

## LIVA NUTRITIONS LIMITED

**Regd. Office:** House No. 6 & 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej–  
Gandhinagar Highway, Ahmedabad-380015.

CIN No.: U15149GJ2018PLC105736

Phone No. 079-67775888

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### NOTICE

**NOTICE** is hereby given that the **First** Annual General Meeting of the Company will be held on Tuesday, July 30, 2019 at 9.30 a.m. at the Registered Office of the Company situated at House No. 6 & 7, Sigma Commerce Zone, Sarkhej-Gandhinagar Highway, Ahmedabad – 380015 to transact the following business:

#### **Ordinary business:**

1. To receive, consider, and adopt the Audited Financial Statements for the year ended on March 31, 2019 along with the report of the Board of Directors and Auditors thereon.
2. **To appoint the Statutory Auditors and fix their remuneration:**

To consider and if thought fit, to pass, with or without modification[s], the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014 and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Dhirubhai Shah & Co LLP [Firm Registration No. 102511W/W100298], be and are hereby appointed as the Statutory Auditors of the company, to hold office for a period of five years from the conclusion of the First Annual General Meeting till the conclusion of the Sixth Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide and finalize the terms and conditions of appointment, including the remuneration to the Statutory Auditors.”

#### **Special business:**

3. **Shifting of Registered Office of the Company:**

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

**“RESOLVED THAT** pursuant to the provisions of section 12 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, the Registered Office of the Company be shifted from its present address at “House No. 6

& 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej–Gandhinagar Highway, Ahmedabad–380015 to “Zydus Corporate Park”, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Sarkhej–Gandhinagar Highway, Ahmedabad–382481, which is outside the local limits of the city, but within the same state falling under the jurisdiction of Registrar of Companies, Gujarat.

**RESOLVED FURTHER THAT** Dr. Sharvil P. Patel and Mr. Tarun G. Arora, Directors of the Company be and are hereby severally authorized to file necessary forms and documents, as may be required and do all such acts, deeds and things as may be deemed fit and proper for shifting of registered office of the Company.”

By order of the Board of Directors

**Sd/-**  
**Tarun G. Arora**  
Director

Date: May 28, 2019

Place: Ahmedabad

**Registered Office:**

House No. 6 & 7, Sigma Commerce Zone,  
Near Iscon Temple, Sarkhej – Gandhinagar Highway,  
Ahmedabad – 380015

**NOTE:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten per cent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

**Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013:**

The following statement sets out all material facts relating to Special Business mentioned in the accompanying Notice.

**In respect of Item No 3:**

As per provisions of section 12 of the Companies Act, 2013 read with the relevant Rules, for shifting of Registered Office of the Company outside the local limits of any city or town requires approval of the members by way of Special Resolution. The Company's existing Registered Office is located at House No. 6 & 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej–Gandhinagar Highway, Ahmedabad–380015, which is within the local limits of Ahmedabad. The Company has set up new office premises in the name of “Zydus Corporate Park”, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, Sarkhej – Gandhinagar Highway, Ahmedabad–382481. The new office is most likely to be ready in near future and all employees will be shifted to the new office.

In view of the same, the Board recommends the Special Resolution as set out at Item No. 3 of this Notice for the approval of the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is in any way, concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors

**Sd/-**  
**Tarun G. Arora**  
Director

Date: May 28, 2019

Place: Ahmedabad

**Registered Office:**

House No. 6 & 7, Sigma Commerce Zone,  
Near Iscon Temple, Sarkhej – Gandhinagar Highway,  
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**LIVA NUTRITIONS LIMITED**

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Gandhinagar Highway, Ahmedabad-380015.

CIN No.: U15149GJ2018PLC105736

Phone No. 079-67775888

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**Directors' Report**

To,  
The Members of  
**Liva Nutritions Limited**

Your Directors take pleasure in presenting the **FIRST** Annual Report of the Company together with the Audited Financial Statements for the year ended on March 31, 2019.

**Brief on the Company:**

The Company was incorporated on December 21, 2018 with the main object to manufacture and market consumer products. The Company has not commenced any commercial activities during the period under review.

**Financial Results:**

The Company has incurred loss of Rs. 23.00 Lakh during the period ended on March 31, 2019.

**Directors:**

Dr. Sharvil P. Patel (DIN: 00131995), Mr. Savyasachi S. Sengupta (DIN: 05158870) Ms. Bhavana S. Doshi (DIN: 02067636) and Mr. Tarun G. Arora (DIN: 07185311) were appointed as the first Directors of the Company.

The Board recommends the appointment of Mr. Tarun G. Arora as a Director of the Company liable to retire by rotation.

**Deposits:**

Your Company has not accepted any deposits pursuant to the provisions of section 73 of the Companies Act, 2013.

**Board Meetings:**

During the year, four Board Meetings were held on December 21, 2018, December 31, 2018, February 4, 2019 and February 6, 2019. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The Directors remained present in the meetings.

**Related Party Transactions:**

All contracts / arrangements / transactions entered by the Company during the financial year with Related Parties were in the ordinary course of business and at an arm's length basis.

Disclosures on Related Party Transactions are set out in Note No. 14 to the Financial Statements.

**Disclosures:**

There have been no material changes and commitments, which may affect the financial position of the Company between the end of the financial year and the date of report.

**Subscription of Equity shares of Zydus Nutritions Limited:**

During the year under review your Company had become 2% partner of Zydus Wellness – Sikkim a partnership firm. Further, the said partnership firm was converted in to a public limited Company in the name of Zydus Nutritions Limited (ZNL) w.e.f February 28, 2019 and the Company had subscribed to 2329933 Equity shares of ZNL.

**Secretarial Standards:**

The Company has complied with the provisions of the Secretarial Standards.

**Statutory Auditors and their reports:**

M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298) was appointed as the first auditors by the board of directors in their meeting held on December 21, 2018 to hold the office of statutory auditors until the conclusion of the ensuing annual general meeting of the members of the Company.

The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, will be within the limits defined under section 139 of the Companies Act, 2013.

The Board recommends the appointment of and fixing remuneration M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 102511W/W100298) as the Statutory Auditors of the Company for a period of five years from the conclusion of the first annual general meeting until the conclusion of sixth annual general meeting.

The Board has duly reviewed the Statutory Auditor's Report furnished by M/s. Dhirubhai Shah & Co. LLP, Chartered Accountants for the period ended on March 31, 2019. The observations & comments, appearing in the said report are self-explanatory and do not call for any further explanation/clarification by the Board in its Report as provided under section 134 of the Act.

**Directors' Responsibility Statement:**

In terms of section 134[3][c] of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations provided to them, your Directors hereby make the following statements:

- a. that in preparation of the Annual Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the loss of the Company for the year ended on that date,
- c. that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- d. that the Annual Financial Statements have been prepared on going concern basis,
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively and
- f. that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**Corporate Social Responsibility [CSR]:**

The Company does not fall in any of the criteria given in section 135 (1) of the Act and therefore the Company is not required to comply with the relevant provisions of the said section during the year under review.

**Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

During the Financial Year 2018–2019, the Company has not received any complaint of sexual harassment.

**Extract of annual return:**

The relevant information in the prescribed form MGT-9 pertaining to abstract of annual return is attached to this report as **Annexure - A**.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The Company has not undertaken any business activities during the year, therefore information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134[3][m] of the Act read with the Companies [Accounts] Rules, 2014, need not required to be disclosed separately.

**General Disclosures:**

Your Directors state that the Company has made disclosures in this report, the items prescribed in section 134 [3] of the Act and Rule 8 of The Companies [Accounts] Rules, 2014 to the extent the transactions took place on those items during the year.

**Particulars of Employees:**

During the year under report, no employee of the Company was in receipt of salary exceeding the amount specified under section 197 of the Companies Act, 2013 read with Rules made thereunder.

**Acknowledgement:**

Your Directors take this opportunity to place on record the valuable cooperation and support extended by Banks, Reserve Bank of India and its shareholders for their continued confidence reposed in the Company and look forward to having the same support in all its future endeavors.

**For and on Behalf of the Board of Directors**

**Sd/-  
Sharvil P. Patel  
Chairman**

**Place:** Ahmedabad  
**Date:** May 28, 2019

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2019**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS</b>	
CIN	U15149GJ2018PLC105736
Registration Date	December 21, 2018
Name of the Company	Liva Nutritions Limited
Category / Sub-Category of the Company	Public Limited Company Limited by shares
Address of the Registered Office and Contact details	House No. 6 & 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej-Gandhinagar Highway, Ahmedabad-380015. Phone +91-79-67775888 Fax +91-79-26868337
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 506 to 508, 5 <sup>th</sup> floor, Amarnath Business Center-I, Beside Gala Business Center, Nr. St. Xavier's College Corner, Ahmedabad - 380006 Phone: 079-26465179 E-mail: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Table Margarine	1517	0

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>				
Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section of CA, 2013
Zydus Wellness Limited House No. 6 & 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej-Gandhinagar Highway, Ahmedabad-380015	L15201GJ1994PLC023490	Holding	100%	2[46]





Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual Shareholders holding nominal share capital in excess of 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									-
i) Other Foreign Nations	-	-	-	-	-	-	-	-	-
ii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iii) NRI / OCBs	-	-	-	-	-	-	-	-	-
iv) Clearing Members/ Clearing House	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
vii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
viii) Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C .Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>50000</b>	-	<b>50000</b>	<b>100%</b>	<b>50000</b>	-	<b>50000</b>	<b>100%</b>	-

## ii) Shareholding of Promoters:

Shareholders Name	Shareholding at the beginning of the year (10.05.2018)			Shareholding at the end of the year		% change in share-holding 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	
Zydus Wellness Limited	49,994	100%	-	49,994	100%	-
Mr. Pankaj R. Patel	1*	-	-	1*	-	-
Dr. Sharvil P. Patel	1*	-	-	1*	-	-
Mr. Vishal J. Gor	1*	-	-	1*	-	-
Mr. Chimanlal P. Patel	1*	-	-	1*	-	-
Mr. Manish Shah	1*	-	-	1*	-	-
Mr. Harish Sadana	1*	-	-	1*	-	-
<b>TOTAL</b>	<b>50,000</b>	<b>100%</b>	-	<b>50,000</b>	<b>100%</b>	

\*shares held as a nominee of Zydus Wellness Limited

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	<b>Nil</b>			
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
At the end of the year				

**iv) Shareholding Pattern of top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) : Not Applicable**

**v) Shareholding of directors and Key Managerial Personnel:**

**A. Directors [Other than KMP]:**

Particulars	Dr. Sharvil P. Patel	Mr. Savyasachi S. Sengupta	Mr. Tarun G. Arora
At the beginning of the year: Number of Shares % of total shares held	1*	-	-
Date wise increase / decrease in shareholding:	-	-	-
At the end of the year: Number of Shares % of total shares held	1*	-	-

\*shares held as a nominee of Zydus Wellness Limited

**B. Key Managerial Personnel: Nil**

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:  
(Rs. In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	-	-	-	
ii) Interest due but not paid	-	-	-	
lii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition	-	275.00	-	275.00
Reduction	-	-	-	-
<b>Net Change</b>	-	<b>275.00</b>	-	<b>275.00</b>
<b>Indebtedness at the end of the financial year</b>				
I) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
lii) Interest accrued but not due	-	3.52	-	3.52
<b>Total (i+ii+iii)</b>	-	<b>3.52</b>	-	<b>3.52</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

**B. Remuneration to other Directors:**

1. Independent Directors: **N.A.**

2. Other Non-Executive Directors: **N.A.**

**C.** Remuneration to Key Managerial Personnel other than MD / Manager / WTD: **N.A.**

## 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)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		

For and on Behalf of the Board of Directors

**Place:** Ahmedabad  
**Date:** May 28, 2019

**Sd/-**  
**Sharvil P. Patel**  
**Chairman**

## **Independent Auditors' Report**

### **To the Members of Liva Nutrition Limited**

#### **Report on the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Liva Nutrition Limited ("the Company"), which comprises of the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), and the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive income, its cash flows and the changes in equity 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 Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence 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 are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no reportable Key Audit Matters for the standalone financial statements of the Company.

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

The Company's Board of Directors is responsible for the preparation of 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 and Shareholder's 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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 sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup>March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup>March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its financial statements;
  - ii. the Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

*For, Dhirubhai Shah & Co LLP*

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Sd/-**

**Harish B Patel**

*Partner*

Membership number: 014427

Place: Ahmedabad

Date: 28<sup>th</sup> May 2019

## **Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

- (i)** As on the reporting date, there is no fixed assets in the Company hence reporting under this clause is not applicable.
- (ii)** As on the reporting date the company does not have any inventory hence reporting under this clause is not applicable.
- (iii)** The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii)(a) & (iii)(b) of the Order are not applicable to the Company.
- (iv)** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v)** The Company has not accepted any deposits from the public.
- (vi)** The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act hence reporting under this clause is not applicable.
- (vii)** (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

(b) Reporting under this clause not applicable as the Company does not have any statutory dues which have not been paid on account of any dispute.

- (viii)** In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, Government or debenture holder during the year.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) During the reporting period, the Company has not paid / provided for any managerial remuneration hence reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Sd/-**

**Harish B Patel**

*Partner*

Membership number: 014427

Place: Ahmedabad

Date: 28<sup>th</sup> May 2019

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

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

We have audited the internal financial controls over financial reporting of Liva Nutrition Limited ("the Company") as of 31<sup>st</sup> March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dhirubhai Shah & Co LLP**

*Chartered Accountants*

Firm's registration number: 102511W/W100298

**Sd/-**

**Harish B Patel**

*Partner*

Membership number: 014427

Place: Ahmedabad

Date: 28th May 2019

**Liva Nutrition Limited**  
**Balance Sheet as at March 31, 2019**

Particulars	Note No.	INR-Lakhs	
		As at	
		March 31, 2019	
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Financial Assets:			
Investments	3		5
			5
<b>Current Assets:</b>			
Financial Assets:			
Investments	4		229
Cash and Cash Equivalents	5		26
<b>Total</b>			<b>260</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity:</b>			
Equity Share Capital	6		5
Other Equity	7		(23)
			(18)
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Financial Liabilities:			
Borrowings	8		275
Other Financial Liabilities	9		3
			278
<b>Total</b>			<b>260</b>
<b>Significant Accounting Policies</b>	2		
<b>Notes to the Financial Statements</b>	1 to 16		
As per our report of even date		For and on behalf of the Board	
For Dhirubhai Shah & Co LLP			
Chartered Accountants			
Firm Registration Number: 102511W/W100298			
Harish B. Patel		Dr. Sharvil P. Patel	Tarun G. Arora
Partner		Director	Director
Membership Number: 014427			
Ahmedabad, Dated: May 28, 2019			

**Liva Nutrition Limited**  
**Statement of Profit and Loss for the period 21 Dec, 2018 to 31 Mar, 2019.**

Particulars	Note No.	INR-Lakhs
		For the period 21 Dec 18 to 31 Mar 19
Revenue from Operations	10	(17)
Total Income		(17)
<b>EXPENSES:</b>		
Finance Costs	11	3
Other Expenses	12	3
Total Expenses		6
<b>Profit before Tax</b>		(23)
<b>Profit for the year</b>		(23)
<b>Total Comprehensive Income for the year [Net of Tax]</b>		(23)
<b>Net profit attributable to:</b>		
Owners		(23)
<b>Other Comprehensive Income attributable to:</b>		
Owners		(23)
<b>Total Comprehensive Income attributable to:</b>		
Owners		(23)
<b>Basic &amp; Diluted Earning per Equity Share [EPS] [in Rupees]</b>	13	(166.22)
<b>Significant Accounting Policies</b>	2	
<b>Notes to the Financial Statements</b>	1 to 16	
<u>As per our report of even date</u> For Dhirubhai Shah & Co LLP Chartered Accountants Firm Registration Number: 102511W/W100298		For and on behalf of the Board
Harish B. Patel Partner Membership Number: 014427 Ahmedabad, Dated: May 28, 2019	Dr. Sharvil P. Patel Director	Tarun G. Arora Director

**Liva Nutrition Limited**  
**Cash Flow Statement for the year ended March 31,2019**

Particulars	INR - Lakhs
	Year ended March 31,
	2019
<b>A</b> <b><u>Cash flows from operating activities:</u></b>	
Profit before Tax	(23)
Adjustments for:	
Interest expenses	3
Total	3
Operating profit before working capital changes	(20)
Increase / [Decrease] in other current financial liabilities	3
Total	3
Cash generated from operations	(17)
Direct taxes paid [Net of refunds]	0
Net cash from operating activities	(17)
<b>B</b> <b><u>Cash flows from investing activities:</u></b>	
Purchase of Investment	(234)
Net cash from investing activities	(234)
<b>C</b> <b><u>Cash flows from financing activities:</u></b>	
Issue Equity Shares	5
Borrowings	275
Interest paid	(3)
Net cash used in financing activities	277
<b>Net increase/ [decrease] in cash and cash equivalents</b>	<b>26</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>
<b>Cash and cash equivalents at the close of the year</b>	<b>26</b>



**Liva Nutrition Limited**  
**Cash Flow Statement for the year ended March 31,2019**

**Notes to the cash flow statement**

1 All figures in brackets are outflows.

2 Previous years figures have been regrouped wherever necessary.

3 Cash and cash equivalents comprise of:

		<b>INR - Lakhs</b>
		<u>As at March 31,</u>
		<u>2019</u>
a	Cash on Hand	-
b	Balances with Banks	26
d	Total	26

As per our report of even date

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

For and on behalf of the Board

Harish B. Patel

Partner

Membership Number: 014427

Ahmedabad, Dated: May 28, 2019

Dr. Sharvil P. Patel

Director

Tarun G. Arora

Director



**Note: 1 - Company overview:**

Liva Nutritions Limited ["the Company"] was incorporated on December 21, 2018 and operates as an integrated consumer company with business of manufacturing, buying, selling, reselling, exporting, all types of health food products, low fat, low cholesterol including cheese, butter and substitute products. Also the business of manufacturing, buying, selling, reselling, importing, exporting, bartering, altering, using, distributing otherwise disposing of acting as agents and dealing in all types of health foods and food products, including canned, bottled food, fruits and vegetables, pineapple, tit bits, tomato ketchup, all types of fruit pulp, juices, Jams, Syrups pickles and sauces. The registered office of the company is located at House no. 6 & 7, Sigma Commerce Zone, Near Iscon Temple, Sarkhej-Gandhinagar Highway, Ahmedabad, Gujarat - 380015. These financial statements were authorised for issue in accordance with a resolution passed by Board of the directors at its meeting held on May 28, 2019.

**Note: 2 - Significant Accounting Policies:**

**A** The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

**1 Basis of preparation:**

**A** The financial statements have been prepared in accordance with Indian Accounting Standards [Ind AS] notified under the 'Companies [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

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

- i Derivative financial instruments
- i Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]
- iii Defined benefit plans

**2 Use of Estimates:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

**3 Borrowing Costs:**

**A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method.

**B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use.

**4 Cash and Cash Equivalents:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

**5 Provisions, Contingent Liabilities and Contingent Assets:**

**A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

**B** 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.

**6 Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**7 Financial Instruments:**

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

**A Financial assets:****a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settle to purchase or sell the asset.

**b Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified as follows:

Investment in mutual funds instruments at fair value through profit or loss [FVTPL]:

FVTPL is for investment in mutual funds instruments. Any such instruments, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Such instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**c Derecognition:**

A financial asset is primarily derecognised when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. When the Company has transferred the risk and rewards of ownership of the financial asset, the same is derecognised.

**d Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a Financial assets that are debt instruments, and are measured at amortised cost
- b Trade receivables or any contractual right to receive cash or another financial asset
- c Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c provided above. The application of simplified approach require the company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Note: 2 - Significant Accounting Policies - Continued:**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

a Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B Financial liabilities:****a Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured as amortised cost except for Loans and borrowings, as described below:

**Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**c Derecognition:**

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 and loss.

**d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**C Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

**D Offsetting of financial instruments:**

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

**8 Fair Value Measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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:

a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

**B Standards issued but not yet effective:**

The Ministry of Corporate Affairs has issued Companies [Indian Accounting Standards] Amendment Rules, 2019 and Companies [Indian Accounting Standards] Second Amendment Rules on March 30, 2019, which notified the following standards and amendments to Ind AS applicable effective from April 1, 2019:

**Ind AS 116 – Leases:**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The standard introduces a single lessee accounting model, requiring lessees to recognize right-of-use assets for granted rights of use and corresponding lease liabilities. However, Ind AS 116 contains the option of exercising exemptions for the recognition of short-term leases and those pertaining to low-value assets. The Company will adopt Ind AS 116 effective from April 1, 2019, the Company will apply the standard to its leases, retrospectively, without restating the comparative figures. On the date of transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. On the date of initial application, the Company will recognise a lease liability measured at the present value of the remaining lease payments, using the incremental borrowing rate as of that date and right-of-use asset will be measured at the amount equal to lease liability adjusted for accrual and prepayment. Initial direct costs will not be taken into account in the measurement of the right-of-use asset as of the date of first-time application. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. The Company is in the process of evaluating the impact of Ind AS 116.

Liva Nutrition Limited Notes to the Financial Statements		INR-Lakhs
		As at
		March 31, 2019
<b>Note: 3 - Non Current Financial Asset - Investments:</b>		
Long Term Investments:		
Investment in the Equity Share Capital of Zydus Nutritions Ltd.		5
Total [Aggregate Book Value of Investments]		5
<b>Note: 4 - Current Financial Assets - Investments:</b>		
Investment in Zydus Nutritions Limited [Earstwhile known as " Zydus Wellness Sikkim"]		229
<b>Total</b>		229
Aggregate amount of unquoted investments		229
<b>Note: 5 - Cash and Cash Equivalents:</b>		
Balances with Banks - in Current Accounts		26
Cash on Hand		-
<b>Total</b>		26
<b>Note: 6 - Equity Share Capital:</b>		
<b>Authorised:</b>		
50,000 [as at March 31, 2018: Nil]		5
Equity Shares of INR 10/- each		5
<b>Issued, Subscribed and Paid-up:</b>		
50,000 [as at March 31, 2018: Nil]		5
Equity Shares of INR 10/- each fully paid up		5
<b>Total</b>		5
A Following is the details of equity shares issued:		
Number of shares at the beginning of the year		-
Add: Shares issued during the year		50,000
Number of shares at the end of the year		50,000
B The Company has only one class of equity shares having a par value of INR 10/- each per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.		
C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each [as at March 31, 2019: INR 10/- each], fully paid:		
Zydus Wellness Limited		
Number of Shares		50,000
% to total share holding		100.00%
D Number of Shares held by Holding Company		
Zydus Wellness Limited		50,000
<b>Note: 7 - Other Equity:</b>		
<b>General Reserve: [*]</b>		
Balance as per last Balance Sheet		-
<b>Fair Value through Other Comprehensive Income [FVTOCI] Reserve:</b>		
Balance as per last Balance Sheet		-
[Less]/ Add: [Debited]/ Credited during the year		
<b>Retained Earnings:</b>		
Balance as per last Balance Sheet		-
Add: Profit for the year		(23)
		(23)
Less: Dividends:		
Dividends		-
Corporate Dividend Tax on Dividend		-
		-
Balance as at the end of the year		(23)
<b>Total</b>		(23)
[*] General Reserve can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.		
<b>Note: 8 - Current Financial Liabilities -Borrowings:</b>		
Loans from Intercompany [Unsecured] [*]		275
<b>Total</b>		275
<b>[*] Terms of Repayment for Unsecured Borrowings:</b>		
Intercompany loan carry interest @ SBI Base rate plus 0.50% p.a. basis and have tenure of one year.		
<b>Note: 9 -Other Financial Liabilities:</b>		
Interest accrued but not due on borrowings		3
<b>Total</b>		3

**Liva Nutrition Limited**  
**Notes to the Financial Statements**

**INR-Lakhs**  
**For the period 21**  
**Dec 18 to 31 Mar**  
**19**

**Note: 10 - Revenue from Operations:**

Other Operating Revenues:	
Share of Profit from a Partnership Firm	(17)
<b>Total</b>	<b>(17)</b>

**Note: 11 - Finance Cost:**

Interest expense [*]	3
<b>Total</b>	<b>3</b>
[*] The break up of interest expense into major heads is given below:	
On working capital loans	3
<b>Total</b>	<b>3</b>

**Note: 12 - Other Expenses:**

Legal and Professional Fees	3
Miscellaneous Expenses	0
<b>Total</b>	<b>3</b>

**Note: 13 - Calculation of Earnings per Equity Share [EPS]:**

The numerators and denominators used to calculate the basic and diluted EPS are as follows:	
A Profit attributable to Shareholders	INR- in Lakhs (23)
B Basic and weighted average number of Equity shares outstanding during the year	Numbers 13,836
C Nominal value of equity share	INR 10
D Basic & Diluted EPS	INR (166.22)

**Note: 14 - Related Party Transactions:**

**A Name of the Related Parties and Nature of the Related Party Relationship:**

<b>a Holding Company:</b> Zydus Wellness Limited	
<b>b Fellow Subsidiaries/ Concerns:</b>	
Zydus Noveltech Inc., USA	Hercon Pharmaceutical USA LLC, USA
Violio Healthcare Limited	Nesher Pharmaceuticals (USA) LLC, USA
Acme Pharmaceuticals Private Limited	Zydus Healthcare SA Pty Limited, South Africa
Zydus Technologies Limited	Simayla Pharmaceuticals Pty Limited, South Africa
Zydus Healthcare Limited	Script Management Services Pty Limited, South Africa
Dialforhealth India Limited	Etna Biotech SRL, Italy
Dialforhealth Unity Limited	Zydus France SAS, France
Dialforhealth Greencross Limited	Laboratorios Combix S.L., Spain
Liva Pharmaceuticals Limited	Zydus Nikkho Pharmaceutica Limitada, Brasil
Alidac Pharmaceuticals Limited	Zydus Pharmaceuticals Mexico SA de CV, Mexico
Zydus Foundation	Zydus Pharmaceuticals Mexico Services SA de CV, Mexico
Windlas Healthcare Private Limited	Zydus Worldwide DMCC, Dubai
Zydus International Private Limited, Ireland	Zydus Discovery DMCC, Dubai
Zydus Netherlands B. V., the Netherlands	Z AHL Europe B. V., the Netherlands
Zydus Lanka (Private) Limited, Sri Lanka	Alidac Pharmaceuticals (Myanmar) Limited, Myanmar
Zydus Healthcare Philippines Inc., Philippines	Sentyln Therapeutics Inc., USA
Z AHL B. V., the Netherlands	ZyVet Animal Health Inc., USA
Zydus Pharmaceuticals USA Inc., USA	Violio Pharmaceuticals Limited
Zydus Healthcare USA LLC, USA	Viona Pharmaceuticals Inc., USA
Windlas, Inc., USA	US Pharma Windlas LLC, USA
	Zydus Nutritions Limited [Earstwhile known as " Zydus Wellness Sikkim"

**Note: 14 - Related Party Transactions - Continued:**

**d Director**

Dr. Sharvil P. Patel	Director
Mr. Savyasachi S. Sengupta	Director
Mr. Tarun G. Arora	Director
Ms. Bhavana S. Doshi	Director

**B Transactions with Related Parties:**

The following transactions were carried out with the related parties in the ordinary course of business:

**a Details relating to parties referred to in Note 14-A [a, b & c]**

Nature of Transactions	Value of the Transactions [INR-Lakhs]	
	Holding Company	Fellow Subsidiaries/ Concerns
	For the period 21 Dec 18 to 31 Mar 19	
	<b>2019</b>	<b>2019</b>
<b>Borrowing:</b>		
Loans from Intercorporate [Unsecured]		275
<b>Interest Expenses:</b>		
Interest on Loan		3

**Liva Nutrition Limited**  
**Notes to the Financial Statements**

**Note: 15 - Financial instruments:**

**Financial instruments**

**(i) Fair values hierarchy:**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:  
Level 1 : quoted prices (unadjusted) in active markets for financial instruments.  
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 rely as little as possible on entity specific estimates.  
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements:**

	INR-Lakhs			
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Investment (current )	229			229
Investment (non current )	5	-	-	5
<b>Total financial assets</b>	<b>234</b>	<b>-</b>	<b>-</b>	<b>234</b>
<b>Financial Liabilities</b>	-	-	-	-
<b>Total financial assets</b>	-	-	-	-

**(iii) Fair value of instruments measured at amortised cost:**

Financial assets and liabilities measured at amortised cost for which fair values are disclosed.

	( INR-Lakhs)			
	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Deposits	-	-	-	-
<b>Total Financial assets</b>	-	-	-	-

**Financial Assets:**

The carrying amounts of borrowings, interest accrued but not due, investment, trade receivables, trade payables, capital creditors ,Security Deposits and cash and cash equivalents are considered to be the same as their fair values.

**Financial Liabilities:**

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

**(iv) Valuation process and 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

**1 Financial risk management**

**(i) Financial instruments by category:**

Particulars	INR-Lakhs			
	As at March 31, 2019			
	FVTPL	FVOCI	Amortised Cost	Total
<b>Financial assets</b>				
Investments current	-	-	229	229
Investments non current	-	-	5	5
Cash and cash equivalents	-	-	26	26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>260</b>	<b>260</b>
<b>Financial liabilities</b>				
Borrowings	-	-	275	275
Interest accrued but not due on borrowings	-	-	3	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>278</b>	<b>278</b>

**Note: 15 - Financial Instruments - Continued:**

**(ii) Risk Management**

The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is managed in close cooperation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets. Long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

**A Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

Bank deposits : The company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks Hence, there is no significant credit risk on such deposits.

Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant. Also the company does not enter into sales transaction with customers having credit loss history. There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognized as per the assessments.

Class of financial asset: carrying amounts	INR-Lakhs
	As at
	March 31, 2019
Investments	229
Cash and equivalents	26

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The company's policy is to deal only with creditworthy counterparties.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro economic factors.

**Liva Nutrition Limited**

**Notes to the Financial Statements**

**Note: 15 - Financial instruments - Continued:**

**B Liquidity risk**

- a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.
- b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities :**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	INR- Lakhs				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2019</b>					
<b>Non-derivatives / Financial Liabilities</b>					
Borrowings [including interest]	278	-	-	-	278
<b>Total</b>	<b>278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278</b>

**C Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency is insignificant and hence there is no material risk.

**a Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed as follows:

Particulars	Exposure of USD March 31, 2019
<b>Financial assets</b>	
Trade receivable	-
<b>Total exposure to foreign currency risk [assets]</b>	<b>-</b>
<b>Financial liabilities</b>	
Trade payable	-
<b>Total exposure to foreign currency risk [liabilities]</b>	<b>-</b>
<b>Net exposure to foreign currency risk</b>	<b>-</b>

**Sensitivity**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	INR-Lakhs	
	31 March 2019	
	Movement in Rate	Impact on PAT
USD	4.00%	-
USD	-4.00%	-
GBP	4.00%	-
GBP	4.00%	-

**b Interest rate risk**

**Assets**

The company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure : below is the overall exposure of the deposits

Particulars	INR - Lakhs 31 March 2019
Fixed rate deposits	-
<b>Total deposits</b>	<b>-</b>

**c Price Risk**

**(a) Exposure**

The company's exposure to price risk arises from investments in equity and mutual fund held by the company and classified in the balance sheet as fair value through OCI and at fair value through profit or loss respectively to manage its price risk arising from investments in equity securities and mutual fund, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

**(b) Sensitivity- Mutual Fund [\*]**

The table below summarises the impact of increases/decreases of the index on the company's equity and profit for the period. The analysis is based on the assumption that the price of the instrument has increased by 2% or decreased by 2% with all other variables held constant.

Particulars	INR Lakhs 31 March 2019 Impact on
<b>Mutual Funds [Quoted]</b>	
Increase 2%	-
Decrease 2%	-

[\*] Holding all other variables constant.

**2 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders
- maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Currently Company does not have any debt in books.



**Liva Nutrition Limited**

**Notes to the Financial Statements**

**Note: 16**

"This being the first year of operation of the company,hence comparative figures are not available.

**Signatures to Significant Accounting Policies and Notes 1 to 16 to the Financial Statements**

As per our report of even date

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

For and on behalf of the Board

Harish B. Patel

Partner

Membership Number: 014427

Ahmedabad, Dated: May 28, 2019

Dr. Sharvil P. Patel

Director

Tarun G. Arora

Director