2019	1.76	0.13	10.76	48.57	1,171.06	(1,390.93)	-	(158.64)	(0.72)	
Balance as at April 1, 2019	1.76	0.13	10.76	48.57	1,171.06	(1,390.93)	-	(158.64)	(0.72)	
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the reporting period	1.76	0.13	10.76	48.57	1,171.06	(1,390.93)	-	(158.64)	(0.72)	
Profit for the year	-	-	-	-	-	(190.38)	-	(190.38)	(0.03)	
Other Comprehensive Income for the year	-	-	-	-	-	-	(27.48)	(27.48)	-	
Total Comprehensive Income for the year	-	-	-	-	-	(190.38)	(27.48)	(217.86)	(0.03)	
Movement for the year	-	-	-	-	-	-	-	-	-	
Balance as at March 31, 2020	1.76	0.13	10.76	48.57	1,171.06	(1,581.31)	(27.48)	(376.50)	(0.75)	

This is the Statement of Changes in Equity referred to in our report of even date
For BANSI JAIN & ASSOCIATES
Chartered Accountants
Firm Regn.No.0100990W

For and on Behalf of Board of Directors

R. B. GOLECHA
Partner
Mem.No. 035348

Vijay Kedia
Chairman
DIN: 00230480

Rajesh Tendolkar
Chief Executive Officer

Place: Kolkata
Dated: 31st July, 2020

Sunil Purohit
Chief Financial Officer

Anubhav Shrivastva
Company Secretary

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

1 Corporate information

Lykis Limited is incorporated on October 15, 1984. The Company is limited by shares and its shares are listed on Bombay Stock Exchange. The Company is engaged in trading of FMCG and Tea. The Company's registered office is situated at 57B, C. R. Avenue, 1st floor, Kolkata 700012.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements. These policies have been consistently applied in all material respect for all the years presented, unless otherwise stated.

2.1 A) Basis of Preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (INDAS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values. The Company follows the accrual basis of accounting.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Profit and Loss, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ind AS financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. Earnings per share data are presented in Indian Rupees up to two decimal places.

B) Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiary Company

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group and ceases to be consolidated when the Group loses control of the subsidiary. Fully consolidated means recognition of like items of assets, liabilities, equity, income and expense. Thereafter the portion of net profit or loss and equity is segregated between the Group's share and share of non-controlling stake holders.

Inter-company transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Investment in Associate Company

Associate is an entities where the Group has the power to exercise a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investment in associate are accounted using the equity method. Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividend received from associates are recognised as a reduction in the carrying amount of the investments. Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated if there is a profit on ultimate sale of goods.

2.2 Use of estimates

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of tangible and intangible assets, valuation of inventories, sales return, employee costs, assessments of recoverable amounts of deferred tax assets and cash generating units, provisions against litigations and contingencies. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

2.4 Foreign Currency Transaction and Translation

i. Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency.

ii. Transactions and Balances

In preparing the financial statements transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except when deferred in other comprehensive income as qualifying cash flow hedges. Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on retranslation on nonmonetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.5 Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, Plant and Equipment is stated at original cost, net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use as estimated by the management. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

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

Biological assets are classified as bearer biological assets and consumable biological assets. Consumable biological assets are those that are to be harvested as agricultural produce. Bearer biological assets which are held to bear agricultural produce are classified as Bearer plants. The Company recognises tea bushes as bearer assets which are shown as land and plantation in the financial statement, with further classification as mature bearer assets and immature bearer assets. Mature bearer plants are those that have attained harvestable stage. Bearer assets are carried at historical cost of acquisition. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost incurred for new plantations and immature areas are capitalised. The cost of immature areas coming into bearing is transferred to mature plantations. The company does not bifurcate the value between land and bearer plants. The company is unable to estimate the useful life of bearer plants and therefore no depreciation is charged on the same.

Borrowing cost relating to acquisition/construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on WDV basis in FMCG division and Straight Line basis on Property, Plant and Equipment other than land in tea division over the estimated useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. The identified component of fixed assets are depreciated over the useful lives and the remaining components are depreciated over the life of the principal assets. Depreciation for additions to/deductions from, owned Assets is calculated on pro rata basis.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost can be measured reliably.

Depreciation charged for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Further, the Company evaluated the useful life of certain assets, in respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Tangible Assets	
1	Plant and Machinery-Moulds	5
2	Plant and Machinery-Cylinder	3
3	Motor Cycle	5
4	Electrical Installation	15

Depreciation is provided using the straight line method or written down value as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Tangible Assets	
1	Roads and Bridges	10
2	Plant and Machinery	5 to 15
3	Computers and Printers	3 to 5
4	Furniture and Fittings	10
5	Motor Vehicles	5 to 10
6	Buildings and Fencing	5 to 60

Repairs & maintenance costs are recognised in the statement of Profit and Loss. Assets costing ` 5,000 or less are fully depreciated in the year of purchase.

2.6 Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortization is provided using the Straight Line Method as per the following useful life as per Schedule II of the Companies Act 2013:

Sr. No	Nature of Asset	Estimated Useful Life(In Years)
	Intangible Assets	
1	Trademarks	5

The Company has elected to regard previous GAAP carrying value of Intangible Assets as deemed cost at the date of transition to IND AS.

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.7 Leases

The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

2.8 Borrowing costs

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

General borrowing costs are capitalised at the weighted average of such borrowings outstanding during the year.

2.9 Inventories

Inventories are valued as under:

- a. **Raw Materials, Packing Materials And Stores & Spares:**
Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.
- b. **Finished Goods & Work In Progress:**
At cost or net realizable value, whichever is lower. Cost is determined on absorption basis due provision for obsolescence is made.
- c. **Traded Goods:**
Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Valuation of Biological Assets

As required by Ind AS 41 - "Agriculture", management estimates the fair value of plucked (harvested tea leaf) and unplucked tea leaves (biological assets as at the balance sheet date) through the use of valuation models and recent transaction prices. Significant judgement is required for key assumptions used in determining average prevalent selling prices of the tea leaf, average quality of the tea leaf and quantity of unplucked leaf. The company has no unplucked leaf as on 31.03.2020 .

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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2.13 Impairment of financial assets & non-financial assets
a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

b. Non-financial assets

Intangible assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

Intangible assets with indefinite useful lives are tested for impairment annually as at year end at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.14 Government Grants

Company is entitled to several government grants in form of subsidy under various schemes like North East Industrial & Investment Promotion Policy, Special Purpose Tea Fund Scheme, Tea Development & Promotion Scheme etc. towards fulfilment of certain conditions. The entity gets entitled to these subsidies upon undertaking various activities ranging from irrigation & civil work to replanting, replacement planting, rejuvenation pruning etc. Once entitled the sanctioned amount of subsidy has to be claimed over a period of maximum seven years. Owing to the nature, size & scalability of business its impractical to assess the life of plantations put together so the management estimates the maturity of the plantation as the life cycle which is estimated to seven years & accordingly the amount subsidy received is charged to profit & loss account over a period of seven years as deferred revenue.

2.15 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any).

Export Incentives

A. Duty Drawback and MEIS:

Exports entitlements are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

B. Duty Free Import Authorisation Scheme :

Revenue from sale of DFIA license is recognised in the books after the fulfillment of all the pre-conditions of obtaining licenses and upon reasonable assurance & certainty of realization of money. There is no reasonable basis for allocating DFIA License revenues to the specific financial period; Thus management has decided that revenues pertaining to the same shall be recognised after the fulfillment of following conditions

- 1) All the conditions which entitles the entity to obtain the license from DGFT are complied with.
- 2) Buyer has been identified & the revenue can be reliably measured.
- 3) There exists a reasonable certainty that the monies will be received.

Interest income

Interest income is accrued on time proportion basis, by reference to the principal outstanding and effective

Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

Dividend

Dividend income is recognised when to right to receive payment has been established.

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2.16 Employee Benefit Expenses

All employee benefits payable within a period of twelve months of rendering service are classified as short term employee benefits. Benefits such as salaries, allowances, advances and similar payments paid to the employees of the Company are recognized during the period in which the employee renders such related services.

Defined Contribution plans

Provident Fund: The Company is a member of the Government Provident Fund which is operated by the office of the Regional Provident Fund Commissioner (RPFC) and the contribution thereof is paid /provided for during the period in which the employee renders the related service.

Defined Benefits plans

Gratuity: In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, covering eligible employees. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

Gratuity is provided as per actuarial valuation as at the Balance Sheet date, carried out by an independent actuary. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan Assets (excluding net interest) and any change in the effect of asset ceiling (if applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is reclassified to Profit and Loss.

2.17 Taxes

Tax expenses comprise of current and deferred tax.

Current income tax

a.

Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b.

Current tax items are recognised in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax

a.

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

b.

Deferred tax liabilities are recognised for all taxable temporary differences.

c.

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

d.

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

e.

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.

f.

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

g.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

h.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of Profit and Loss.

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2.18 Earnings Per Share (EPS)

Basic Earnings per Share

Basic earnings per share is calculated by dividing: the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity

The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of past events, for which 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 for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes to Financial Statements. Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements where an inflow of economic benefits is probable. Provisions and contingent liabilities are reviewed at each Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

2.20 Financial instruments

A Financial Assets

The Company recognizes a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction cost that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss

However trade receivables that do not contain a significant financing component are measured at transaction price.

Investments and other financial assets

(ii) Classification and Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Financial Assets:

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its financial assets into following categories:

1 Amortised cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

2 Fair value through other comprehensive Income:

Financial assets with a business model:

(A) 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 and

(B) where the Company has exercised the option to classify the investment as at fair value through other comprehensive income, all fair value changes on the assets are recognised in OCI.

The accumulated gains or losses recognised in OCI are reclassified to retained earnings on sale of such investments.

3 Fair value through Profit and Loss:

Financial assets which are not classified in any of the categories above are fair value through profit or loss.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. The investment in subsidiaries, associates and joint ventures are measured at cost.

(iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to received cash flows of the financial assets and has substantially transferred all the risk and rewards of ownership of the financial assets;

iii.

The Company retains the contractual rights to receive cash flows but assumes a contractual obligations to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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B Financial liabilities:

(i) Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(ii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial Instrument

A derivative is a financial instrument which changes in value in response to changes in an underlying asset and is settled at a future date. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- (a) Hedges of the fair value of recognised assets or liabilities (fair value hedge); or
- (b) Hedges of a particular risk associated with a firm commitment or a highly probable forecast transaction (cash flow hedge);

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are effective in offsetting changes in cash flows of hedged items. Movements in the hedging reserve are accounted in other comprehensive income and are shown within the statement of changes in equity. The full fair value of a hedging derivative is classified as a noncurrent asset or liability when the remaining maturity of hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging foreign exchange risk on recognised assets and liabilities.

(ii) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The ineffective portion of changes in the fair value of the derivative is recognised in the Statement of Profit and Loss. Gains or losses accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the Statement of Profit and Loss.

When a hedging instrument expires or is swapped or unwound, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss in other equity remains there and is reclassified to Statement of Profit and Loss when the forecasted cash flows affect profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gains/losses that were reported in equity are immediately transferred to the Statement of Profit and Loss.

2.21 Fair value measurement

The Company measures financial instruments, such as, derivatives and investments at fair value as per IND AS 113 at each balance sheet date. 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 — The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2 — The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

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

LYKIS LTD
Significant Accounting Policy & Notes To Accounts

2.22 Key Accounting Estimates And Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(i) **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(ii) **Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

(iii) **Provision for Contingent Liabilities**

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(iv) **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note above.

(v) **Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

LYKIS LIMITED
Notes to Consolidated Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

(INR in Lakhs)

<u>Particulars</u>	<u>Land</u>	<u>Building</u>	<u>Roads & Bridges</u>	<u>Plant and Machinery</u>	<u>Computer</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Office Equipments</u>	<u>Electrical Installations</u>	<u>Total</u>	<u>Capital Work-in Progress</u>
Gross Carrying Amount as at April 1, 2018	1,005.19	162.95	22.78	452.96	43.97	0.85	47.21	20.78	53.00	1,809.69	78.83
Additions	-	-	-	4.43	8.21	-	3.00	1.72	-	17.36	53.04
Disposals	-	-	-	-	-	-	-	(2.27)	-	(2.27)	-
As at March 31, 2019	1,005.19	162.94	22.79	457.13	52.18	0.85	50.21	20.46	52.99	1,824.74	131.87
Additions	-	5.21	-	12.73	8.98	0.06	-	1.24	-	28.22	31.46
Transfer	-	-	-	-	-	-	-	0.49	-	0.49	16.21
Disposals	-	-	-	7.67	-	-	-	0.16	-	7.83	-
As at March 31, 2020	1,005.19	168.15	22.79	462.19	61.16	0.91	50.21	21.05	52.99	1,844.64	147.12
Accumulated Depreciation as at April 1, 2018	-	97.53	19.94	232.86	39.21	0.62	31.04	13.45	23.68	458.33	-
Depreciation charge during the year	-	4.16	-	50.32	4.33	0.05	3.66	2.45	2.94	67.91	-
Accumulated depreciation on deletions	-	-	-	(0.85)	-	-	-	-	-	(0.85)	-
Adjustment made during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	101.70	19.94	282.33	43.54	0.67	34.70	15.90	26.62	525.40	-
Depreciation charge during the year	-	4.30	-	34.61	7.25	0.05	4.11	1.87	2.95	55.14	-
Accumulated depreciation on deletions	-	-	-	3.98	-	-	-	0.23	-	4.22	-
Adjustment made during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	106.00	19.94	312.96	50.79	0.72	38.81	17.54	29.57	576.32	-
Net carrying amount as at March 31, 2020	1,005.19	62.15	2.85	149.23	10.37	0.19	11.40	3.51	23.42	1268.32	147.12
Net carrying amount as at March 31, 2019	1,005.19	61.24	2.85	174.80	8.64	0.18	15.51	4.56	26.37	1299.35	131.87

1. Land

The company does not bifurcate the value between land and bearer plants. The company is unable to estimate the useful life of bearer plants and therefore no depreciation is charged on the same.

2. Property, Plant and Equipments pledged/ mortgaged as security

All Property, Plant and Equipment are subject to a first charge/ collateral to secure the loans taken by the Company.

LYKIS LIMITED
Notes to Consolidated Financial Statements

4. <u>RIGHT TO USE</u>		(INR in Lakhs)
<u>Particulars</u>		<u>Building</u>
Gross Carrying Amount as at April 1, 2019		-
Additions		225.91
Disposals		-
As at March 31, 2020		225.91
Accumulated amortisation and impairment as at April 1, 2019		-
Amortisation charge during the year		18.80
Disposals		-
As at March 31, 2020		18.80
Net carrying amount as at March 31, 2020		207.12
Net carrying amount as at March 31, 2019		-
5. <u>INTANGIBLE ASSETS</u>		(INR in Lakhs)
<u>Particulars</u>		<u>Trademark</u>
Gross Carrying Amount as at April 1, 2018		2.54
Additions		-
Disposals		-
As at March 31, 2019		2.54
Additions		-
Disposals		-
As at March 31, 2020		2.54
Accumulated amortisation and impairment as at April 1, 2018		1.22
Amortisation charge during the year		0.53
Disposals		-
As at March 31, 2019		1.75
Amortisation charge during the year		0.53
Disposals		-
As at March 31, 2020		2.28
Net carrying amount as at March 31, 2020		0.26
Net carrying amount as at March 31, 2019		0.79

Note:

Intangible assets in case of trademarks are amortised on straight-line basis over a period of 5 years, based on management's estimate. The amortisation period and the amortisation method are reviewed at the end of each financial year.

LYKIS LTD
Notes to Consolidated Financial Statements

6. INVESTMENTS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
In Equity Shares - Unquoted, carried at fair value through Profit & Loss			
65,000 (65,000) shares of Lykis Herbal Pvt Ltd*	-	6.50	
Lykis Confectionary	-	-	
10,000 (10,000) shares of Nakamichi Securities Ltd*	2.95	1.00	
Less: Impairment in value of investment	-	-	
In Partnership firm-Carried at cost			
Dhrolia LLP (Capital)	2.00	2.00	
Total Non - Current Investments	4.95	9.50	
Aggregate Amount of quoted Investments	-	-	
Market Value of quoted Investments	-	-	
Aggregate Amount of unquoted Investments	4.95	9.50	
Aggregate Amount of provision for diminution in value of investment	-	-	
*Fair value of Lykis Herbal Pvt. Ltd is Rs.(61.82) per share and Fair value of Nakamichi Securities Ltd is Rs. 29.45 per share.			
7. OTHERS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Fixed Deposits with Banks with a maturity period more than 12 months	-	1.47	
	-	1.47	
8. INVENTORIES		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Raw Material (At cost or net realizable value whichever is less)			
- Greenleaf	0.42	1.11	
- Nursery Plants	39.03	66.06	
Stock in trade (At cost or net realizable value whichever is less)			
- FMCG Products	24.58	340.98	
Finished Goods (At cost or net realizable value whichever is less)			
- Tea	4.76	29.29	
Stores & Spares (At cost)	20.68	35.03	
	89.47	472.48	
9. TRADE RECEIVABLES		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Unsecured			
Considered Good	922.07	1,970.43	
Considered Doubtful	1.21	25.00	
Less: Allowances for Credit Loss	(6.05)	(31.70)	
	917.22	1,963.73	
There are debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member (Refer Related Party Note No 46)			
The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables on the basis of ECL matrix. The ECLs are calculated on outstanding balances of trade receivables as at the year end.			
10. CASH & CASH EQUIVALENTS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Balances with Banks	-	-	
- In Current Accounts	369.86	261.59	
Cash in Hand	21.15	23.08	
	391.01	284.67	
11. OTHER BANK BALANCE		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Fixed Deposits having original maturities more than 12 months but current maturities less than 12 months	2.01	0.54	
Fixed Deposits having original maturities more than 3 months but less than 12 months	994.72	950.36	
	996.73	950.90	
12. LOANS AND ADVANCES		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Unsecured-Considred good			
Loans to related parties (Note 2)	397.95	396.13	
Others			
-Advances to employees	42.79	46.81	
-Others (Note 3)	197.93	290.86	
Less: Impairment loss allowance	-	-	
	638.67	733.79	
Note 1: Loans including Installment and interest outstanding due from the directors amounts to Rs. NIL/- (As at March 31, 2019 of Rs. NIL)and other related parties Rs. 397.95 lakhs (As at March 31, 2019 of Rs. 396.13 lakhs). (Refer Note 46)			
Note 2: The company has given loans amounting to Rs.397.94 lakhs (As at March 31,2019 of Rs.396.12 lakhs) to entities in which directors are interested.			
Note 3: The company has given interest free inter corporate loans amounting to Rs.197.93 lakhs (As at March 31, 2019 of Rs.290.86 lakhs)			
13. OTHER FINANCIAL ASSETS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Security deposits*	16.74	17.17	
Interest accrued but not due on Term Deposit	9.62	15.87	
Export Incentives & Subvention Interest receivable	127.87	475.01	
Others	3.98	-	
	158.21	508.05	
*Security deposit represents and relates to leased office premises & godown, VAT registration and utilities like electricity supplies,telephone supplies etc.			
14. INCOME TAX		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Income Tax Assets	182.18	208.61	
	182.18	208.61	
15. OTHER CURRENT ASSETS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Advance Payment to Vendors	2,273.06	2,764.64	
Balance with Government Authorities			
- GST Receivables	202.25	352.32	
- Others	71.07	70.72	
Other Receivables	3.72	5.70	
Prepaid Expenses	22.94	15.79	
	2,573.05	3,209.17	

LYKIS LTD
Notes to Consolidated Financial Statements

16. SHARE CAPITAL

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Authorised 200,00,000 (PY 200,00,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
Issued, Subscribed and Paid up		
- 1,93,75,155 (1,93,75,155) Equity Shares of 10/- each	1,937.52	1,937.52
- Add : Forfeited Equity Shares	55.18	55.18
	1,992.70	1,992.70

Notes of the Above

- i (a) 45,000 Equity shares of Rs.10/- each issued as fully paid up for consideration other than Cash.
(b) 12,75,340 Equity shares of Rs.10/- each issued as fully paid up bonus shares through capitalisation of Reserve & Surplus.
(c) The above (a) and (b) were not issued within the period of five years immediately preceding the date as at 31st March 2020.
(d) 22,07,350 Equity Shares of Rs.10/-each are forfeited shares.

ii **Terms / rights 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 shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the

iii **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year**

Equity Shares:

Particulars	31st March, 2020		31st March, 2019	
	Number of shares	Amount (INR In Lakhs)	Number of shares	Amount (INR In Lakhs)
Balance as at the Beginning of the year	1,93,75,155	1,938	1,93,75,155	1,938
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	1,93,75,155	1,938	1,93,75,155	1,938

iv **Details of shareholders holding more than 5% shares in the company**

Name of the Shareholder	31st March, 2020		31st March, 2019	
	Nos.	% of holding	Nos.	% of holding
Equity Shares of Rs.10/- each fully paid up				
Vijay Kishanlal Kedia	41,84,383	21.60	32,34,383	16.69
Anwarli Budhwani	15,69,288	8.10	-	-
Zarin Nazimbhai Charania .	21,26,703	10.98	-	-
Nadir Umedali Dhrolia	23,59,370	12.18	-	-
Kedia Securities Pvt.Ltd.	24,79,435	12.80	24,79,435	12.80
Nazim S Charania	-	-	29,98,585	15.48
Salim Anwarali Kamani	-	-	24,41,170	12.60
Sajid Umedali Dhrolia	-	-	23,59,370	12.18
Vighnhar Holdings Pvt Ltd	-	-	20,00,000	10.32

*As per records of the company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

17. RESERVES & SURPLUS

Particular	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Securities Premium Account		
Balance as per Last Account	1,171.06	1,171.06
Add : During the Year	-	-
	1,171.06	1,171.06
General Reserves		
Balance as per Last Account	1.76	1.76
Add : During the Year	-	-
	1.76	1.76
Development Rebate Reserve		
Balance as per Last Account	0.13	0.13
Add : During the Year	-	-
	0.13	0.13
Investment Allowance Utilised Reserve		
Balance as per Last Account	48.58	48.58
Add : During the Year	-	-
	48.58	48.58
Revaluation Reserve		
Balance as per Last Account	10.76	10.76
Less : Transferred to Profit & Loss Account	-	-
	10.76	10.76
Other Comprehensive Income		
Balance as per Last Account	-	-
Add : During the Year	(27.48)	-
	(27.48)	-
Sub Total	(A)	1,204.81
Retained Earnings		
Balances as per last Financial Statements	(1,390.94)	(1,089.26)
Add : Profit / (Loss) during the year	(190.42)	(249.48)
Income Tax Provision for A.Y. 2016-17 written back	-	8.49
Less : Agriculture Income Tax paid for earlier year	-	(0.83)
Less: Closing Stock Profit	-	(3.24)
Less: Adjustments	-	(57.33)
Less: Non Controlling Interest	0.04	0.72
Balance at the end of the year	(B)	(1,581.32)
	(A+B)	(376.50)
		(158.64)

LYKIS LTD
Notes to Consolidated Financial Statements

18. NON CURRENT BORROWINGS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Secured		
Term Loans		
-From Banks (Note 1)	0.33	1.64
-From Others		
Plantation Finance Loan from Tea Board (Note 2)	0.80	6.61
Demand Loans		
(i) From Other Parties		
Bajaj Finance Limited (Note 3)	-	995.00
	1.13	1,003.26

*Net of Current maturities of long-term debts and Interest accrued, which are included in Note 26

Note 1 : Term loan of INR 0.33 lakhs (2019-INR 1.64 lakhs) taken from Indian Bank is secured against hypothecation of motor car loan. The loan carries interest rate at 8.5 % pa and balance is repayable 14 equal instalments (2019 - 26 equal instalments)

Note 2 : Term loan of INR 0.80 lakhs (2019-INR 6.61 lakhs) taken from Tea Board of India is secured against hypothecation of land and building . The loan carries interest free and repayable in 60 monthly instalments starting from 30th September 2016

Note 3 : Loan against shares of INR Nil (2019 INR 995.00 lakhs) was taken from Bajaj Finance Limited and was secured against shares of directors. The loan carried interest at 10% pa was repayable within 24 months

19. LEASE LIABILITY

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Lease Liability	172.87	-
	172.87	-

20. DEFERRED TAX LIABILITY

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Deferred Tax liability		
On account of carrying value of property, plant and equipment	12.44	13.78
On account of Right to use	53.85	-
On account of Business Loss	23.90	-
	(A) 90.19	14
Deferred Tax asset		
On account of expected credit loss on trade receivables	6.30	0.13
On account of provision for gratuity	4.13	1.74
On account of loss on revaluation	3.09	-
On account of ILease Liability	54.88	-
On account of provision for bonus	1.53	-
	(B) 69.94	1.87
Net Deferred Tax Liability	(A-B) 20.25	11.91

21. OTHER NON CURRENT LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Deferred government grant	38.35	29.96
	38.35	29.96

22. PROVISIONS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Gratuity	14.37	9.72
	14.37	9.72

LYKIS LTD
Notes to Consolidated Financial Statements

23. BORROWINGS

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Secured		
Demand Loans		
Working capital loan from bank (Note No 1)	44.35	43.11
Unsecured (Repayable on demand)		
From Banks		
- Packing Credit Foreign Currency Loan (Note No 2)		2,411.84
- Export Packing Credit INR Loan (Note No 2)	3,235.45	
From Others		
-Cheers Consumer Products Ltd	4.94	4.94
-Directors	417.93	820.60
	<u>3,702.67</u>	<u>3,280.49</u>

Note 1 : These facilities are secured against the following charge on various assets of the Company:

- (a) Primary : Hypothecation charge on the entire current assets of the Company, both present & future.
(b) Collateral : Fixed deposits of the company.

Note 2 : Working Capital Loan from HDFC Bank amounting to INR 2,315.45 lakhs (2019 : INR 2,411.84 lakhs) & ICICI Bank Limited 920.00 lakhs (2019 : NIL) is repayable on demand and is secured against fixed deposits of third party and fixed deposits of the company.

24. LEASE LIABILITY

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Lease Liability	38.21	-
	<u>38.21</u>	<u>-</u>

25. TRADE PAYABLES

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Total Outstanding due to Micro and Small Enterprises *	7.39	-
Total Outstanding due to other than Micro and small enterprises	448.55	1,494.53
	<u>455.95</u>	<u>1,494.53</u>

*Details Of Dues To Micro And Small Enterprises As Defined Under Micro, Small And Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

<u>Particulars</u>		
Principal amount due to suppliers under MSMED Act, 2006	7.27	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.12	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.12	-
	<u>7.39</u>	<u>-</u>

LYKIS LTD
Notes to Consolidated Financial Statements

26. OTHER FINANCIAL LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Current maturities of long term debts	1,001.98	7.52
Employee Benefits payable	77.12	66.85
Fair Value of derivative liability	23.80	-
Others	7.60	4.06
	1,110.49	78.43

27. OTHERS CURRENT LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Advance from Customers*	155.80	1,765.81
Payable to Government Authorities	73.72	59.97
Deferred Government Grant	6.31	4.16
	235.84	1,829.94

*Advance received from customers amounting to Rs.69.29 lakhs is outstanding for more than 365 days as on date and thus falls under the definition of Deemed Deposit from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under

28. PROVISIONS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Fringe Benefit Tax	-	1.56
Provision for Expenses	19.08	23.49
Provision for Gratuity	0.82	0.60
Provision for Bonus	5.90	-
	25.80	25.65

29. CURRENT TAX LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for tax	142.93	177.16
	142.93	177.16

LYKIS LTD
Notes to Consolidated Financial Statements

18. NON CURRENT BORROWINGS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Secured		
Term Loans		
-From Banks (Note 1)	0.33	1.64
-From Others		
Plantation Finance Loan from Tea Board (Note 2)	0.80	6.61
Demand Loans		
(i) From Other Parties		
Bajaj Finance Limited (Note 3)	-	995.00
	1.13	1,003.26

*Net of Current maturities of long-term debts and Interest accrued, which are included in Note 26

Note 1 : Term loan of INR 0.33 lakhs (2019-INR 1.64 lakhs) taken from Indian Bank is secured against hypothecation of motor car loan. The loan carries interest rate at 8.5 % pa and balance is repayable 14 equal instalments (2019 - 26 equal instalments)

Note 2 : Term loan of INR 0.80 lakhs (2019-INR 6.61 lakhs) taken from Tea Board of India is secured against hypothecation of land and building . The loan carries interest free and repayable in 60 monthly instalments starting from 30th September 2016

Note 3 : Loan against shares of INR Nil (2019 INR 995.00 lakhs) was taken from Bajaj Finance Limited and was secured against shares of directors. The loan carried interest at 10% pa was repayable within 24 months

19. LEASE LIABILITY

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Lease Liability	172.87	-
	172.87	-

20. DEFERRED TAX LIABILITY

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Deferred Tax liability		
On account of carrying value of property, plant and equipment	12.44	13.78
On account of Right to use	53.85	-
On account of Business Loss	23.90	-
	(A) 90.19	14
Deferred Tax asset		
On account of expected credit loss on trade receivables	6.30	0.13
On account of provision for gratuity	4.13	1.74
On account of loss on revaluation	3.09	-
On account of ILease Liability	54.88	-
On account of provision for bonus	1.53	-
	(B) 69.94	1.87
Net Deferred Tax Liability	(A-B) 20.25	11.91

21. OTHER NON CURRENT LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Deferred government grant	38.35	29.96
	38.35	29.96

22. PROVISIONS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Gratuity	14.37	9.72
	14.37	9.72

LYKIS LTD
Notes to Consolidated Financial Statements

23. BORROWINGS

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Secured		
Demand Loans		
Working capital loan from bank (Note No 1)	44.35	43.11
Unsecured (Repayable on demand)		
From Banks		
- Packing Credit Foreign Currency Loan (Note No 2)		2,411.84
- Export Packing Credit INR Loan (Note No 2)	3,235.45	
From Others		
-Cheers Consumer Products Ltd	4.94	4.94
-Directors	417.93	820.60
	<u>3,702.67</u>	<u>3,280.49</u>

Note 1 : These facilities are secured against the following charge on various assets of the Company:

- (a) Primary : Hypothecation charge on the entire current assets of the Company, both present & future.
(b) Collateral : Fixed deposits of the company.

Note 2 : Working Capital Loan from HDFC Bank amounting to INR 2,315.45 lakhs (2019 : INR 2,411.84 lakhs) & ICICI Bank Limited 920.00 lakhs (2019 : NIL) is repayable on demand and is secured against fixed deposits of third party and fixed deposits of the company.

24. LEASE LIABILITY

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Lease Liability	38.21	-
	<u>38.21</u>	<u>-</u>

25. TRADE PAYABLES

<u>Particulars</u>	(INR in Lakhs)	
	<u>31st March, 2020</u>	<u>31st March, 2019</u>
Total Outstanding due to Micro and Small Enterprises *	7.39	-
Total Outstanding due to other than Micro and small enterprises	448.55	1,494.53
	<u>455.95</u>	<u>1,494.53</u>

*Details Of Dues To Micro And Small Enterprises As Defined Under Micro, Small And Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

<u>Particulars</u>		
Principal amount due to suppliers under MSMED Act, 2006	7.27	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.12	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	0.12	-
	<u>7.39</u>	<u>-</u>

LYKIS LTD
Notes to Consolidated Financial Statements

26. OTHER FINANCIAL LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Current maturities of long term debts	1,001.98	7.52
Employee Benefits payable	77.12	66.85
Fair Value of derivative liability	23.80	-
Others	7.60	4.06
	1,110.49	78.43

27. OTHERS CURRENT LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Advance from Customers*	155.80	1,765.81
Payable to Government Authorities	73.72	59.97
Deferred Government Grant	6.31	4.16
	235.84	1,829.94

*Advance received from customers amounting to Rs.69.29 lakhs is outstanding for more than 365 days as on date and thus falls under the definition of Deemed Deposit from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under

28. PROVISIONS

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for Fringe Benefit Tax	-	1.56
Provision for Expenses	19.08	23.49
Provision for Gratuity	0.82	0.60
Provision for Bonus	5.90	-
	25.80	25.65

29. CURRENT TAX LIABILITIES

Particulars	(INR in Lakhs)	
	31st March, 2020	31st March, 2019
Provision for tax	142.93	177.16
	142.93	177.16

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30. REVENUE FROM OPERATIONS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Sales of Goods			
Finished Goods (Tea)	362.75		669.06
Traded Goods			
-Domestic	416.27		75.32
-Export	7,313.96	7,730.23	13,306.51
Other Operating Revenue			
Export Benefits	716.28		641.58
Other Incentives & Subsidies	4.54		4.76
	<u>8,813.79</u>		<u>14,697.23</u>
31. OTHER NON OPERATING INCOME		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Interest Income			
On bank deposits	69.42		58.62
Dividend Income	-		1.88
Other Non Operating Income			
Profit on Sale of Fixed Asset	-		0.34
Gain/Loss on Forward Contract Cancellation	-		2.36
Foreign Exchange Fluctuation Gain	136.80		-
Miscellaneous Income	42.28		28.87
	<u>248.49</u>		<u>92.06</u>
32. COST OF MATERIAL CONSUMED		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Opening Inventories	67.18		64.91
Add : Purchase	19.54		162.19
Less : Closing Inventories	39.45		67.18
	<u>47.27</u>		<u>159.92</u>
33. PURCHASE OF TRADED GOODS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
FMCG	7,090.85		11,564.63
	<u>7,090.85</u>		<u>11,564.63</u>
34. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & TRADED GOODS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Inventories at the end of the year	29.33		370.28
Less: Inventories at the beginning of the year	370.28		708.80
(Increase)/Decrease in Inventories	<u>340.94</u>		<u>338.52</u>
35. EMPLOYEE BENEFIT EXPENSES		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Director's Remuneration	7.20		7.20
Salary, Wages and Bonus	450.34		450.22
Employers' Contribution to PF & ESI	25.26		21.99
Gratuity Expenses	4.76		4.93
Employees' Welfare Expenses	30.99		46.43
	<u>518.55</u>		<u>530.78</u>
36. FINANCE COSTS		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Interest			
-On Car Loans	0.23		0.36
-On Bank Overdrafts	3.08		2.93
-On Unsecured Loan	99.71		76.68
-On PCFC	107.74		114.46
-Lease Liability	9.17		-
-On MSMEI creditors	0.12		-
Bank Charges and Commission	6.68		22.24
	<u>226.73</u>		<u>216.66</u>
37. DEPRECIATION & AMOTIZATION EXPENSE		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Depreciation on tangible assets	55.14		68.07
Amortization of intangible assets	0.53		0.53
Amortization of right to use	18.80		-
	<u>74.46</u>		<u>68.59</u>
38. OTHER EXPENSES		(INR in Lakhs)	
Particulars	31st March, 2020	31st March, 2019	
Auditor's Remuneration*	5.65		3.50
Clearing & Forwarding Expenses	194.86		469.63
Collie & Cartage Charges	0.87		0.01
Commission Charges paid	13.91		14.28
Cultivation Expenses	12.01		23.59
Discount Allowed	19.07		13.79
Freight Charges	38.62		142.55
Impairment loss on financial instrument	-0.65		8.36
Insurance Expense	0.00		0.56
Interest & Penalty on Statutory Payments	46.95		0.39
Legal, Professional & Consultancy Fees	99.52		66.36
License Expenses	8.94		4.27
Loss on Foreign Exchange Fluctuation	0.00		392.78
Loss on Forward Contract Cancellation	18.82		0.02
Loss on sale of fixed assets	1.30		-
Loss on Sale of non current Investment	0.00		198.25
Miscellaneous Expenses	36.42		28.76
Motor Car Expenses	15.96		35.43
Packing & Development Expenses	16.58		67.08
Postage & Telegram	7.48		8.90
Power & Fuel	53.75		100.34
Preliminary Expenses Written Off	0.00		0.23
Printing & Stationery	10.66		14.81
Products Testing Expenses	3.25		3.23
Remeasurement of Financial Instrument	4.55		-
Rent Rates and Taxes	121.05		137.48
Repairs and Maintenance	11.59		27.59
Sales Promotion & Advertisement Expenses	27.71		233.04
Stock exchange expenses	5.00		3.17
Sundry Debit Balance Written off	117.90		40.31
Telephone & Internet Expenses	3.46		3.21
Travelling & Conveyance Expenses	43.40		34.22
	<u>938.65</u>		<u>2,077.15</u>
*Auditors Remuneration			
Statutory audit fees	3.75		2.75
Tax audit fees	1.00		0.75
Audit fees for limited review	0.80		-
Certification Charges	0.10		-
	<u>5.65</u>		<u>3.50</u>

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39. EARNINGS PER SHARE (EPS)

Particulars

Profit / (Loss) as per Profit & Loss Account (INR)

Weighted average number of Equity Shares (Nos.)

Face Value per Equity Share (INR)

Basic & Diluted Earnings per Share (INR)

31st March, 2020

31st March, 2019

(1,90,42,424)

(2,42,08,901)

1,93,75,155

1,93,75,155

10.00

10.00

(0.98)

(1.25)

40. CONTIGENT LIABILITIES

(INR in Lakhs)

(a) Particulars

31st March, 2020

31st March, 2019

Disputed Liabilities under MVAT Act, 2002 for AY 2013-14*

-

41.44

Disputed Liabilities under CST Act, 1956 for AY 2013-14*

-

13.32

Disputed Liabilities under Income Tax, 1961 for AY 2015-16**

73.72

-

Total

73.72

69.02

(b) *Disputed liabilities under CST Act, 1956 for AY 2013-14 and Disputed Liabilities under MVAT Act 2002 for AY 2013-14 has been settled at full after obtaining the eligible waiver of Rs. 6.80 lakhs and Rs.20.78 lakhs respectively under Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Ordinance, 2019.

(c) **Income Tax Department had passed a assessment order dt 26.12.2017 under which a tax liability of Rs. 95.05 lakhs is payable, The company has filed for the appeal by depositing 20% of demand which is amounting to Rs. 19.00 lakhs. Matter still pending before authority as on 31st March 2020.

(d) The company has given unconditional undertaking to pay Rs 0.88 lakhs to DGFT by way of Bank Guarantee for taking the EPCG Licence. The said bank guarantee is issued by Indian Bank, Silchar Branch against Fixed Deposit of the Rs. 1.47 lakhs.

(e) The company has given a comfort letter to it's subsidiary Lykis Marketing, whereby the company has agreed to invest additional funds incase difficulties arises to continue as a going concern. Also comfort provided on adoption of necessary resolution by the company which will ensure net worth of Lykis marketing will be enough to meets it's liabilities.

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41. EMPLOYEES BENEFIT OBLIGATION

Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a unfunded plan.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows:

	(INR in Lakhs)
Particulars	Presentation Value of Obligation
As at April 1, 2018	17.48
Current service cost	1.34
Interest expense/(income)	3.59
Past Service Cost	-
Total amount recognised in profit or loss	4.93
Remeasurements	
(Gain)/Loss from change in Demographic assumptions	-
(Gain)/Loss from change in financial assumptions	0.33
Experience (gains)/losses	(8.08)
Total amount recognised in other comprehensive income	(7.75)
Less: Benefit payments	(4.34)
As at March 31, 2019	10.32
Current service cost	0.74
Interest expense/(income)	4.02
Past Service Cost	-
Total amount recognised in profit or loss	4.76
Remeasurements	
(Gain)/Loss from change in Demographic assumptions	
(Gain)/Loss from change in financial assumptions	0.88
Experience (gains)/losses	2.80
Total amount recognised in other comprehensive income	3.68
Less: Benefit payments	(3.58)
As at March 31, 2020	15.18

b) The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
The significant actuarial assumptions were as follows:		
Interest/Discount rate	6.43% p.a	7.22% p.a
Rate of increase in compensation	10.64% p.a	10.64% p.a
Expected average remaining service	6 years	6 years
Retirement Age	60 years	60 years
Employee Attrition Rate	14.58% p.a	14.58% p.a

c) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is shown below:

Assumption	Discount Rate		Salary Growth Rate	
	1% increase	1% decrease	1% increase	1% decrease
March 31, 2020				
Impact on defined benefit obligation	(1.10)	1.27	1.20	(1.07)
% Impact	-7.27%	8.33%	7.92%	-7.07%
March 31, 2019				
Impact on defined benefit obligation	(0.74)	0.84	0.81	(0.72)
% Impact	-7.13%	8.17%	7.83%	-6.99%

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions

d) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Expected Payout Year one	0.82	0.60
Expected Payout Year two	0.84	0.69
Expected Payout Year three	1.27	0.78
Expected Payout Year four	1.65	1.05
Expected Payout Year five	1.66	1.22
Expected Payout Year six to ten	7.35	5.32
Total expected payments	13.60	9.66

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (March 31, 2019: 9 years)

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42. FAIR VALUE MANAGEMENT

i. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

The carrying value and fair value of financial instruments by categories as of 31 March 2019 are as follows:

Particulars	Carrying Amount			Fair Value			Total
	FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3	
31st March, 2019							
FINANCIAL ASSETS							
Investments	9.50	-	-	9.50	-	9.50	9.50
Security Deposits	-	-	17.17	17.17	-	-	17.17
Trade Receivables	-	-	1,963.73	1,963.73	-	-	1,963.73
Cash and Cash Equivalents	-	-	284.67	284.67	-	-	284.67
Other Bank Balances	-	-	950.90	950.90	-	-	950.90
Loans and Advances	-	-	733.79	733.79	-	-	733.79
Other Financial Assets	-	-	492.35	492.35	-	-	492.35
Total financial assets	9.50	-	4,442.61	4,452.11	-	9.50	4,452.11
FINANCIAL LIABILITIES							
Borrowings	-	-	4,283.75	4,283.75	-	-	4,283.75
Trade payables	-	-	1,494.53	1,494.53	-	-	1,494.53
Other financial liabilities	-	-	78.43	78.43	-	-	78.43
Total financial liabilities	-	-	5,856.71	5,856.71	-	-	5,856.71

The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:

Particulars	Carrying Amount			Fair Value			Total
	FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3	
31st March, 2020							
FINANCIAL ASSETS							
Investments	4.95	-	-	4.95	-	4.95	4.95
Security Deposits	-	-	16.74	16.74	-	-	16.74
Trade Receivables	-	-	917.22	917.22	-	-	917.22
Cash and Cash Equivalents	-	-	391.01	391.01	-	-	391.01
Other Bank Balances	-	-	996.73	996.73	-	-	996.73
Loans and Advances	-	-	638.67	638.67	-	-	638.67
Other Financial Assets	-	-	141.47	141.47	-	-	141.47
Total financial assets	4.95	-	3,101.83	3,106.78	-	4.95	3,106.78
FINANCIAL LIABILITIES							
Borrowings	-	-	3,703.80	3,703.80	-	-	3,703.80
Lease Liability	-	-	211.08	211.08	-	-	211.08
Trade payables	-	-	455.95	455.95	-	-	455.95
Other financial liabilities	-	-	1,110.49	1,110.49	-	-	1,110.49
Total financial liabilities	-	-	5,481.32	5,481.32	-	-	5,481.32

The management assessed that the fair value of cash and cash equivalent, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

ii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of unquoted equity instruments has been measured on the basis of their networth and valuation of their shares.
- the fair value of equity shares of group companies are measured at cost.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iii. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

43. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	(INR in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
A) Debts		
Borrowings (Current and Non-Current)	3,703.80	4,283.75
	Debt (A)	4,283.75
B) Equity		
Equity Share Capital	1,992.70	1,992.70
Other Equity	(376.50)	(158.64)
	Total Equity (B)	1,834.06
Gearing Ratio (Debt / Capital) i.e. (A/B)	2.29	2.34

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44. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Market Risk;
- Credit Risk; and
- Liquidity Risk

Covid 19 has been declared as Global Pandemic and it has led to an impact on the routine business of the company. The Company continued to supply their goods in the relevant market. As the Company's major revenue comes from export of FMCG products in global market, the extended lockdown have caused adverse impact on sales due to disruption in market opening. The impact on the business of the company is very uncertain and will depend on the future developments in the country.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity/real estate risk.

(i) Foreign currency risk

The Company operates across various geographies and is exposed to foreign exchange risk on its various currency exposures. The risk of changes in foreign exchange rates relates primarily to the Company's operating activities and translation risk, which arises from recognition of foreign currency assets and liabilities.

Foreign currency Risk Management

In respect of the foreign currency transactions, the company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign currency exposure on highly probable forecasted transactions.

Impact of Covid 19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Further, the Company basis the recent trends believe that the probability of the non-occurrence of forecasted transactions is minimal. The Company also does not expect any material deterioration in both counterparty credit risk and own credit risk. Accordingly, the Group continues to believe that there is no impact on effectiveness of its hedges. Future outlook would depend on how the pandemic develops and the resultant impact on businesses.

(ii) Interest rate risk

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 interest rate risk can also impact the provision for retiral benefits. The Company generally utilises fixed rate borrowings and therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rates.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Fluctuation Risk

The Company exposure to Foreign Currency risk at the end of reporting period is as follows:

(INR in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Financials Assets		
Trade Receivables	956.83	1,852.53
Cash & Cash Equivalent	8.18	-
Net Exposure to Foreign Currency Risk Assets	965.01	1,852.53
Financials Liabilities		
Trade Advance	108.56	-
Borrowings	-	2,411.84
Other Financial Liabilities	23.80	1,468.58
Net Exposure to Foreign Currency Risk Liabilities	132.36	3,880.42
Foreign Currency Sensitivity	832.65	(2,027.90)

(iii) Equity price risk

The Company is exposed to equity price risk, which arises from FVTPL and FVOCI investments. The Company's unlisted equity securities are of subsidiary and deemed cost of the same are taken as per the valuation report. The value of the financial instruments is not material and accordingly any change in the value of these investments will not affect materially the profit or loss of the Company.

(B) 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

Trade Receivable

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company is in the business of Shop activities.

Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

An impairment analysis is performed at each re-equipmenting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reEquipmenting date is the carrying value of each class of financial assets disclosed in Note 9.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers. The movement of allowance for impairments of trade receivables are as follows

(INR in Lakhs)

Particulars	Carrying Amount	
	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	31.70	66.52
Impairment Loss recognized	(25.65)	(34.82)
Closing Balance	6.05	31.70

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as stated in balance sheet except for balances of subsidiary company. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in the liquidity table below.

(C) 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, 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 tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows.

Contractual maturities of financial liabilities

Particular	Less than 1 year			1 to 5 years			More than 5 years		
As at March 31st, 2020									
Borrowings	3,702.67			1.13					
Trade payables	455.95			-					
Other financial liabilities	1,110.49			-					
Lease liabilities	38.21			172.87					
Total Financial Liabilities	5,307.32			174.00					
As at March 31st, 2019									
Borrowings	3,280.49			1,003.26					
Trade payables	1,494.53			-					
Other financial liabilities	78.43			-					
Total Financial Liabilities	4,853.45			1,003.26					

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45. LEASE

The Company does not have any contract classifying as lease existing as on April 1, 2019. The Company has adopted a lease accounting during the year for which treatment as per applicable Ind AS 116 is given.

In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease "Rent"/"Other expenses" in previous period to "Depreciation and amortisation expense" for the right of use assets and "Finance cost" for interest accrued on lease liability. As a result the "Rent"/"Other expenses", "Depreciation and amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods.

In current year, the Company has recognised Interest on Lease Liability and Amortization of Right of use Asset as per IndAS 116 'Lease' in the statement of Profit and Loss under
 -Finance Cost' in Note no. 36. Interest on Lease Liability of Rs. 9.17 lakhs.
 -Depreciation and Amortization expense' in Note no. 37. Amortization of Lease Liability of Rs. 18.80 lakhs.
 -The total outstanding cash outflow for lease as per the agreement is Rs. 264 lakhs.
 -There has been addition to right of use asset in the current period
 -The carrying amount of Right of use asset as on 31st March, 2020 is Rs. 207.12 lakhs classified under 'Note no. 4. 'Right to use'.

The Company has taken premises under leave and license agreement, the rent and escalation depends upon the lease by the Company. The Company has entered into an lease agreement for the period of 4 years, with no escalation clause.

The disclosure requirement and maturity analysis of lease liability and asset as per IndAS 107 'Financial Instrument : Disclosures' are as follows:

a) The net carrying amount of Right of use asset : (INR in Lakhs)

Particulars	As at 1st April, 2019	Addition	Deletion / Amortization	As at 31st March, 2020
Right of Use Asset	-	225.91	18.80	207.12

b) A reconciliation between the total minimum lease payment as on 31st March,2020 and their present value:

(INR in Lakhs)

Particulars	Amount
Lease Liability as at balance sheet date	211.08
Add: Interest on above*	52.92
Minimum Lease Payment	264.00

*The rate of interest taken is on the basis of rate of loan liabilities of the Company

c) Maturity Analysis of the Minimum lease payment for the following years are as follow:

(INR in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Not later than 1 year	57.60	-
Later than 1 year but not later than 5 year	206.40	-
Total	264.00	-

Rental expenses recorded for short term lease was Rs.2.67 lakhs during the year ended 31st March,2020.

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46. INFORMATION ABOUT PRIMARY BUSINESS SEGMENT

The Company has identified business segments as its primary segment. The Company is engaged in Trading of FMCG Goods & related activities during the year, consequently the Company have separate reportable business segment for the year ended March 31, 2020.

	<u>Tea</u>	<u>FMCG</u>	(INR in Lakhs)
Year ended March 31, 2020			<u>Total</u>
Revenue	367.28	8,446.51	8,813.79
Expenses	412.16	8,808.64	9,220.80
Other Income	3.42	245.08	248.49
Segment Profit	(41.46)	(117.06)	(158.51)
Less : Unallocable Expenses			16.66
Profit Before Tax			(175.17)
Tax Expenses			15.25
Profit After Tax			(190.42)
Add: Other Comprehensive Income			(27.48)
Total Comprehensive Income			(217.90)
			(INR in Lakhs)
Year ended March 31, 2019	<u>Tea</u>	<u>FMCG</u>	<u>Total</u>
Revenue	669.06	14,028.17	14,697.23
Expenses	690.24	14,236.08	14,926.32
Other Income	8.18	83.88	92.06
Segment Profit	(13.00)	(124.03)	(137.03)
Less : Unallocable Expenses			29.93
Profit Before Tax			(166.96)
Tax Expenses			75.13
Profit After Tax			(242.09)
Add: Other Comprehensive Income			-
Total Comprehensive Income			(242.09)

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47 RELATED PARTY DISCLOSURE

i) Relationship

Description of relationship

Associate Company

Enterprises over which key Managerial personnel are able to exercise significant influence

Names of Related Parties

Lykis Packaging Pvt. Ltd.
Spectra International Ltd.
Lykon Foods Pvt. Ltd.
Pragati Aerosols Pvt. Ltd.
Dhrolia LLP
Lykis Herbs Pvt. Ltd.
Lykis Biscuit Pvt. Ltd.
Cheers Consumers Pvt Ltd
Sanzi Exporters & Importers
Lykis Soaps Pvt Ltd
Dharamnagar Tea Estate

Chairman

Mr. Vijay Kishanlal Kedia

Key Managerial Personnel

Mr. Prince Tulsian (Managing Director)
Mr. Rajesh Tendulkar (CEO)
Mr. Sunil Chadraprakash Purohit (Chief Financial Officer)
Mrs.Neha Mankame (Company Secretary upto 10.06.2020)
Mr. Anubhav Shrivastava (Company Secretary w.e.f 10.06.2020)
Mr. Bharat Jain
Mr. Hitesh Jain

Relative of Key Managerial Person

Mrs. Priyanka Tulsian
Ms. Sonam Tulsian
Mrs. Swati Tendulkar
Ms. Anushka Tendulkar
Mr. Pratik Kedia

Notes

- 1 The list of related parties above has been limited to entities with which transactions have taken place.
- 2 Related party transactions have been disclosed till the time the relationship existed.

LYKIS LTD
Notes to Consolidated Financial Statements

ii) Transaction with Related party during the Year and balance as at year end

Particulars	Associate		Key Managerial Persons		Relative of Key Managerial Persons		Companies/ Firms/ controlled by Key Managerial Persons / Relatives		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Purchase of goods and services										
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	-	852.93	-	852.93
Dharamnagar Tea Estate Pvt Ltd	-	-	-	-	-	-	19.54	161.83	19.54	161.83
Lykis Packaging Pvt Ltd	-	76.70	-	-	-	-	-	-	-	76.70
Lykis Confectionary Pvt Ltd	-	-	-	-	-	-	-	229.35	-	229.35
Sanzi Group imp & exp	-	-	-	-	-	-	-	1.70	-	1.70
Sale of goods and services										
Spectra International Ltd.	-	-	-	-	-	-	7.99	-	7.99	-
Remuneration paid										
Prince Tulsian	-	-	7.20	7.20	-	-	-	-	7.20	7.20
Sunil Chadraprakash Purohit	-	-	16.41	10.60	-	-	-	-	16.41	10.60
Rajesh Tendolkar	-	-	17.43	-	-	-	-	-	17.43	-
Pratik Kedia	-	-	-	-	18.10	13.59	-	-	18.10	13.59
Swati Tendolkar	-	-	-	-	-	12.00	-	-	12.00	-
Others	-	-	5.15	4.29	8.27	7.80	-	-	12.42	12.09
Rent Paid										
Spectra International Ltd.	-	-	-	-	-	-	67.02	56.16	67.02	56.16
Other Expenses										
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	43.68	-	43.68	-
Purchase of investment										
Dhrolia LLP	-	-	-	-	-	-	-	2.00	-	2.00
Reimbursement of expenses										
Dharamnagar Tea Estate Pvt Ltd	-	-	-	-	-	-	2.83	15.30	2.83	15.30
Others	-	-	-	-	-	-	0.25	-	0.25	-
Reimbursement of incomes										
Dharamnagar Tea Estate Pvt Ltd	-	-	-	-	-	-	3.74	7.90	3.74	7.90
Loans & Advances Given										
Lykis Packaging Pvt Ltd	2.03	13.78	-	-	-	-	-	-	2.03	13.78
Lykon Foods Pvt. Ltd.	-	-	-	-	-	-	-	3.06	-	3.06
Others	-	-	-	-	-	-	0.12	0.56	0.12	0.56
Loans & Advances Received Back										
Lykis Packaging Pvt Ltd	-	140.36	-	-	-	-	-	-	-	140.36
Lykis Soaps Pvt Ltd	-	-	-	-	-	-	-	392.12	-	392.12
Lykon Foods Pvt. Ltd.	-	-	-	-	-	-	-	6.75	-	6.75
Borrowings Taken										
Vijay Kedia	-	-	8.00	169.84	-	-	-	-	8.00	169.84
Cheers consumer	-	-	-	-	-	-	0.23	4.94	0.23	4.94
Borrowings Repaid										
Vijay Kedia	-	-	410.67	30.00	-	-	-	-	410.67	30.00
Outstanding balance at the end of the year										
Loans & Advances										
Lykis Packaging Pvt Ltd	83.25	81.21	-	-	-	-	-	-	83.25	81.21
Cheers Consumer Products Limited	-	-	-	-	-	-	0.11	0.11	0.11	0.11
Lykis Biscuits Pvt Ltd	-	-	-	-	-	-	53.25	53.18	53.25	53.18
Lykis Herbals Pvt Ltd	-	-	-	-	-	-	107.50	107.50	107.50	107.50
Lykis Soaps Pvt Ltd	-	-	-	-	-	-	0.19	0.19	0.19	0.19
Lykon Foods Pvt Ltd	-	-	-	-	-	-	3.11	3.06	3.11	3.06
Siddharth Shah	-	-	-	-	-	-	-	0.33	-	0.33
Pragati Aerolos Pvt Ltd	-	-	-	-	-	-	150.55	150.55	150.55	150.55
Borrowings										
Vijay Kedia	-	-	416.93	819.60	-	-	-	-	416.93	819.60
Cheers Consumers Private Ltd	-	-	-	-	-	-	5.17	4.94	5.17	4.94
Trade Advances										
Lykis Herbals Pvt. Ltd.	-	-	-	-	-	-	168.88	217.01	168.88	217.01
Dharamnagar Tea Estate Pvt Ltd	-	-	-	-	-	-	479.16	447.85	479.16	447.85
Trade Receivables										
Lykis Biscuits Pvt Ltd	-	-	-	-	-	-	3.73	3.73	3.73	3.73
Lykis Confectionary Pvt. Ltd.	-	-	-	-	-	-	1.56	1.56	1.56	1.56
Sanzi Group imp & exp	-	-	-	-	-	-	-	1.70	-	1.70
Trade Payables										
Spectra International Ltd.	-	-	-	-	-	-	2.38	5.05	2.38	5.05

LYKIS LTD
Notes to Consolidated Financial Statements

48 . OTHER NOTES

- i) The company is a well established listed company engaged primarily in the business of marketing and adding of fast moving consumer goods (FMCG), and also engaged in the business of tea plantation and processing in its tea garden, Iringmara a Tea Estate, situated at Silchar, Assam. Company is intend to sell/ transfer /dispose off tea division. Thus the Board of Directors ("Board" which expression for the purposes of this resolution shall include any Committee of Directors constituted by the Board proposed to the member of the Company to sell/ transfer/discard off the whole or substantially the whole of the undertaking of the Company i.e. tea division for such consideration and on such terms and conditions as the Board of directors of the company consider beneficial to the Company. The further process will undertake after the approval from the members.
- ii) The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis that the world is grappling with. The impacts of the COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak has already had a significant effect on the economies of affected countries and international financial markets. As the companies in India approach their year -end, there is an urgent need to evaluate the impacts of the outbreak on their accounting and financial reporting.
The financial reporting impacts of the COVID -19 outbreak will depend on facts and circumstances, including the degree to which company's operations are exposed to impacts of the outbreak.
This overall impact & implication of the outbreak on the area of accounting & auditing will be evaluated in upcoming financial year 2020-21 & accordingly will be addressed on financial statements.
- iii) There are no material prior period errors which could impact the financial position of the company as per IND AS 8.
- iv) Previous years Figures are regrouped and restated wherever required.