

16th July 2024

**The BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001.

**The National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor.  
Plot No. C/1, G. Block.  
Bandra Kurla Complex,  
Bandra (East), Mumbai 400 051.

**Script Code: 500259**

**Script Code: LYKALABS**

**Sub.: Notice of 45th Annual General Meeting and Annual Report for the Financial Year 2023-24**

Dear Sir/ Madam,

Pursuant to Regulation 30 & 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; please find enclosed the following documents:

1. Notice of the 45th Annual General Meeting to be held on Friday, 9th August 2024; and
2. Annual Report for the Financial Year 2023-24.

We request to take the same on your record.

Thanking You,

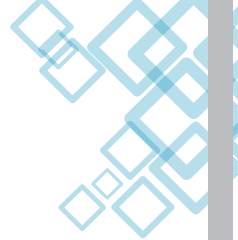
Yours sincerely,  
For **Lyka Labs Limited**

**Kishore P. Shah**  
Company Secretary & Compliance Officer

Encl.: A/a.



Healthcare through Innovation



**45<sup>th</sup>**  
**ANNUAL**  
**R E P O R T**  
**2023-2024**

**Lyka Labs Limited**



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# Lyka Labs Limited

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## **BOARD OF DIRECTORS**

Mr. Babulal Jain, Chairman

Mr. Kunal Gandhi, Managing Director & CEO

Mr. Prashant Godha, Non Executive Director

Mr. Sandeep Parikh, Independent Director  
(upto 26<sup>th</sup> September 2023)

Mr. Neeraj Golas, Independent Director  
(w.e.f. 16<sup>th</sup> January 2024)

Mr. Shashil Mendonsa, Non Executive Director

Ms. Dhara Shah, Independent Director

Mr. Yogesh Shah, Executive Director & CFO

## **CHIEF FINANCIAL OFFICER**

Mr. Yogesh Shah

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Kishore P. Shah

## **AUDITORS**

### **Statutory Auditors**

M/s D. Kothary & Co.  
Chartered Accountants

### **Secretarial Auditors**

M/s Kaushal Doshi & Associates  
Practicing Company Secretary

### **Internal Auditors**

Bansi Khandelwal & Co.  
Chartered Accountant

### **Cost Auditors**

M/s. Sarvottam Rege & Associates  
Cost Accountants

## **REGISTERED OFFICE**

4801/B & 4802/A, GIDC Industrial Estate,  
Ankleshwar, Gujarat 393002.

## **CORPORATE OFFICE**

Ground Floor, Spencer Building,  
30, Forjett Street, Grant Road West,  
Mumbai 400036.

## **R & D CENTER**

101, Memon Industrial Estate, 1<sup>st</sup> Floor,  
MTNL Compound, Marol Maroshi Road, Marol,  
Andheri (East), Mumbai 400059.

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## NOTICE

NOTICE is hereby given that 45th Annual General Meeting (the 'AGM') of the members of Lyka Labs Limited will be held on Friday, 9th August 2024 at 11 a.m. through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) to transact the following business:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements along with Balance Sheet as at 31st March 2024, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and reports of Board of Directors and Auditors thereon.**
2. **To appoint a Director in place of Mr. Shashil Mendonsa, Non - Executive Director (DIN: 09667654) who retires by rotation and being eligible, offers himself for re-appointment.**

### SPECIAL BUSINESS:

#### 3. **Appointment of Statutory Auditors**

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

“RESOLVED THAT pursuant to provisions of Section 139, Section 142 and other applicable provisions of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force); M/s. D Kothary & Co., Chartered Accountants, Mumbai, having Firm Registration No.105335W, be and hereby re-appointed as the Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of 45th Annual General Meeting till the 50th Annual General Meeting of the Company.

RESOLVED FURTHER THAT Mr. Kunal Gandhi, (DIN: 01516156), Managing Director & CEO of the Company, be and is hereby authorised to finalise the remuneration and other terms and conditions as may be mutually agreed upon between the Company and the Statutory Auditors.

RESOLVED FURTHER THAT Mr. Kishore P. Shah, Company Secretary & Compliance Officer of the Company, be and is hereby authorized to do all such acts, deeds, matters, things as are considered necessary and expedient to give effect to this resolution including the filing of necessary forms with the office of concerned Registrar of Companies.

RESOLVED FURTHER THAT a certified true copy of the resolution be provided to the concerned for the record.”

#### 4. **Approval of the Related Party Transactions for the Financial Year 2024-25**

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions if any, of the Companies Act, 2013 and the rules made there under and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 (including any statutory modification or re – enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements/ transactions with the following Related Parties for the Financial Year 2024-25; for sales, purchase or supply of any goods and/or materials and/or brands and/or dossiers and/or services directly or through appointment of agent and selling or otherwise disposing of or buying, renting, and leasing properties of any kind on such terms and conditions as may be mutually agreed upon:

Sr. No.	Name of the Related Party	Transaction Limit
1.	Lyka BDR International Limited	10 Crores
2.	Lyka Exports Limited	3 Crores
3.	Lyka Generics Limited	5 Crores
4.	Ipca Laboratories Limited	40 Crores
5.	Makers Laboratories Limited	25 Crores

RESOLVED FURTHER THAT, the Board of Directors of the Company, if required, may increase the financial limit of the transactions with each of the related parties upto 50% over and above the limit mentioned herein above, if the financial limit of the transactions of the company with any of the related parties get exhausted during financial year 2024-25.

RESOLVED FURTHER THAT Mr. Kunal Gandhi (DIN:01516156), Managing Director and CEO and Mr. Yogesh Shah (DIN:06396150), Executive Director and CFO; of the Company, be and is hereby severally authorised to do all such acts, matters, deeds and things and to finalize the terms and conditions as may be considered, necessary, expedient or desirable in order to give effect to this resolution.

RESOLVED FURTHER THAT a certified true copy of the resolution be passed to the concerned for the record.”

## 5. Approval of remuneration to the Cost Auditor for the Financial Year 2024-25

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 148 and other applicable provisions if any, of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors ) Rules, 2014 (including any statutory modification or re – enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for payment of remuneration of Rs.160,000/- (Rupees One Lakh Sixty Thousand Only) plus applicable taxes to M/s. Sarvottam Rege & Associates, Cost Accountants, Mumbai, (Firm Registration No. 104190), for conduct cost audit of the Company for financial year 2024-25.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby severally authorised to do all such acts, matters, deeds and things as may be considered, necessary, expedient or desirable in order to give effect to this resolution.

RESOLVED FURTHER THAT a certified true copy of the resolution be passed to the concerned for the record.”

## NOTES:

1. Pursuant to the Circular No. 09/2023 dated September 25, 2023, read with Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 03/2022 dated May 05, 2022 and Circular No. 11/ 2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (the ‘MCA’) (the ‘MCA Circulars’), the said AGM can be held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). Hence the Members can attend and participate in the AGM through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Though normally a member entitled to vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and proxy need not to be a member. Pursuant to the MCA Circulars, as physical attendance of members has been dispensed with, the facility to appoint proxy to attend and cast vote for the members will not be available for this AGM and hence the Proxy Form and the Attendance Slip are not annexed to this Notice. However, pursuant to the Section 112 and 113 of the Companies Act, 2013, representatives of the members of the body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode between 15 minutes before and 15 minutes 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 1,000 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 of first come first served basis. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM.
4. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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5. In line with the 'MCA Circulars' and the Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62, and SEBI/HO/CFD/PoD-2/P/CIR/2023/4, issued by the Securities and Exchange Board of India (the 'SEBI'), (the 'SEBI Circulars'); the Notice of calling the AGM and the Annual Report 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or the Registrar & Share Transfer Agent (RTA) of the Company or their respective Depository Participants. The Notice calling the AGM and the Annual Report 2023-24, has been uploaded on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of the National Securities Depository Limited ( the 'NSDL') ( agency for providing the e-voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  6. The Statement, setting out the material facts, pursuant to Section 103 of the Companies Act, 2013, concerning the Special Business mentioned in the Notice, is annexed hereto and forms part of this Notice.
  7. In pursuance of the MCA Circulars and the SEBI Circulars, all the relevant documents referred to in the Notice are open for inspection through electronic mode on the website of the Company till the conclusion of the AGM.
  8. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 2nd August 2024 to Thursday, 8th August 2024 (both days inclusive) for the purpose of the AGM.
  9. Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM and vote on its behalf. The said Resolution/ Authorization shall be sent to Company at [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com).
  10. The Board has appointed Mr. Kaushal Doshi of M/s. Kaushal Doshi & Associates, Practicing Company Secretary (CP 13143) as a scrutinizer (the 'Scrutinizer') to scrutinize the voting and e-voting process in a fair and transparent manner.

The Scrutinizer shall from the conclusion of voting at the meeting, first count the votes cast at the AGM. Thereafter unblock the votes casted through e-voting and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or in his absence to any other Director authorised by the Board.

The Chairman or in his absence any other Director authorised by the Board, shall forthwith on receipt of the Consolidated Scrutinizer's Report, declare the results of the voting.

The results of voting will be declared and published, along with consolidated Scrutinizer's Report, on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com) and on the NSDL website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within two working days from the conclusion of the AGM.

11. The Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). The Members are requested to submit request letter mentioning the Folio No. and Name of the Shareholder along with the scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address.
  12. The Members holding shares in dematerialized mode are requested to register/ update their email addresses with their Depository Participant(s).
  13. We are pleased to provide the facility of live webcast of proceedings of the AGM. The Members who are entitled to participate in the AGM can view the proceeding of the AGM by logging on the website at <https://www.evoting.nsdl.com> using their secure login credentials.
  14. The Members will be allowed to pose questions during the course of the Meeting. The queries shall be sent at least 10 days in advance before the date of AGM to [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com).
  15. Since the AGM will be held through VC/ OAVM, the route map is not annexed to the Notice.
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## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting commences on Friday, 2nd August 2024 (from 09:00 a.m. IST) and ends on Thursday, 8th August 2024 (at 5.00 p.m. IST). E-voting shall not be allowed after the aforesaid date and time. During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, being Friday, 2nd August 2024, may cast their vote electronically. The remote e-voting module shall be disabled by the NSDL 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: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p><a href="#">NSDL Mobile App is available on</a></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div> </div> </li> </ol>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

# Lyka Labs Limited

- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services 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.*

- 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***.

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - 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](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

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## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for the Members**

1. 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 [doshikaushal20@gmail.com](mailto:doshikaushal20@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. 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](http://www.evoting.nsdl.com) to reset the password.
3. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto: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:**

1. 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 [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com).
2. 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 (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

# Lyka Labs Limited

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## **INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. 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:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com). The same will be replied by the company suitably.

Registered Office:  
4801/B & 4802/A,  
GIDC Industrial Estate,  
Ankleshwar, Gujarat – 393 002.

Corporate Office:  
Spencer Building, Ground Floor,  
30 Forjett Street, Grant Road West,  
Mumbai - 400 036.  
Tel, : +91-022-66112200

E-mail: [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com)  
Website: [www.lykalabs.com](http://www.lykalabs.com)  
CIN: L24230GJ1976PLC008738

By Order of the Board  
For **Lyka Labs Limited**  
sd/-  
**Kishore P. Shah**  
Company Secretary & Compliance Officer

Mumbai, 21st May 2024.

## ANNEXURE TO THE NOTICE

In conformity with the provisions of Section 102 of the Companies Act, 2013 (the 'Act'), the following statements set out all the material facts relating to the special businesses as mentioned in the Notice, including brief details of the Director seeking re-appointment as per the requirements of the Regulation 36 (3) of the SEBI (Listing Obligations and the Disclosure Requirements) Regulations, 2015.

### Item No. 3

#### Appointment of Statutory Auditors

Present term of M/s. D Kothary & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company is completing on conclusion of the 45th Annual General Meeting of the Company.

As recommended by the Audit Committee of the Company, in its meeting held on 21st May 2024, the Board appointed M/s. D. Kothary & Co., Chartered Accountants, having Firm Registration No.105335W, as Statutory Auditors of the Company for the next five years from the conclusion of the 45th Annual General Meeting till the 50th Annual General Meeting of the Company; subject to the approval of the Shareholders.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends the resolution as set out in the above item, to the Members of the Company.

### Item No. 4

#### Approval of the Related Party Transactions for the Financial Year 2024-25

In the light of Section 188 of the Companies Act, 2013, and the rules made thereunder, the Audit Committee and the meeting of Board of Directors held on 21st May 2024 has approved and recommended the following transactions along with the annual limits that the Company may enter in with its related parties with for financial year 2024-25, for approval of the Members:

Name of Related Party	Nature of Relationship	Nature of Transactions	Maximum value of transactions
Lyka BDR International Limited	Subsidiary Company	Sale, purchase or supply of goods or materials, leasing of property of any kind availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit.	Rs.10 Crores
Lyka Exports Limited	Subsidiary Company		Rs.3 Crores
Lyka Generics Limited	'Same Management'		Rs.5 Crores
Ipca Laboratories Limited	Associate Company		Rs.40 Crores
Makers Laboratories Limited	Common Director		Rs.25 Crores

None of the Directors or Key Managerial Personnel or their relatives; except Mr. Kunal Gandhi, Mr. Yogesh Shah, Ms.Dhara Shah, Mr. Prashant Godha and Mr. Shashil Mendonsa; are concerned or interested, in anyway, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends the resolution as set out in above item, to the Members of the Company.

### Item No. 5

#### Approval of remuneration to the Cost Auditor for the Financial Year 2024-25

The Board of Directors of the Company, on the recommendation of the Audit Committee, had approved the appointment of M/s. Sarvottam Rege & Associates, Cost Accountants (Firm Registration No. 104190) for the financial year 2024-25 at a remuneration of Rs. 1,60,000/- (Rupees One Lakhs Sixty Thousand Only) plus applicable taxes to conduct the audit of the Cost Records of the Company. In terms of provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the

# Lyka Labs Limited

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remuneration payable to the Cost Auditors along with the reimbursement of expenses incurred towards the audit is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, in any way, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends the resolution as set out in the above item, to the Members of the Company.

Registered Office:  
4801/B & 4802/A,  
GIDC Industrial Estate,  
Ankleshwar, Gujarat 393 002.

By Order of the Board  
For **Lyka Labs Limited**  
sd/-  
**Kishore P. Shah**  
Company Secretary & Compliance Officer

Corporate Office:  
Spencer Building, Ground Floor,  
30 Forjett Street, Grant Road West,  
Mumbai 400 036.

Tel, : +91-022-66112200  
E-mail: [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com)  
Website: [www.lykalabs.com](http://www.lykalabs.com)  
CIN: L24230GJ1976PLC008738

Mumbai, 21st May 2024.





## BOARD'S REPORT

### BOARD'S REPORT

The Members,

#### Lyka Labs Limited

The Directors are pleased to present the Forty Fifth Annual Report together with Audited Financial Statements of Lyka Labs Limited for the financial year ended on 31st March 2024.

#### 1. FINANCIAL RESULTS:

##### Standalone

(₹ in Lakhs)

Particulars	For the financial year ended 31st March 2024	For the financial year ended 31st March 2023
Total Revenue	10804.35	8404.42
Profit / (Loss) before Exceptional items	(87.74)	(603.43)
Exceptional Items	5.51	717.41
Profit/(Loss) before tax	(93.25)	(1320.84)
Less: Tax Expenses	133.65	(7.82)
Profit/(Loss) after tax	(226.89)	(1328.66)
Add: Other Comprehensive Income	6.17	(6.28)
Profit/(Loss) for the year	(220.72)	(1334.94)

##### Consolidated

(₹ in Lakhs)

Particulars	For the financial year ended 31st March 2024	For the financial year ended 31st March 2023
Total Revenue	11264.93	9647.38
Profit / (Loss) before Exceptional items	(52.32)	(577.67)
Exceptional Items	41.06	739.44
Profit/(Loss) before tax	(93.38)	(1317.11)
Less: Tax Expenses	168.67	(1.87)
Profit/(Loss) after tax	(262.05)	(1315.24)
Add: Other Comprehensive Income	10.54	(0.54)
Profit/(Loss) for the year	(251.51)	(1315.78)

#### 2. DIVIDEND:

The Board of Directors does not recommend any dividend for the financial year ended on 31st March 2024.

#### 3. RESERVE:

The Company has not transferred any amount to reserve for the financial year ended on 31st March 2024.

#### 4. OPERATIONS:

During the year under review, the total revenue earned by the Company was Rs.10804.35 Lakhs as against total revenue of Rs.8404.42 Lakhs in the previous financial year. The Company has reported net loss of Rs.220.72 Lakhs as against net loss of Rs.1334.94 Lakhs of the previous financial year ended on 31st March 2023.

During the financial year under report, the Company has invested in building brands in the domestic human and veterinary business. The export business did not meet expectations, as international Government tenders had exhausted their budgets. Certain markets also experienced foreign exchange fluctuations and political uncertainty due to which the purchases were delayed.



## 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the financial year 2023-24 is as annexed hereto.

## 6. KEY FEATURES:

The Company continues to maintain high quality GMP/GLP standards in manufacturing and testing of its pharmaceutical products.

The Company manufactures pharmaceutical products such as Dry Powder, Liquid, Lyophilised Injections and External Preparations for several International Markets and the Domestic Market.

The Company's R&D is engaged in development of new formulations and has successfully developed several products in the following categories:

1. Injectables: Lyophilised Injection, Liquid Injections & Dry Powder Injections
2. Topical Preparation: Ointment /Creams and Lotions.

### Company's Core competencies:

1. Lyophilisation – Formulations/Bulk Sterile APIs
2. New Product Development including Novel Drug Delivery Systems

## 7. FUTURE OUTLOOK:

The Company is constantly exploring possibilities of entering into new international markets with reputed partners and is also introducing new products in existing markets and focus on building its own marketing / distribution business within India.

The Company embarked on upgrading and adding additional capacity to meet the increase in global demand for lyophilised products. The project is likely to be completed in FY 2025 with a 50% enhancement in capacity for Lyophilisation. This modernization will lead the Company into regulated markets such as Europe, UK etc.. The Company is also creating its foundation for the branded business both in the veterinary and human critical care.

## 8. REGISTRATIONS:

During the financial year 2023–24, the Company has submitted 36 new applications for registration of its products. It has received registration of 5 products and renewal of 19 products. The registration for 31 products are expected in the coming year.

## 9. ALLOTMENT OF EQUITY SHARES TO IPCA LABORATORIES LIMITED:

During the year under review, the Company has allotted and issued 24,00,000 equity shares of Rs. 10/- each to Ipca Laboratories Limited, an entity forming part of the Promoter Group of the Company, upon conversion of 24,00,000 Warrants into Equity Shares.

Further, the Company has also allotted and issued remaining 26,00,000 equity shares of Rs. 10/- each in the month of April 2024 to Ipca Laboratories Limited, an entity forming part of the Promoter Group of the Company, upon conversion of 26,00,000 Warrants into Equity Shares.

## 10. STATEMENT OF DEVIATION(S) AND VARIATION(S), IF ANY:

During the year under review, the Company has issued and allotted shares on the preferential basis on 18th April 2023. A statement of usage of the proceeds of the preferential issue pursuant to Regulation 32 (3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015; was placed in the respective Audit Committee. The Committee noted that there was no deviation(s)/variation (s), in the statements submitted during the financial year ended on 31st March 2024.

## 11. NUMBER OF MEETINGS OF BOARD OF DIRECTORS:

The Board met six times during the financial year on 18th April 2023, 23rd May 2023, 2nd August 2023, 2nd November 2023, 16th January 2024 and 8th February 2024. The detailed information is provided in the Corporate Governance Report, which is annexed hereto.

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**12. CHANGES IN THE DIRECTORS:**

Mr. Yogesh Shah, Executive Director & CFO of the Company, reappointed as the Executive Director w.e.f. 12th February 2023 till the conclusion of 46th Annual General Meeting of the Company, through postal ballot process by the shareholders.

The Second term of Mr. Sandeep Parikh as an Independent director was completed on 25th September 2023.

Mr. Neeraj Golas was appointed as director by the Board of Directors w.e.f. 16th January 2024 and approved his appointment as an Independent Director for the period of 3 years through postal ballot process by the shareholders.

Mr. Kunal Gandhi, Managing Director & CEO of the Company, re-appointed as the Managing Director for the period of 5 years w.e.f. 12th February 2024, through postal ballot process by the shareholders.

Mr. Shashil Mendonsa retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

**13. CHANGES IN KEY MANAGERIAL PERSONNELS:**

There was no change in the Key Managerial Personnel during the financial year under the report.

**14. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declaration from Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015.

**15. PERFORMANCE EVALUATION:**

Pursuant to the provisions of Section 134 (2) (p) of the Companies Act, 2013 and under Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board of Directors has undertaken an annual evaluation of its own performance, performance of its various Committees and individual Directors.

**16. COMMITTEES OF BOARD:**

The Board has four Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee. The detailed information is provided in the Corporate Governance Report, which is annexed hereto.

**17. STATUTORY AUDITORS:**

The present term of M/s. D Kothary & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company is completing on conclusion of the 45th Annual General Meeting of the Company.

The Board appointed M/s. D. Kothary & Co., Chartered Accountants, as Statutory Auditors of the Company for the next five years from the conclusion of the 45th Annual General Meeting till the 50th Annual General Meeting of the Company; subject to the approval of the Shareholders.

**18. COST AUDITORS:**

The Company has appointed M/s. Sarvottam Rege & Associates, Cost Accountants (Registration No. 104190) to audit the cost records of the Company for the financial year 2023-24. The Company has maintained the cost accounts and cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act 2013.

**19. SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Kaushal Doshi & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report is annexed hereto.

**20. MATERIAL CHANGES AND COMMITMENT AFTER THE END OF THE FINANCIAL YEAR WHICH HAVE IMPACT ON FINANCIAL POSITION:**

There is no material change and commitment after the end of the financial year till the date of this report which have impact on financial position.

**21. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATION OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024:**

The Statutory Auditors has not made any qualifications, reservation or adverse remarks or disclaimers in their report on the Financial Statement for the financial year 2023– 24.

**22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed hereto as **Annexure A**.

**23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans, guarantee and investment, if any made under Section 186 of the Companies Act, 2013 are provided in the financial statements attached to this report.

**24. WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

The Company has adopted Whistle Blower Policy/Vigil Mechanism. The details of establishment of such mechanism are disclosed on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com).

**25. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

The Related Party Transactions effected during the financial year are on arm's length basis and in the ordinary course of business. Approval of the Audit Committee is obtained for Related Party Transactions. The Related Party transactions effected during the financial year are disclosed in the notes to the Financial Statement.

The particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013, is annexed hereto as **Annexure B**.

**26. ANNUAL RETURN:**

The Annual Return pursuant to the provision of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, will be available on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com).

**27. CORPORATE GOVERNANCE:**

A Report on Corporate Governance along with certificate from Practicing Company Secretary confirming the Compliance of the condition of Corporate Governance as stipulated in the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, is annexed and forms an integral part of this Annual report.

**28. DEPOSITS:**

The Company has not accepted deposits from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

**29. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors Responsibility Statement, the Board hereby submits its responsibility statement:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

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- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 the financial year;
  - c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - d. The Directors had prepared the annual accounts on a going concern basis;
  - e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
  - f. The Company has proper system to ensure compliance with the provisions of all applicable laws were in place and that such system was adequate and operating effectively.

**30. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

The Company has two subsidiaries i.e. Lyka BDR International Limited and Lyka Exports Limited. The Audit Committee and the Board of Directors reviews the financial statements. The minutes of the subsidiary Companies are placed before the Board of Directors.

The Company has in accordance with the Listing Regulations adopted the policy for determining material subsidiaries. The said policy is available on the Company's website at [www.lykalabs.com](http://www.lykalabs.com).

In terms of proviso to sub section (3) of Section 129 of the Companies Act, 2013, the salient features of the financial statement of the subsidiaries are set out in the prescribed Form AOC-1, which is annexed hereto as **Annexure C**.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com). Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, [www.lykalabs.com](http://www.lykalabs.com) .

**31. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The committee has framed Corporate Social Responsibility Policy, which is placed on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com)

Pursuant to Section 135 of the Companies Act, 2013, a Company is required to spend in every financial year at least 2% of the average net profit of the Company made during the three immediately preceding financial years. The Company does not require to spend any amount towards CSR activities in the financial year 2023-24.

**32. MERGER OF LYKA EXPORTS LIMITED WITH THE COMPANY:**

On 8th August 2022 the Scheme of Amalgamation was filed to the BSE Limited and the National Stock Exchange Limited (the 'Stock Exchanges') for merger of the Lyka Exports Limited, its subsidiary with the Company.

Based on the Observation Letters issued by the Stock Exchanges dated 2nd August 2023; the Company has made an application to the Hon'ble NCLT, Ahmedabad (the 'NCLT') and further to its instruction hold the meetings of the Shareholders and the Creditors on 20th February 2024 and submitted the proceedings of these meetings to the NCLT. The NCLT had hearings on 18th April 2024, 6th June 2024 and next hearing is on 18th July 2024,

**33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

**34. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company is complying with the Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A committee has been set up to redress complaints received regarding Sexual harassments. One complaint was received by the committee during the year under review, which was immediately addressed by the committee.

**35. INTERNAL FINANCIAL CONTROL:**

The Company maintains a system of internal control, including suitable monitoring procedures in various functional areas. The system is reviewed from time to time to update the same with changing requirement. Internal Audit of Company's financial accounts and related records is conducted by M/s. Bansi Khandelwal & Co., Chartered Accountants.

**36. PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as **Annexure D**.

**37. SECRETARIAL STANDARDS:**

The Company has complied with the Secretarial Standards on the meetings of Board of Directors (SS 1) and Secretarial Standards on the General Meetings (SS- 2), as issued and amended by the Institute of Company Secretaries of India.

**38. GREEN INITIATIVE:**

The Ministry of Corporate Affairs had taken the Green Initiative in Report of Corporate Governance by allowing paperless compliances by Companies through electronic mode.

The Company supports the Green Initiative and appeals to its Members, who are yet to register the Email addresses that they should take necessary steps for registering the same and contribute towards Green Initiative.

**39. ACKNOWLEDGEMENT:**

The Directors place on record their appreciation of the continued assistance, co-operation and support received from various Ministries of the Government of India, Government of Maharashtra, Government of Gujarat, the Company's Bankers, Customers, Shareholders and loyal and committed Employees for their unstinted support.

For and on behalf of the Board  
**Lyka Labs Limited**

**Babulal Jain**  
Chairman  
DIN: 00016573

Mumbai; 21st May 2024.

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## Annexure A

**Information under Section 134 of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014, and forming part of the Directors' Report for the period ended 31st March, 2024**

### **Energy Conservation measures taken**

(1) The Company has taken several measures including reduction of transmission losses, rational organization of manufacturing activity and regular preventive maintenance.

(2) Additional investments and proposals are being implemented for reduction of energy consumption:

The following measures are taken / being taken for:

- Replacement of obsolete systems with improved energy saving systems.
- Use of balancing equipment's to optimize production.
- Reduction in contract demand.
- Improve the process parameters to consume less energy.
- Own generation of steam.

(3) Impact of measures taken:

The adoption of energy conservation measures stated above is expected to save considerably in cost of production.

### **Research and Development**

Lyka Labs Limited is a reputed pharmaceutical and healthcare company.

The Company has a modern well-equipped Research and Development facility in Mumbai managed by a team of technically qualified and well-trained industry professionals.

The Company's in-house R & D Centre at Mumbai is recognized by the Ministry of Science & Technology, Department of Scientific & Industrial Research and Government of India.

#### **1. Specific areas in which R&D work is carried out by the Company are:**

- Development of broad range of dosage forms such as conventional Solid oral dosage forms, Sustained release tablets, Liquid orals, Ready Mix granules, Derma products such as cream, ointment, Lotion, Gels, Nutraceuticals & Cosmeceuticals.
- Development of Formulations with New Molecules and Development of Novel Drug Delivery Systems.
- DCGI approvals for new drug formulations.
- Development of Cosmeceutical products for 'P to P business' such as-probiotic foaming face wash, Volumizing shampoo, Skin Lightening Gel, Skin Lightening Cream, Oat body wash, Foaming Face wash, and face Cleanser etc.
- Development of derma products for Export Market such as- cream for the treatment of melasma, antifungal and Anti-inflammatory cream etc.
- Upgradation of products and processes to improve quality, stability, shelf-life and thus reduce cost.
- Tie ups with Medical Institutions to carry out Clinical Trials, Dermal Toxicity, Skin Irritation and Sensitivity studies, Comedogenicity Study etc.

# Lyka Labs Limited

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## 2. Benefits derived as a result of R & D efforts:

- The Company received DCGI permission for manufacturing and marketing of Topical ointment for the treatment of Atopic Dermatitis & the Product commercialized.
- Clinical Trials of the gel formulation is in process for the indication of Diabetic Neuropathic Pain.
- Topical corticosteroids cream and Lotion are commercialized.
- Sunscreen Gels 30 SPF and 50 SPF are commercialized.
- Many derma products are under development for domestic Market, which will be commercialized after completing stability studies & subsequent DCGI approval/FDA approval.
- The Company derives long term benefits viz. better yield and Quality of the final product with cost effectiveness.

## 3. Future plans:

The Company aims to consolidate its presence in the domestic market through focused development of various therapeutic segments such as:

- a. Pain management
- b. Face Cleanser
- c. Neuropathic Pain
- d. Atopic Dermatitis
- e. Treatment of Acne
- f. Anti-Aging
- g. Treatment of Fungal infections
- h. Skin Lightening & Melasma
- i. Moisturizing
- j. Treatment of Psoriasis

## 4. Achievements / Recognition:

Recognition as in-house R & D Centre by Government of India, Ministry of Science & Technology Department of Scientific and Industrial Research.

For and on behalf of the Board  
**Lyka Labs Limited**

**Babulal Jain**

Chairman

DIN: 00016573

Mumbai; 21st May 2024.

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**Annexure B**  
**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and the Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arm's length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable

2. Details of material contracts or arrangements or transactions are on arm's length basis:

- (a) Name(s) of the related party and nature of relationship: Lyka BDR International Limited, Subsidiary
- (b) Nature of contracts/ arrangements / transactions
  - i. Sale of Goods: 49.16 Lakhs
  - ii. Rent Income: 6.00 Lakhs
  - iii. Interest Income: 25.05 Lakhs
- (c) Duration of the contracts/arrangements/transactions: Continuous Basis
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: As per MOU
- (e) Date(s) of approval by the Board, if any: 23rd May 2023
- (f) Amount paid as advances, if any: Nil

For and on behalf of the Board

**Lyka Labs Limited**

**Babulal Jain**

Chairman

DIN: 00016573

Mumbai; 21st May 2024.



# Lyka Labs Limited

## Annexure C

### AOC - 1

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014

#### Statement containing salient features of the financial statements of the Subsidiaries

##### Part 'A' : Subsidiaries

(Rs. in Lakhs )

1.	Sr. No.	1	2
2.	Name of the Subsidiary	Lyka BDR International Limited	Lyka Exports Limited
3.	Reporting period for the Subsidiary Concerned, if different from the holding company's reporting period	Same as per the holding company's period	Same as per the holding company's period
4.	Reporting currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
5.	Share Capital	2,250	739.54
6.	Reserve & Surplus	(2,583.97)	(271.32)
7.	Total Asset	454.15	522.81
8.	Total Liabilities	788.44	54.59
9.	Investments	-	7.47
10.	Turnover	416.49	112.50
11.	Profit/ (Loss) before taxation	(35.88)	35.74
12.	Provision for Taxation	11.00	24.03
13.	Profit/ (Loss) after Taxation	(46.88)	11.71
14.	Proposed Dividend	-	-
15.	% of Shareholding	65.22%	72.80%
1.	Names of subsidiaries which are yet to commence operations		N.A.
2.	Names of subsidiaries which have been liquidated or sold during the year		N.A.

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

For and on behalf of the Board  
**Lyka Labs Limited**

**Mehul N. Patel**  
Partner  
Membership No. 132650

**Kunal Gandhi**  
Managing Director  
DIN: 01516156

**Prashant Godha**  
Director  
DIN: 00012759

Mumbai; 21st May 2024.

**Yogesh Shah**  
Executive Director & CFO  
DIN: 06396150

**Kishore P. Shah**  
Company Secretary &  
Compliance Officer

Mumbai; 21st May 2024.

### Annexure D

#### Disclosure for ratio of remuneration of each director to the median employee's remuneration and other details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- 1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	% Increase in the remuneration	Ratio of the remuneration of each Directors/to median remuneration of the employees
Mr. Kunal Gandhi, Managing Director & CEO	130.48%	111.21
Mr. Yogesh Shah, Executive Director & CFO	2.96%	8.33

Note: Sitting fees is not included while calculating remuneration to Director.

On 12th February 2024, Mr. Kunal Gandhi was re-appointed as Managing Director & CEO.

- 2) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company:

Name	% increase in the remuneration
Mr. Kunal Gandhi, Managing Director & CEO	130.48%
Mr. Yogesh Shah, Executive Director & CFO	2.96%
Mr. Kishore P. Shah, Company Secretary & Compliance Officer	9.52%

Note: Sitting fees is not included while calculating remuneration to Director.

- 3) The percentage increase in the median remuneration of employee in the financial year: Nil

Please note that the yearly increase in remuneration of the employees (excluding Key Managerial Personnels) was effected from 1st April 2024. The median remuneration calculations were made on the basis of the remuneration of employees as on 31st March 2024.

- 4) The number of permanent employees on the rolls of the Company: 423
- 5) 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: Average Percentage Increase made in the salaries of Employees other than the managerial personnel in the previous financial year i.e. 2023-24 was 1.20%.
- 6) It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company: The Company affirms that remuneration is as per remuneration policy.
- 7) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 : Not Applicable.

Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act, 2013, the said annexure is open for inspection on all working days, during business hours, at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board  
**Lyka Labs Limited**

**Babulal Jain**  
 Chairman  
 DIN:00016573

Mumbai; 21st May 2024.

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended 31<sup>st</sup> March, 2024

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**Lyka Labs Limited**  
CIN: L24230GJ1976PLC008738

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Lyka Labs Limited** (hereinafter called 'the company'). The secretarial audit as required under Companies Act, 2013 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 **31<sup>st</sup> March 2024** 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 **31<sup>st</sup> March, 2024** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('the SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings; **(Not applicable as there was no reportable event during the financial year under review)**
- (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, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable as there was no reportable event during the financial year under review)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as there was no reportable event during the financial year under review)**
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as there was no reportable event during the financial year under review)**
  - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable as there was no reportable event during financial year under review)**

- 
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; ***(Not applicable as there was no reportable event during the financial year under review)***
  - (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act, 2013 dealing with the company; and
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations to the company. The list of major heads/groups of Acts, laws and Regulations as applicable to the Company are listed below:

- a. The Factories Act, 1948;
- b. The Income Tax Act and other Indirect Tax laws;
- c. The Essential Commodities Act;
- d. All Environmental Related Acts & Rules;
- e. The Boilers Act;
- f. The Poisons Act;
- g. The Prevention of Food Adulteration Act, 1954;
- h. The Dangerous Drugs Act, 1940;
- i. The Industrial Disputes Act, 1947;
- j. The Drugs and Magical Remedies (Objectionable Advertisements) Act 1954;
- k. The Drugs & Cosmetics Act, 1940;
- l. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013;
- m. All applicable Labour Laws and other incidental laws related to Labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;

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

- (i) Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the company with the BSE Limited and the National Stock Exchange of India Limited.

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned herein above, except two forms have been filed with payment of additional fees with the MCA.

Adequate notices were issued to all the Directors for the board meetings and the committee meetings. Agenda and notes on agenda were also provided to all the directors and the members for meaningful participation in the meetings. Decisions at the board meetings and the committee meetings were carried through on the basis of majority.

We further report that, during the year;

- 1. 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 Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

# Lyka Labs Limited

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2. The company has issued and allotted 24,00,000 warrants convertible into equity shares of Rs. 139.50/- each including premium of Rs. 129.50/- to Ipca Laboratories Limited, part of promoter group of the company on conversion of warrants on 18th April, 2023.
3. The company has received an order pronounced by the Honorable National Company Law Tribunal Ahmedabad bench (the "NCLT") dated 08th January, 2024 in reference to scheme of Amalgamation of Lyka Exports Limited with Lyka Labs Limited and their respective shareholders and creditors.  
Accordingly, the company has issued notices on 20th February, 2024 to the shareholders and the creditors of the company for their approval on scheme of Amalgamation, and submitted the proceeding of this meetings to the NCLT.
4. The company has received summon by the SEBI dated 01st January, 2024 regarding investigation of transactions in securities of the company of the period from 15th December, 2021 to 18th February, 2022; for which the Company Secretary & Compliance Officer of the company has appeared.

We further report that 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 audit period under review, the company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

**For Kaushal Doshi & Associates**  
Practicing Company Secretary

Date: 21<sup>st</sup> May, 2024  
Place: Mumbai

**Kaushal Doshi**  
(Proprietor)  
**FCS: 10609/COP: 13143**  
**PR Number: 802/2020**  
**UDIN: F010609F000408853**

This report is to be read with our letter which is annexed as **Annexure I** and forms an integral part of the report.



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**Annexure I (Integral part of Secretarial Audit Report)**

To,  
The Members,  
**Lyka Labs Limited,**  
CIN: L24230GJ1976PLC008738

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Verification was done on 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kaushal Doshi & Associates**  
Practicing Company Secretary

Date: 21<sup>st</sup> May, 2024  
Place: Mumbai

**Kaushal Doshi**  
(Proprietor)  
**FCS: 10609/ COP: 13143**  
**PR Number: 802/2020**  
**UDIN: F010609F000408853**

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OVERVIEW AND OUTLOOK

As per the United Nations forecasts, India's economy will grow @ 6.9% in fiscal year (FY) 2024 and 6.6% in FY2025, supported by increased private consumption, private investment on the back of Government policies to improve transport infrastructure, logistics and business eco systems.

The current account deficit has been reduced due to higher exports of services and oil prices have remained stable.

India is seeing sustained economic growth.

### PHARMACEUTICAL SECTOR OVERVIEW

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplied over 60% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicines in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 13th by value. India enjoys an important position in the global pharmaceuticals sector.

The Indian pharmaceutical market has grown at a 37 percent CAGR from 2020 to 2023, reaching US\$ 50 billion. According to the Indian Economic Survey 2021, the house market is expected to grow in the next years. By 2024, the domestic pharmaceutical market in India is estimated to be valued US\$ 65 billion, rising to USD 130 billion by 2030. India's exports stood at USD 25.3 billion.

The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies.

The pharma sector contributes to around 1.72% of the Country's GDP.

### COMPANY OVERVIEW

Lyka Labs Limited is a pharmaceutical company engaged in the development, manufacture and marketing of quality finished dosages. The Company has a well-diversified business model in terms of markets, therapies and products. The Company believes in Innovation. It provides state-of-the-art prepositions to advance the company's relevance and foster a spirit of experimentation. The pharmaceutical products of the Company are consistent in terms of quality and reliability.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged in only one segment viz. pharmaceuticals. The Company has a presence in Domestic as well as international markets. The Company has a commercial presence in various countries either on its own or through its subsidiary company.

### OUTLOOK

The Company is focused towards expanding its geographical reach in Human & Veterinary Healthcare Business Segments. The Company re-entered into the business of animal healthcare in 2023 by acquiring the animal healthcare business of Agilis Healthcare Private Limited and FY 2024 was the 1st full year of operations.

During the financial year under report:

1. The Company has invested in building brands and distribution networks in Human and Veterinary Healthcare segments, both in the domestic as well as international markets.
2. The Company has continued to invest in Research & Development (R&D) for New Products and Novel Drug Delivery Systems. The R&D Department is focused on developing of New Formulations and has successfully developed several products in the following categories:
  - a. Injectables: Lyophilised Injection, Liquid Injections & Dry Powder Injections
  - b. Topical Preparation: Ointment, Creams and Lotions.
3. The Company successfully launched Tofacitinib ointment in India after completing clinical trials and getting CDSCO approval in November 2023.

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## RISKS AND CONCERNS

Your Company does not perceive any risks or concerns other than those that are common to the industry such as regulatory risks, exchange risk, cyber risks and other commercial and business related risks.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 31st March 2024.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year, the total Income was Rs.10804.35 Lakhs. The Company has reported net loss of Rs.220.72 Lakhs during the financial year 2023-24.

## HUMAN RESOURCE

There has been no material development on human resources and industrial relations front. The relationship with employees and workers continued to be cordial at all levels. As on 31st March 2024, permanent employees inclusive of workers strength was 423.

## KEY FINANCIAL RATIOS

The key financial ratio for the financial year 2023-24 and changes therein as compared to the immediately preceding financial year along with detailed explanation in cases where the change is 25% or more are as under:

- a. Debtors' Turnover ratio: Net credit sales/Average Account Receivable. The ratio for the year was 4.73 (times) as against 4.39 (times) in the previous financial year. This year this ratio is lower as compared to previous year.
- b. Interest Coverage ratio: EBIT / Interest Expense. The ratio for the year was 0.80 (times) as against (0.14) (times) in the previous year. This ratio has become negative in the current year due to a reduction in finance cost.
- c. Current Ratio: Current Assets/ Current Liabilities. This ratio for the current financial year was 1.39 (times) as compared to 1.41 (times) in the previous year. The ratio is higher as compared to the previous financial year.
- d. Debt-Equity ratio: Total Debt/ Shareholders Equity. This ratio for the year was 0.60 (times) as against 0.98 (times) in the previous year. This ratio has decreased due to repayment of loans during the financial year and the issue of equity shares and application money received against the convertible warrants.
- e. Operating Profit Margin: EBIT/Sales operating profit margin for the year was 3.63 % as against (2.03)% in the previous year. Decrease in Operating profit margin Profit for the year is Higher than previous year as previous year Lower realisation products are sold due to increase in demand.
- f. Net Profit Margin: Net Profit/Total Revenue from operations for the current financial year was (2.24) % as against (17.41)% in the previous financial year. due to Higher profit in the current financial year, as in the previous financial year Lower realization products were sold due to decrease in demand.

## CHANGE IN RETURN ON NET WORTH

Return on Net Worth: This financial performance is calculated by dividing net income by shareholders' equity. Return on net worth or return on equity during the year was (2.59) % as compared to (21.99)% in the previous year. Return on equity is higher than in the previous financial year due to loss for the financial year is lessor than the previous financial year.

For and on behalf of the Board

**Lyka Labs Limited**

**Babulal Jain**

Chairman

DIN: 00016573

Mumbai; 21st May 2024.

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## REPORT ON CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations') given below is a report on the Corporate Governance in the Company:

### 1. Company's philosophy on Code of Corporate Governance:

Compliance with the Code of Corporate Governance forms an integral part of the Company's philosophy. At Lyka Labs Limited, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders and to carry out the Company's activities and operation in a true and fair manner to achieve transparency, accountability and business prosperity. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials, performance and governance of the Company.

The Company has a Code of Conduct for the employees, including the Directors. These Codes are available on the Company's website. The Company's Corporate Governance philosophy has been further strengthened through the Insider Trading Code of the Company.

### 2. Board of Directors:

#### a) Composition of the Board of Directors

The Board of Directors (the 'Board') of the Company comprises of an optimum combination of Executive and Non-Executive Directors, including an Independent Woman Director in accordance with the provisions of the Companies Act, 2013 (the 'Act') and the Listing Regulations. As on 31st March 2024, the Board comprises of seven (7) Directors, consisting of a one (1) Managing Director, one (1) Executive Director, two (2) Non-Executive Directors and three (3) Independent Directors.

During the year under review, Mr. Yogesh Shah, Executive Director & CFO of the Company, was reappointed as the Executive Director w.e.f. 12th February 2023 till the conclusion of 46th Annual General Meeting of the Company, through postal ballot process by shareholders. The Second term of Mr. Sandeep Parikh as an Independent director was completed on 25th September 2023. Mr. Kunal Gandhi, Managing Director & CEO of the Company, was re-appointed for the period of 5 years w.e.f. 12th February 2024, through postal ballot process by shareholders.

The composition of the Board is in compliance with Regulation 17 of the Listing Regulations, and Section 149 of the Act as follow:

Name of Directors	Category	Shareholding as on 31st March 2024
Mr. Babulal Jain	Chairman (Independent Director)	Nil
Mr. Kunal Gandhi	Managing Director & CEO	24,25,000
Mr. Prashant Godha	Non-Executive Director	Nil
Mr. Shashil Mendonsa	Non -Executive Director	Nil
Mr. Neeraj Golas	Independent Director	Nil
Ms. Dhara Shah	Independent Director	1
Mr. Yogesh Shah	Executive Director & CFO	1,050

The Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors are in conformity with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with the Rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the Management.

**b) Attendance and no. of directorships/ committee membership held by the Directors in other companies.**

During the financial year 2023-24, six (6) Board Meetings were held on; 18th April 2023, 23rd May 2023, 2nd August 2023, 2nd November 2023, 16th January 2024 and 8th February 2024.

The attendance at Board Meetings held during the financial year and the number of Directorships in public and private companies, Committee Chairmanships / Memberships held by them in public companies as on 31st March 2024 are given herein below.

Name of Directors	No. of Board Meetings attended during the year 2023-24	Attendance at the last Annual General Meeting held on 2nd August 2023	No. of other companies in which directorship held*	No. of Committee positions in public companies including this listed entity#	
				Member	Chairman
Mr. Babulal Jain	6	Yes	2	2	2
Mr. Kunal Gandhi	6	Yes	4	3	0
Mr. Prashant Godha	6	Yes	11	1	0
Mr. Yogesh Shah	6	Yes	2	1	0
Mr. Shashil Mendonsa	6	Yes	0	0	0
Ms. Dhara Shah	6	Yes	2	2	0
Mr. Neeraj Golas (Appointed w.e.f. 16th January 2024)	2	N.A.	1	1	0

\* includes directorship in private companies.

# only audit committee and stakeholders relationship committee of public limited companies, whether listed or unlisted, are considered for the purpose of reckoning committee Positions

Details of Directorships held in other listed entities		
Name of Director	Name of the entity	Category of directorship
Mr. Prashant Godha	1. Ipca Laboratories Limited	Executive Director
	2. Maker Laboratories Limited	Non Executive Director
	3. Resonance Specialities Limited	Non Executive Director
Mr. Neeraj Golas	1. Ashima Limited	Independent Director

**c) Details of Familiarisation programmes imparted to Independent Directors**

Familiarisation Programmes imparted to the Independent Directors has been given on the Company's website i.e. [www.lykalabs.com](http://www.lykalabs.com).

**d) Skills/expertise/ competencies of the Board of Directors**

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Area of skills/expertise/ competencies
1.	Financial Skills/Accounts
2.	Pharma marketing strategy
3.	Legal and Regulatory Compliance and Governance
4.	Risk Management
5.	Plant Management
6.	Supply Chain

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

**e) Meeting of Independent Directors**

In compliance with the Act and Regulation 25 of the Listing Regulations, the meeting of the Independent Directors of the Company was held on 19th March 2024. The Independent Directors discussed and reviewed the matters specified in Regulation 25(4) of the SEBI Listing Regulations.

Attendance of Independent Directors in meetings of the Independent Directors:

Name of Director	No of Meetings Held	No of Meetings Attended
Mr. Babulal Jain	1	1
Mr. Neeraj Golas	1	1
Ms. Dhara Shah	1	1

**3. Audit Committee:**

The composition of the Audit Committee and the scope of its activities and powers are in conformity with and includes the areas prescribed under Regulations 18 of the Listing Regulations and Section 177 of the Act and the Rules framed thereunder. The Audit Committee comprises of Three (3) Directors, out of which Two (2) are Independent Directors and One (1) is Managing Director as on 31st March 2024.

The Audit Committee met four times on: 23rd May 2023, 2nd August 2023, 2nd November 2023 and 8th February 2024. The necessary quorum was present for all the meetings.

The Details of composition of the Audit Committee and the number of meetings held and attended by the members during the financial year 2023-24 are mentioned herein below:

Name of Committee Member	Category	No of Meetings held	No of Meetings attended
Mr. Sandeep Parikh, Chairman (Member upto 25th September 2023)	Independent Director	2	2
Mr. Babulal Jain, Member (Appointed as a Chairman w.e.f. 2nd August 2023)	Independent Director	4	4
Mr. Kunal Gandhi, Member	Managing Director	4	4
Ms. Dhara Shah, Member	Independent Director	4	4

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The scope and terms of reference of the said committee have been widened in line with the amendments made to the Listing Regulations. The brief terms of reference of the Audit Committee, *inter-alia* includes the following:

1. Audited and Un-audited financial results;
2. Internal Audit reports, risk management policies and reports on internal control system;
3. Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls and adequacy of provisions for liabilities, etc.;
4. Transactions proposed to be entered into by the Company with related parties and approves such transactions including any subsequent modifications thereto;

5. Functioning of Whistle Blower Policy; and
6. Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditors and also the proposal for appointment of Chief Financial Officer. The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws.

In addition to the aforesaid, the Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Regulations as amended from time to time and that of the Act.

#### 4. Nomination and Remuneration Committee:

Pursuant to the Regulation 19(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act and as adopted by the Board of Directors of the Company, the terms of reference of Nomination & Remuneration Committee shall include the following:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors about remuneration of the Directors, key managerial personnel;
- ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii) Devising a policy on diversity of Board of Directors;
- iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal.
- v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi) Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Committee comprises of two (2) Independent Directors and one (1) Non Executive Director as on 31st March 2024.

During the financial year 2023-24, two (2) meetings of Nomination & Remuneration Committee were held on 2nd August 2023 and 16th January 2024. Details of composition of Nomination & Remuneration Committee and the number of meetings held and attended by the members during the financial year 2023-24 are mentioned herein below:

Name of Committee Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Sandeep Parikh, Chairman (Member upto 25th September 2023)	Independent Director	1	1
Ms. Dhara Shah, Member (Appointed as a Chairman w.e.f. 2nd August 2023)	Independent Director	2	2
Mr. Babulal Jain, Member	Independent Director	2	2
Mr. Prashant Godha, Member (Appointed as Member w.e.f. 2nd August 2023)	Non Executive Director	1	1

## Performance Evaluation

Pursuant to the provisions of the Act and under the Regulation 17 (10) of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2023 -24 by the Board in respect of its own performance, the Directors individually as well as its Committees. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared and circulated after taking into consideration the Guidance note issued by the SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017 as well as the performance evaluation criteria formulated by the Nomination and Remuneration Committee for Board, Committees of Board, Chairman and Directors.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process. The consolidated evaluation report of the Board, based on inputs received from the Directors was discussed at Board Meeting held on 16th April 2024.

## 5. Remuneration of Directors:

Nomination and Remuneration Committee has formulated policy for Remuneration of Directors, Key Managerial Personnel (KMP), of the Company and Payment to Managing Director shall be governed by Schedule V of the Act.

As per policy, remuneration to Non-Executive and Independent Directors will only include sitting fees for attending Meetings of Board and its Committees as decided by the Board within the limits prescribed under the Act.

Details of remuneration paid to Executive Directors and sitting fees paid to Non-Executive Directors and Independent Directors during the financial year ended 31st March 2024 are given as under:

Name of Directors	Sitting Fees	Salary	Total
Mr. Babulal Jain	2,50,000	N.A.	2,50,000
Mr. Kunal Gandhi	N.A.	2,57,78,305	2,57,78,305
Mr. Prashant Godha	2,00,000	N.A.	2,00,000
Mr. Yogesh Shah	N.A.	28,36,667	28,36,667
Mr. Sandeep Parikh*	1,00,000	N.A.	1,00,000
Ms. Dhara Shah	2,50,000	N.A.	2,50,000
Mr. Shashil Mendonsa	1,80,000	N.A.	1,80,000
Mr. Neeraj Golas#	30,000	N.A.	30,000

\*Director up to 25th September 2023

# Appointed w.e.f. 16th January 2024

## 6. Stakeholders Relationship Committee:

The composition of Stakeholders Relationship Committee is as per the framework prescribed under the Act & Rules thereunder and the Listing Regulations. The Committee comprises of three (3) Directors out of which one (1) is Independent Director, one (1) is Managing Director and one (1) is Executive Director.

During the financial year 2023-24, one (1) meeting of Stakeholder Relationship Committee (the 'SRC') was held on 21st March 2024.

The details of composition of the SRC and the number of meetings held and attended by the members during the financial year 2023-2024 are mentioned herein below;

Name of Committee Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Babulal Jain, Chairman	Independent Director	1	1
Mr. Kunal Gandhi, Member	Executive Director	1	1
Mr. Yogesh Shah, Member	Executive Director	1	1

The terms of reference of the SRC cover the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations.

The terms of reference of the SRC, *inter alia* are as follows:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### 7. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee (CSR) is constituted pursuant to section 135 of the Act. The Committee met one (1) time in FY 2023-24 on 23rd May 2023. The necessary quorum was present for the meetings.

The composition and details of the meetings attended by the members are given below:

Name of Committee Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Kunal Gandhi, Chairman	Executive Director	1	1
Mr. Yogesh Shah, Member	Executive Director	1	1
Ms. Dhara Shah, Member	Independent Director	1	1
Mr. Sandeep Parikh, Member (Member upto 25th September 2023)	Independent Director	1	1

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the CSR Committee *inter alia* are as follows:

1. Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company in accordance with the provisions of Schedule VII of the Act.
2. Formulate and recommend to the Board an annual action plan in pursuance to the CSR Policy.
3. Recommend to the Board the Amount of expenditure to be incurred on the activities referred to in the CSR policy.
4. Monitor the CSR Policy and its implementation from time to time.

# Lyka Labs Limited

## 8. Amalgamation Committee:

The Amalgamation Committee met one (1) time in FY 2023-24 on 3rd October 2023. The necessary quorum was present for the meetings.

The composition and details of the meetings attended by the members are given below:

Name of Committee Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Babulal Jain, Chairman	Independent Director	1	1
Mr. Kunal Gandhi, Member	Executive Director	1	1
Mr. Yogesh Shah, Member	Executive Director	1	1

The Company Secretary acts as the Secretary to the Committee.

## 9. General Body Meetings:

### a. Location and Time of the last 3 (Three) Annual General Meetings:

Financial Year	Date	Time	Items of Special Resolution(s) at each meeting	Venue
2020-21	30th July 2021	12.30 p.m.	Nil	42nd AGM of the Company was convened through Video Conference (VC).
2021-22	1st August 2022	12:15 p.m.	<ol style="list-style-type: none"><li>Revision in remuneration of Mr. Kunal Gandhi, Managing Director.</li><li>Approval of appointment of Mrs. Dhara Shah as an Independent Director.</li><li>Approval for Re-appointment of Mrs. Dhara Shah as an Independent director.</li><li>Approval of financial limit of Related Party Transactions during financial year 2022 – 23.</li></ol>	43rd AGM of the Company was convened through Video Conferencing (VC).
2022-23	2nd August 2023	11:00 a.m.	Approval of Related Party Transactions for the financial year 2023-24.	44th AGM of the company was convened through Video Conferencing (VC).

### b. Extra Ordinary General Meeting held during the financial year 2023-24: Nil

### c. Postal Ballot:

During the financial year under review, the Company had one (1) Postal Ballot.

The Company has obtained the approval of its members through Postal Ballot (e-voting mode only) pursuant to and in accordance with Section 110 of the Act, read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations.

### Postal Ballot – January 2024

The Postal Ballot notices along with explanatory statement thereof was sent through the electronic modes only to the members whose email addresses were registered with the Company / Registrar & Transfer Agent / Depositories as on cut off date 19th January 2024 and shareholders were entitled to cast their votes only through electronic mode between 24th January 2024 to 22nd February 2024.

Mr. Kaushal Doshi of M/s. Kaushal Doshi & Associates, Practicing Company Secretary, (CP 13143) was appointed as the Scrutinizer by the Board to conduct the said Postal Ballot process in a fair and transparent manner.

The result of voting, conducted through the Postal Ballot for passing resolutions, were announced by the Chairman of the Company on 23rd February 2024 as reproduced herein below:

#### Item No. 1: Appointment of Mr. Neeraj Golas (DIN:06566069) as an Independent Director of the Company:

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	18137509	18137509	100	18137509	0	100	0
Public Institutions	262721	100000	38.0632	100000	0	100	0
Public Non Institutions	14689770	76060	0.5178	75246	814	98.929	1.070
<b>Total</b>	<b>33090000</b>	<b>18313569</b>	<b>55.345</b>	<b>18312755</b>	<b>814</b>	<b>99.995</b>	<b>0.004</b>

#### Item No. 2: Re-appointment of Mr. Kunal Gandhi (DIN: 01516156) as Managing Director of the Company:

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	18137509	13382509	73.783	13382509	0	100	0
Public Institutions	262721	100000	38.063	100000	0	100	0
Public Non Institutions	14689770	56030	0.381	55216	814	98.547	1.453
<b>Total</b>	<b>33090000</b>	<b>13538539</b>	<b>40.914</b>	<b>13537725</b>	<b>814</b>	<b>99.994</b>	<b>0.006</b>

### 10. Means of Communication:

#### a. Quarterly results:

The unaudited quarterly financial results and audited annual financial results are announced immediately after these are approved by the Board of Directors of the Company.

#### b. Newspapers wherein results normally published:

The financial results are published in English language national daily newspaper circulating in the India and in one daily newspaper published in the language of the region, where the Registered Office of the Company is situated.

#### c. Website of the Company:

The Company disseminates information to its shareholders by way of filing quarterly, half yearly and annual financial statements with designated stock exchanges which are also uploaded on the website of the company i.e. [www.lykalabs.com](http://www.lykalabs.com). Necessary communication required under the applicable laws to be made by the Company are disclosed on the abovementioned website for shareholders reference.



## 11. General Shareholder Information:

- a. The AGM of the Company for the financial year 2023-24 is scheduled on Friday, 9th August 2024 at 11:00 a.m. through Video Conference/ Other Audio-Visual Means (VC/OAVM).
- b. **Financial Year:**  
The financial year of the Company starts from the 1st day of April and ends on 31st day of March of the next year.
- c. **Dividend Payment Date:**  
No dividend is recommended for the financial year 2023-24.
- d. **Listing on Stock Exchange:**  
The Company's Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

The following are the details of the Company's shares:

Type of Shares	Equity Shares	Convertible Warrants into Shares
ISIN	INE933A01014	INE933A13019
BSE- Stock Code	500259	
NSE- Stock Code	LYKALABS	
BSE Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; Website: <a href="http://www.bseindia.com">www.bseindia.com</a> .	
NSE Address	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai 400051; Website: <a href="http://www.nseindia.com">www.nseindia.com</a> .	
Annual Listing Fees	The Annual listing fees of BSE Limited and National Stock Exchange of India Limited has been paid for the financial year 2023-24.	

### Corporate Identity Number (CIN)

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India, is L24230GJ1976PLC008738. Your Company is registered in the State of Gujarat, India.

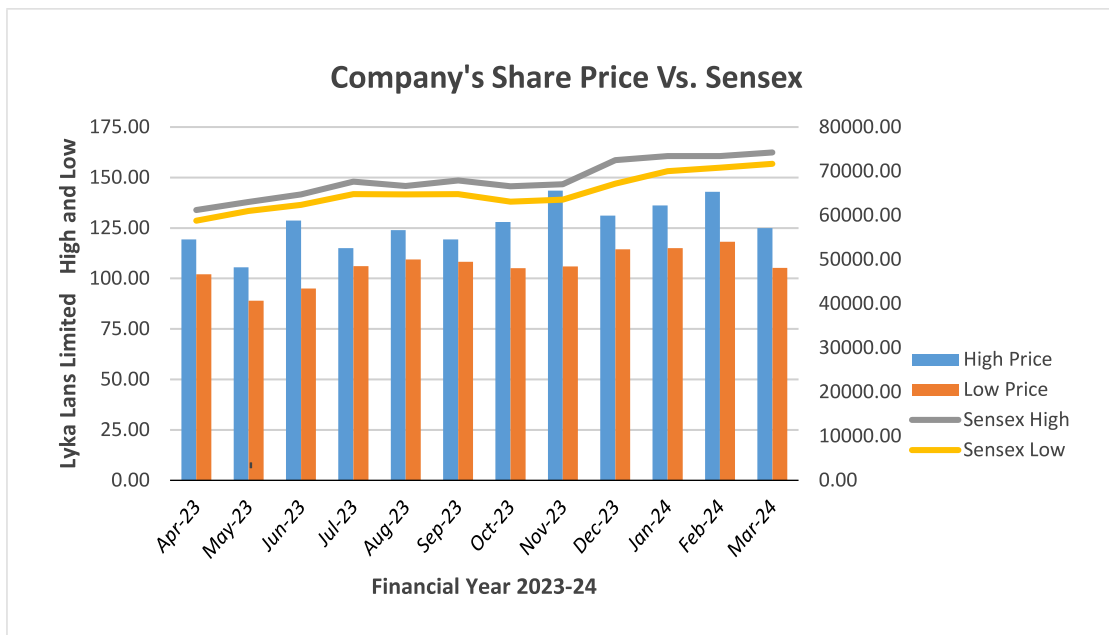
### f. Market Price Data: High, Low during each month of the financial year 2023-24

The Share price data for each month during the financial year 2023-24 on the BSE Limited and National Stock Exchange of India Limited are as mentioned below:

Month	BSE Limited		National Stock Exchange of India Limited	
	High Price	Low Price	High Price	Low Price
Apr-23	119.30	102.10	119.50	102.80
May-23	105.50	89.00	105.00	88.50
Jun-23	128.71	95.03	128.80	94.75
Jul-23	115.00	106.05	115.15	106.00
Aug-23	123.90	109.40	124.00	109.00
Sep-23	119.30	108.25	119.20	108.40
Oct-23	127.90	105.05	125.80	107.00
Nov-23	143.50	106.00	143.50	105.75
Dec-23	131.10	114.50	135.75	115.00
Jan- 24	136.10	115.05	136.40	114.10
Feb-24	143.00	118.20	144.30	119.15
Mar-24	125.00	105.20	125.50	104.90

a. **Company's Share price performance Versus BSE Sensex:**

The monthly high and low share prices of the Company in comparison with the BSE Sensex during the financial year are as under:

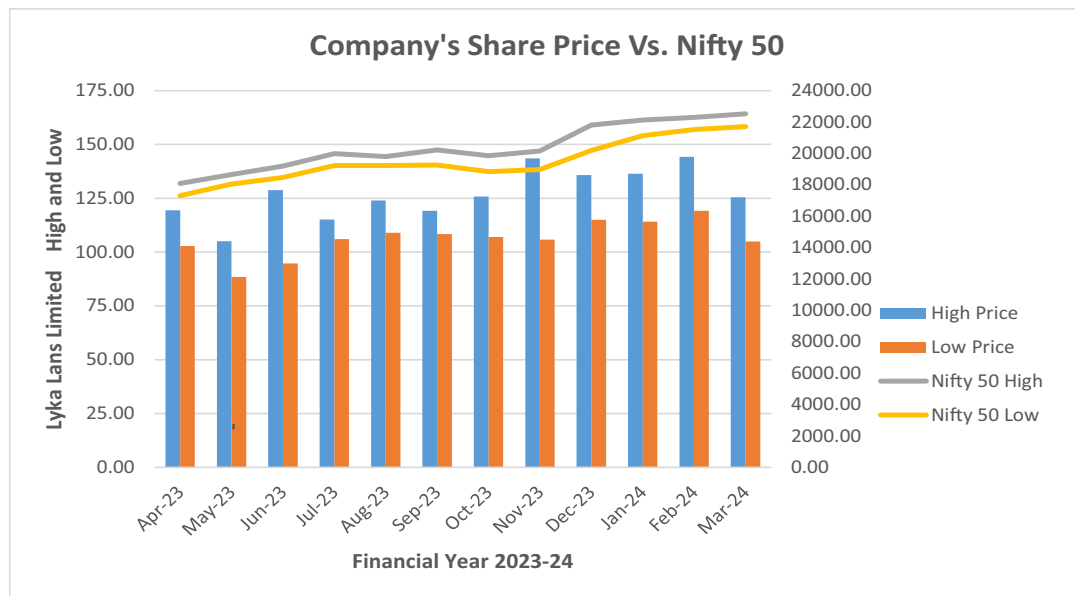


Month	Lyka Labs Limited (BSE)		BSE Sensex	
	High Price	Low Price	Sensex High	Sensex Low
Apr-23	119.30	102.10	61,209.46	58,793.08
May-23	105.50	89.00	63,036.12	61,002.17
Jun-23	128.71	95.03	64,768.58	62,359.14
Jul-23	115.00	106.05	67,619.17	64,836.16
Aug-23	123.90	109.40	66,658.12	64,723.63
Sep-23	119.30	108.25	67,927.23	64,818.37
Oct-23	127.90	105.05	66,592.16	63,092.98
Nov-23	143.50	106.00	67,069.89	63,550.46
Dec-23	131.10	114.50	72,484.34	67,149.07
Jan- 24	136.10	115.05	73,427.59	70,001.60
Feb-24	143.00	118.20	73,413.93	70,809.84
Mar-24	125.00	105.20	74,245.17	71,674.42

# Lyka Labs Limited

## b. Company's Share price performance Versus Nifty 50:

The monthly high and low share prices of the Company in comparison with the NSE Nifty during the financial year are as under:



Month	Lyka Labs Limited (NSE)		National Stock Exchange of India Limited	
	High Price	Low Price	Nifty 50 High	Nifty 50 Low
Apr-23	119.50	102.80	18089.15	17312.75
May-23	105.00	88.50	18662.45	18042.40
Jun-23	128.80	94.75	19201.70	18464.55
Jul-23	115.15	106.00	19991.85	19234.40
Aug-23	124.00	109.00	19795.60	19223.65
Sep-23	119.20	108.40	20222.45	19255.70
Oct-23	125.80	107.00	19849.75	18837.85
Nov-23	143.50	105.75	20158.70	18973.70
Dec-23	135.75	115.00	21801.45	20183.70
Jan-24	136.40	114.10	22124.15	21137.20
Feb-24	144.30	119.15	22297.50	21530.20
Mar-24	125.50	104.90	22526.60	21710.20

**g. Share Transfer System:**

Transfers of Equity Shares in electronic form are affected through the depositories with no involvement of the Company. Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to the Company's RTA i.e., Link Intime India Private Limited.

Further as per the SEBI circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, any listed companies shall henceforth issue the securities in dematerialized form only while processing any service request pertaining to issue of securities.

**h. Distribution of Shareholding as on 31st March 2024:**

No. Equity Shares held	Shareholders		Shareholding	
	No. of Shareholders	Percentage of Shareholders (%)	Total shares held by Shareholders	Percentage of Shareholdings (%)
001 to 500	23154	88.5667	2500212	7.5558
501 to 1000	1452	5.5541	1199772	3.6258
1001 to 2000	726	2.777	1127259	3.4066
2001 to 3000	242	0.9257	632015	1.91
3001 to 4000	124	0.4743	442804	1.3382
4001 to 5000	107	0.4093	513488	1.5518
5001 and 10000	165	0.6311	1244944	3.7623
10001 and above	173	0.6617	25429506	76.8495
<b>Total</b>	<b>26143</b>	<b>100</b>	<b>33090000</b>	<b>100</b>

**Dematerialization of Shares and Liquidity:**

As on 31st March 2024 the Company's 3,28,73,906 equity shares were held in dematerialized form and remaining 2,16,094 equity shares were held in physical form.

**j. Plant Location:**

4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar, District Bharuch, Gujarat - 393 002.

**k. Address for correspondence:**

- Registered Office:  
4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar, District Bharuch, Gujarat - 393002  
Contact no: 02646-21422/220549, Email: [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com),  
Website i.e. [www.lykalabs.com](http://www.lykalabs.com)
- Corporate Office:  
Ground Floor, Spencer Building, 30, Forjett Street, Grant Road (West), Mumbai-400036.  
Contact No: 022-66112200, Email: [companysecretary@lykalabs.com](mailto:companysecretary@lykalabs.com)

**l. Details of Registrar and Share Transfer Agent (RTA):**

Name: Link Intime India Private Limited

Address: C- 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 038, Tel No: + 91 22 4918 6720

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## 12. Other Disclosures:

### a. Related Party Transactions:

All contracts /arrangements / transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. The particulars of contracts/arrangements/transactions entered by the Company with the related parties during the financial year referred to in Section 188(1) of the Companies Act, 2013 in prescribed Form AOC-2 is appended as Annexure B to the Board's Report.

The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website [www.lykalabs.com](http://www.lykalabs.com).

### b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The BSE Limited had fined the Company Rs.2000 plus GST for a single day delay in submitting Annual Report for the financial year ended on 31st March 2022 to the BSE Limited.

### c. Whistle Blower Policy/ Vigil Mechanism:

The Company has adopted Whistle Blower Policy/Vigil Mechanism through which its Stakeholders, Directors and Employees can report their genuine concerns about unethical behavior and actual or suspected fraud or violation of the Company's Code of Business Conduct and Ethics. The said Policy provides for adequate safeguards against victimization and also direct access to the Audit Committee. The details of establishment of such mechanism are disclosed on the website of the Company at [www.lykalabs.com](http://www.lykalabs.com).

### d. Mandatory requirements:

The Company confirm that it has complied with all mandatory requirement prescribed in the Listing Regulations, for the financial year 2023-24. The Company has obtained a certificate on Corporate Governance from Mr. Kaushal Doshi of M/s Kaushal Doshi & Associates, Practicing Company Secretaries certifying compliance with the Paragraph E of Schedule V to the Listing Regulations. This certificate is enclosed to the Annual Report.

### e. Material Subsidiaries:

The Company has formulated a Policy on its material subsidiaries and the same is displayed on the Company's website [www.lykalabs.com](http://www.lykalabs.com).

### f. Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

During the financial year 2023-24, there was one complaint received under the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

- a. number of complaints filed during the financial year – 01
- b. number of complaints disposed of during the financial year – 01
- c. number of complaints pending as on end of the financial year - Nil

## 13. Non- Mandatory requirements

- a. **Chairman of the Board as on 31st March, 2024:** The Chairman of the Board is Non-Executive.
- b. **Shareholder Rights:** The Company's Quarterly, Half Yearly and Annually/Yearly results are published in leading English and Gujarati daily newspapers.
- c. **Audit Qualification:** There is no Audit Qualification.
- d. **Reporting of Internal Auditors:** The Internal Auditors report is reviewed by the Audit Committee on quarterly basis.



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14. The Company is in compliance with the corporate governance requirements specified under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
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**Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company's Code of Conduct:**

To,  
The Members,  
Lyka Labs Limited

I, Kunal Gandhi, Managing Director and CEO of the Company, hereby confirms that the members of Board of Directors and Senior Management Personnel of the Company have complied with the code of conduct of Board of Directors and Senior Management Personnel.

**For and on behalf of the Board of  
Lyka Labs Limited**

**Kunal Gandhi**  
Managing Director and CEO  
(DIN: 01516156)

Mumbai, 21st May 2024.

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
**Lyka Labs Limited**  
CIN: L2430GJ1976PLC008738

We have examined the compliance of conditions of Corporate Governance by **Lyka Labs Limited** ('the Company'), for the financial year ended **31st March, 2024** as prescribed in Regulations 17-27, Clauses (b) to (i) of sub Regulations (2) of regulation 46 and paras C, D & E of Schedule V to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ('Listing Regulation').

We state that the compliance of the conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the procedures 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provision of Listing Regulations.

We further 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 Kaushal Doshi & Associates**  
Practicing Company Secretary

**Kaushal Doshi**  
(Proprietor)

**FCS: 10609/COP: 13143**

**PR Number: 802/2020**

**UDIN: F010609F000409031**

Date: 21<sup>st</sup> May, 2024.  
Place: Mumbai



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## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members,  
**Lyka Labs Limited**  
CIN: L24230GJ1976PLC008738

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Lyka Labs Limited** having CIN: L24230GJ197 6PLC008738 and having its registered office situated at 4801/B & 4802/A, GIDC Industrial Estate, Ankleshwar, Gujarat 393002, (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 Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on **31st March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kaushal Doshi & Associates**  
Practicing Company Secretary

**Kaushal Doshi**  
(Proprietor)

**FCS: 10609/COP: 13143**

**PR Number: 802/2020**

**UDIN: F010609F000408952**

Date: 21<sup>st</sup> May, 2024.  
Place: Mumbai



## COMPLIANCE CERTIFICATE

[Under Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirement), Regulation 2015]

- A. We have reviewed financial statements and the cash flow Statement for the Financial year 31st March 2024 and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements 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 regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) There were no significant changes in internal control over financial reporting during the year;
  - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) There were no Instances of significant fraud of which we have become aware and the 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 **Lyka Labs Limited**

**Kunal Gandhi**  
Managing Director & CEO  
DIN:01516156

**Yogesh Shah**  
Executive Director & CFO  
DIN:06396150

Mumbai, 21<sup>st</sup> May 2024.

# STANDALONE FINANCIAL STATEMENTS

# Lyka Labs Limited

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**Lyka Labs Limited**

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

#### **Opinion**

We have audited the accompanying financial statements of **Lyka Labs Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### **Basis of Opinion**

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

#### **Key Audit Matters**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes

## **INDEPENDENT AUDITOR'S REPORT (Cont....)**

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

# Lyka Labs Limited

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 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. In With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of under Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31st March, 2024 on its financial position in its financial statements – Refer Note 36 to the financial statements.
  - b. The Company has made provisions, as required under the applicable Law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring of amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2024.
  - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 51(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 51(vi) to the Standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
  - f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per statutory requirements.

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

**Mehul N. Patel**  
(Partner)  
Membership No. 132650  
UDIN: 24132650BKBHC1464

Place: Mumbai  
Date: May 21, 2024

# Lyka Labs Limited

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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### **Annexure A to Independent Auditor's Report**

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

- i. In respect of its Property, Plant & Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment on the basis of available information;
  - (B) The company has maintained proper records showing full particulars of intangible assets;
  - b) According to the information and explanations given to us, the Company has a regular programme of physical verification of Property, plant & equipment by which all Property, Plant and Equipment of the Company are being verified in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of Property, plant and equipment has been physically verified by the Management during the year and no material discrepancies were noticed on verification conducted during the year as compared with the book records.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year;
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder;
- ii. In respect of its inventories:
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and discrepancies were not noticed in respect of such confirmations
  - b) As Disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the company with such banks and such statements are in agreement with the books of the company for the respective periods which were not subject to audit.
- iii. In respect of loans and advances, guarantee or security provided:
  - a) According to the information and explanations given to us and on the basis of our examination of the records, the company has made investments in and provided loans or advances in the nature of loans or guarantee, to subsidiaries during the year as per details given below.
    - (A) The aggregate amount during the year is Rs. 298 lakhs, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries is Rs. 219 lakhs;

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinions the investments made and the terms and conditions of the grant of loans and advances in the nature of loans year and guarantees provided the during the year are, prima facie, not prejudicial to the interest of the company;
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
  - f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- 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 granted, investments made and guarantees and securities provided.
- v. According to the information and explanations given to us, the Company had received National Company Law Tribunal (NCLT) order dated 22nd January, 2016, granting extension of time for repayment of Fixed Deposits. During the year, the Company has repaid deposits that were claimed aggregating to ₹ 31.12 lakhs and transferred to IEPF ₹ 3.11 lakhs. As regards the balance of unclaimed deposits ₹ Nil (Refer note no. 37).
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for manufacturing Bulk Drugs and Formulations. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom or Cess or other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom or Cess or other statutory dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.



## INDEPENDENT AUDITOR'S REPORT (Cont....)

- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities by the Company on account of any dispute except as given below:

Sr. No.	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Name of the forum
1	Demand under Drugs Price control Order	1061.96	Demands raised in 1987,1990 and 1995	Gujarat High Court
2	Maharashtra Value Added Tax	369.38	2014-2015	Joint Commissioner of Sales Tax (Appeal)
3	Central Sales Tax	22.24	2014-2015	Joint Commissioner of Sales Tax (Appeal)
4	Gujarat Sales Tax	39.63	2002-2003	Commissioner Of Sales Tax (Appeals)
5	Income Tax	80.85	AY 2010-2011	Commissioner of Income Tax (Applied to Tribunal)
		155.40	AY 2011-2012	Commissioner of Income Tax (Applied to Tribunal)
		61.78	AY 2014-2015	Commissioner of Income Tax (Applied to Tribunal)
		0.42	AY 2018-2019	Commissioner of Income Tax (Appeals)
		80.76	AY 2014-2015	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us, no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) Based on our audit procedures and as per the information and explanations given by management, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. The Company had repaid the Debenture as per the Order of NCLT dated 22nd May, 2017 and 13.00 lakh is outstanding as on 31st March, 2024 due to cheques returned undelivered / unclaimed. (Refer Note no. 38)
- (b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has taken term loan during the year and it has been utilized for the purpose it was obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have, prima facie, not been used during the year for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of equity shares and equity warrants during the year, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were obtained.

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- xi. (a) To the best of our knowledge and 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.
- (b) According to the information and explanations given to us, no report under Sub-section (12) of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company during the year and covering the period upto 31st March, 2024.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any of its directors or persons connected to its directors, and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a),(b),(c) and (d) of the Order are not applicable to the Company.
- xvii. The company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 are not applicable to the Company. Accordingly, paragraph 3(xx) of the Order is not applicable.

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

**Mehul N. Patel**  
(Partner)

Place: Mumbai  
Date: May 21, 2024

Membership No. 132650  
UDIN: 24132650BKBIHC1464

# Lyka Labs Limited

## INDEPENDENT AUDITOR’S REPORT (Cont....)

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### Annexure - B to the Auditor’s Report

To the Members of  
Lyka Labs Limited

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

We have audited the internal financial controls over financial reporting of **Lyka Labs Limited** (“the Company”) as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Mehul N. Patel**  
(Partner)  
Membership No. 132650  
UDIN: 24132650BKBHC1464

Place: Mumbai  
Date: May 21, 2024

# Lyka Labs Limited

## BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ In lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,579.93	4,730.50
(b) Capital Work- In- Progress	3	2,197.17	1,510.37
(c) Intangible assets	4	984.43	1,822.05
(d) Intangible assets under development	4	108.09	112.28
(e) Financial Assets			
(i) Investments	5	3,240.30	3,240.30
(ii) Other Financial Assets	6	1,671.39	1,626.34
(f) Other Non Current Assets	7	746.06	103.17
(g) Non Current Tax Assets	8	74.63	511.09
		<b>13,602.01</b>	<b>13,656.10</b>
<b>Current Assets</b>			
(a) Inventories	9	955.83	693.96
(b) Financial Assets			
(i) Investments	5	1.71	0.84
(ii) Trade Receivables	10	2,572.86	1,715.97
(iii) Cash and Cash Equivalents	11	588.58	869.57
(iv) Loans	12	223.92	561.44
(v) Other Financial Assets	13	282.78	192.79
(c) Other Current Assets	14	360.68	195.03
		<b>4,986.36</b>	<b>4,229.60</b>
		<b>18,588.37</b>	<b>17,885.70</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	3,309.00	3,069.00
(b) Other Equity	16	6,623.91	4,573.63
		<b>9,932.91</b>	<b>7,642.63</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,290.67	6,340.26
(ii) Lease Liabilities		125.84	208.06
(iii) Other Financial Liabilities	18	114.31	86.64
(b) Provisions	19	174.31	212.59
(c) Deferred Tax Liabilities (net)	20	372.56	398.88
		<b>5,077.69</b>	<b>7,246.43</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,366.28	763.89
(ii) Lease Liabilities		82.22	84.45
(iii) Trade Payable			
- Micro and Small Enterprise	22	82.56	449.12
- Other than Micro and Small Enterprise	22	1,008.10	373.82
(iv) Other Financial Liabilities	23	774.83	1,068.07
(b) Other Current Liabilities	24	114.44	140.13
(c) Provisions	25	149.34	117.16
		<b>3,577.77</b>	<b>2,996.64</b>
		<b>18,588.37</b>	<b>17,885.70</b>
<b>Total Equity and Liabilities</b>			
<b>(See accompanying notes to the standalone financial statements)</b>			

In terms of our report of even date,

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Mehul N. Patel**

Partner

Membership No. 132650

Place : Mumbai

Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

Place : Mumbai

Date : 21st May, 2024

**Prashant Godha**

Director

DIN : 00012759

**Kishore P. Shah**

Company Secretary &

Compliance Officer



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Notes	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>INCOME</b>			
Income from Operations	26	10,149.93	7,631.07
Other Operating Income	27	489.70	428.19
		<b>10,639.63</b>	8,059.26
Other Income	28	164.72	345.16
<b>Total Income</b>		<b>10,804.35</b>	8,404.42
<b>EXPENSES</b>			
Cost of Materials Consumed	29	3,214.31	2,307.57
Purchases of Stock-in-Trade		1,158.47	719.42
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	30	(78.61)	(120.71)
Employee Benefits Expense	31	2,601.46	1,748.30
Finance Costs	32	479.79	1,157.00
Depreciation and Amortization Expense	3 & 4	1,228.71	1,351.64
Other Expenses	33	2,287.95	1,844.63
<b>Total Expenses</b>		<b>10,892.09</b>	9,007.85
<b>Profit / (Loss) before Exceptional Items</b>		<b>(87.74)</b>	(603.41)
Exceptional Items	34	5.51	717.41
<b>Profit / (Loss) before Tax</b>		<b>(93.25)</b>	(1,320.82)
<b>Tax Expense:</b>			
Current Tax / Earlier Year Tax		159.97	20.70
Deferred Tax		(26.32)	(12.88)
<b>Profit / (Loss) for the Year</b>		<b>(226.89)</b>	(1,328.64)
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans (net of tax)		6.17	(6.28)
<b>Total Other Comprehensive Income (Net of Tax) - Net Credit / (Charge)</b>		<b>6.17</b>	(6.28)
<b>Total Comprehensive Income for the Year</b>		<b>(220.72)</b>	(1,334.92)
<b>Earnings per share (of ₹ 10/- each):</b>			
Basic / Diluted	45	<b>(0.72)</b>	(4.65)
<b>(See accompanying notes to the standalone financial statements)</b>			

In terms of our report of even date,  
**For D. Kothary & Co.**

Chartered Accountants  
Firm Registration No. 105335W  
**Mehul N. Patel**

Partner  
Membership No. 132650

Place : Mumbai  
Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited  
**Kunal Gandhi**

Managing Director & CEO  
DIN : 01516156  
**Yogesh Shah**

Executive Director & CFO  
DIN : 06396150

Place : Mumbai  
Date : 21st May, 2024

**Prashant Godha**

Director  
DIN : 00012759

**Kishore P. Shah**  
Company Secretary &  
Compliance Officer

# Lyka Labs Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### A. Equity Share Capital (Refer note 15) (₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	3,06,90,000	3,069.00	2,86,90,000	2,869.00
Changes in equity share capital during the year	24,00,000	240.00	20,00,000	200.00
<b>Balance at the end of reporting year</b>	<b>3,30,90,000</b>	<b>3,309.00</b>	3,06,90,000	3,069.00

### B. Other Equity (Refer note 16) (₹ In lakhs)

Particulars	Reserves and surplus				Items of Other Comprehensive Income (Remeasurement of the defined benefit plan)	Money received against share warrants (Refer Note No. 16.2)	Total
	Retained Earnings	Securities Premium Account	Capital Reserve	General Reserve			
Balance at 31st March, 2023	(10,137.87)	12,333.97	50.68	625.30	(42.19)	1,743.75	4,573.63
Profit/(Loss) for the Year	(226.89)	-	-	-	-	-	(226.89)
Add/(Less) : On Issue / Sale of Equity Shares / Warrants	-	3,108.00	-	-	-	(837.00)	2,271.00
Other Comprehensive Income for the Year (net of tax)	-	-	-	-	6.17	-	6.17
<b>Balance at 31st March, 2024</b>	<b>(10,364.76)</b>	<b>15,441.97</b>	<b>50.68</b>	<b>625.30</b>	<b>(36.02)</b>	<b>906.75</b>	<b>6,623.91</b>

In terms of our report of even date,

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Mehul N. Patel**

Partner

Membership No. 132650

Place : Mumbai

Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

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Executive Director & CFO

DIN : 06396150

Place : Mumbai

Date : 21st May, 2024

**Prashant Godha**

Director

DIN : 00012759

**Kishore P. Shah**

Company Secretary &

Compliance Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Current Year Ended 31st March, 2024		Previous Year Ended 31st March, 2023	
<b>A. Cash Flow from Operating Activities</b>				
<b>Profit / (Loss) for the year before tax</b>		(93.25)		(1,320.84)
<b>Adjusted For</b>				
Depreciation	1,228.71		1,351.64	
Interest Income	(63.16)		(109.43)	
Finance Cost	479.79		1,157.00	
Provision for Employee Benefits	60.75		63.41	
Exchange rate fluctuation	(40.39)		(35.95)	
Exceptional Items	-		704.04	
Return on Investment	-		(0.04)	
		<b>1,665.70</b>		<b>3,130.67</b>
<b>Operating Profit before Working Capital change</b>		<b>1,572.45</b>		<b>1,809.83</b>
<b>Changes in Working Capital :</b>				
(Increase) / Decrease in Other Non-Current Financial Assets	(45.05)		(134.31)	
(Increase) / Decrease in Other Non-Current Assets	(219.36)		28.46	
(Increase) / Decrease in Inventories	(261.87)		124.49	
(Increase) / Decrease in Trade and other receivables	(817.48)		66.69	
(Increase) / Decrease in Other Current Financial Assets	(89.99)		(86.96)	
(Increase) / Decrease in Other Current Assets	(165.65)		298.39	
(Increase) / Decrease in Current Loans	337.52		(557.74)	
Increase / (Decrease) in Other Non-Current Financial Liabilities	28.00		17.36	
Increase / (Decrease) in Non-Current Provisions	(38.28)		(31.56)	
Increase / (Decrease) in Trade Payables	267.72		(45.32)	
Increase / (Decrease) in Other Current Financial Liabilities	(64.92)		(244.35)	
Increase / (Decrease) in Other Current Liabilities	(25.69)		(474.02)	
Increase / (Decrease) in Current Provisions	(21.42)		(42.13)	
		<b>(1,116.47)</b>		<b>(1,081.00)</b>
<b>Cash Generated from Operations</b>		<b>455.98</b>		<b>728.83</b>
Net Income Tax Payment	(147.03)	(147.03)	(41.35)	(41.35)
<b>Net cashflow from operating activities (A)</b>		<b>308.95</b>		<b>687.48</b>
<b>B. Cashflow for Investing Activities</b>				
Purchase of Fixed Assets	(923.13)		(882.69)	
Increase in Investment	(0.87)			
Sale of Fixed Assets	-		1,450.00	
Interest Received	63.16		109.43	
<b>Net cash used in Investing Activities (B)</b>		<b>(860.84)</b>		<b>676.74</b>



# Lyka Labs Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Current Year Ended 31st March, 2024		Previous Year Ended 31st March, 2023	
<b>C. Cashflow from Financing Activities</b>				
Proceed from / (Repayment) of Non Current Borrowings Net	(1,847.12)		(4,587.77)	
Proceed from / (Repayment) of Current Borrowings Net	315.15		(1,017.74)	
Proceeds from Issue of Equity Shares and Warrants (Including Premium)	2,511.00		4,533.75	
Interest Paid	(708.11)		(961.20)	
<b>Net cash used in Financing Activities (C)</b>		<b>270.92</b>		(2,032.96)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(280.97)</b>		(668.74)
<b>Cash and Cash Equivalents at the beginning of the Year</b>				
Cash and Cash Equivalents		57.78		28.02
Earmarked Balances		811.79		1,510.29
		<b>869.57</b>		1,538.31
<b>Cash and Cash Equivalents at the end of the year</b>				
Cash and Cash Equivalents		19.42		57.78
Deposits with Banks (Rs 119.17 Lacks Lien against Bank Gurantee)		569.17		811.79
		<b>588.59</b>		869.57

In terms of our report of even date,

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Mehul N. Patel**

Partner

Membership No. 132650

Place : Mumbai

Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

Place : Mumbai

Date : 21st May, 2024

**Prashant Godha**

Director

DIN : 00012759

**Kishore P. Shah**

Company Secretary &

Compliance Officer

**1. CORPORATE INFORMATION**

Lyka Labs Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its shares are listed on two stock exchanges in India. The Company is engaged in the business of pharmaceutical and related activities, including research.

**2. THE MATERIAL ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:****A. THE MATERIAL ACCOUNTING POLICIES:****2.1A Basis of Preparation of Ind-AS Financial Statements**

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

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

**2.1B Accounting estimates, assumptions and judgements**

The preparation of the Standalone Financial Statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the Standalone Financial Statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are Deferred Income tax assets and liabilities, Useful lives of property, plant and equipment ('PPE') and intangible assets, Employee benefit obligations, Provisions and contingencies, Impairment of investment in subsidiaries and goodwill

### **2.2 CURRENT AND NON-CURRENT CLASSIFICATION OF ASSETS AND LIABILITIES AND OPERATING CYCLE:**

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

### **2.3 PROPERTY, PLANT AND EQUIPMENT:**

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal

proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

#### **2.4 DEPRECIATION:**

Depreciation on Property, Plant and Equipment is provided on different class of assets on the following basis:

Depreciation on Tangible Assets is provided on straight-line method at the rates and manner in accordance with Schedule II to the Companies Act, 2013.

Cost of Leasehold Land and Improvement is written off over the period of Lease.

Depreciation on additions to Property Plant and Equipment is provided on pro-rata basis from the date of acquisition or installation, and in case of new project from the date of commencement of commercial production.

Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **2.5 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:**

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

#### **2.6 INTANGIBLE ASSETS AND AMORTISATION THEREOF:**

##### **2.6.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):**

- i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:
  - a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
  - b) Its intention to complete the asset.
  - c) Its ability to use or sell the asset.
  - d) How the asset will generate future economic benefits.
  - e) The availability of adequate resources to complete the development and to use or sell the asset.
  - f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

### 2.6.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognised if

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (b) the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.6.3. AMORTISATION OF INTANGIBLE ASSETS:

Amortization of the asset begins on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

Estimated useful life of the following assets :

<b>Class of Assets</b>	<b>Useful life in years</b>
Internally Developed Intangible	05
Computer Software	05
Technical and Marketing Know-How	10
Brands/Trade Mark / Goodwill	10

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

### 2.7 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Carrying amount of tangible and intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **2.8 INVENTORIES**

- Raw Materials, Packing Materials, Work-in-Process and Finished Goods are valued at lower of cost or net realisable value. Cost is determined by using FIFO method. Cost comprises of all costs of purchases (net of CENVAT/GST credit, rebates, trade discount etc.), costs of conversion and cost incurred to bring the inventories to the present location and condition.
- Stores and Spares (excluding capital spares) are charged to consumption as and when purchased.

Net realisable value is the estimated selling price in the ordinary course of business.

## **2.9 REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, discounts and rebates.

- Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
- Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on Bill of lading date.
- Revenue in respect of other income/claims, etc. is recognised only when it is reasonably certain that ultimate collection will be made.

- Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

- Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **2.10 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.

### FINANCIAL ASSETS:

#### 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.

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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### Subsequent Measurement:

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

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

### Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

### Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

### Financial Assets at FVTPL:

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

### **DERECOGNITION:**

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

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

**IMPAIRMENT OF FINANCIAL ASSETS:**

The company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the company determines 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 company reverts to recognising impairment loss allowance based on 12-month ECL.

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

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 on a financial instrument 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. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

**FINANCIAL LIABILITIES:**

Initial Recognition and Measurement:

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

Subsequent Measurement:

This is dependent upon the classification thereof as under:



# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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### 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.

### 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 or loss.

### OFFSETTING OF FINANCIAL INSTRUMENTS:

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

### EQUITY INSTRUMENTS:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

### 2.11 EMPLOYEE BENEFITS

- Defined Contribution Plan:

The Company's contribution paid / payable during the year to Provident Fund , ESIC, Superannuation Fund etc., are recognized as expenses in the Statement of Profit and Loss. These are approved / recognised schemes of the Company.

- Defined Benefit Plan:

The Company's annual liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Independent Actuarial Valuer / Life Insurance Corporation of India under Group Gratuity Scheme.

- The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives and are determined using the Projected Unit Credit Method. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit or Loss.

## **2.12 BORROWING COST**

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

## **2.13 LEASES:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### **(i) Company as a lessee**

The Company's lease asset classes primarily consist of leases for land, buildings and furniture. 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 recognises 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 recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include 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 recognised 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 amortised 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.

### (ii) Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

### 2.14 FOREIGN CURRENCY TRANSACTIONS:

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 2.15 TAXES ON INCOME:

Current Income Taxes:

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

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Taxes:**

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

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 utilised. 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

**Minimum Alternate Tax (MAT):**

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when the asset can be measured reliably, and it is probable that the future economic benefits associated with it will flow to the Company.

**2.16 PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

### **2.17 EARNINGS PER SHARE:**

Basic earnings per share is calculated by dividing the net profit or loss 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 are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

### **2.18 CASH AND CASH EQUIVALENT:**

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

### **2.19 CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.20 COMMITMENTS:**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**2.21 SEGMENT REPORTING:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

**2.22 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

**2.23 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**a) Estimation of current tax expense and deferred tax:**

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**b) Recognition of deferred tax assets/ liabilities:**

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

**c) Estimation of Provisions & Contingent Liabilities:**

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

**d) Estimated useful life of Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

**e) Estimation of Provision for Inventory:**

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

**f) Estimation of Defined Benefit Obligation:**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post-employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

**g)** The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**h) Estimated fair value of Financial Instruments.**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**3. Property Plant and Equipment**

Carrying amounts of :

Particulars	As at 31st March, 2024	As at 31st March, 2023
Land	1,488.93	1,513.36
Buildings	1,577.03	1,682.53
Plant and Machinery	1,148.82	1,099.01
Computers	12.70	12.14
Vehicles	24.12	7.04
Furnitures and Fixtures	98.00	107.91
Office Equipments	14.16	13.77
Right To Use Property	216.16	294.77

Particulars	Land	Buildings	Plant and Machinery	Computers	Vehicles	Furnitures and Fixtures	Office Equipments	Right To Use Property	Total
<b>Gross Block (Cost or Deemed Cost) :</b>									
Balance at 31st March, 2023	1,751.99	2,936.88	3,922.87	47.66	9.62	191.89	98.83	576.63	9,536.39
Additions	-	1.13	176.84	6.77	19.39	5.89	3.24	-	213.26
Deletion	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2024</b>	<b>1,751.99</b>	<b>2,938.01</b>	<b>4,099.71</b>	<b>54.43</b>	<b>29.01</b>	<b>197.78</b>	<b>102.07</b>	<b>576.63</b>	<b>9,749.65</b>
<b>Accumulated Depreciation and Impairment :</b>									
Balance at 31st March, 2023	238.63	1,254.35	2,823.85	35.53	2.58	83.99	85.06	281.87	4,805.87
Depreciation for the Year	24.43	106.62	127.04	6.20	2.31	15.79	2.85	78.60	363.83
Deletion	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2024</b>	<b>263.06</b>	<b>1,360.97</b>	<b>2,950.88</b>	<b>41.73</b>	<b>4.89</b>	<b>99.78</b>	<b>87.91</b>	<b>360.47</b>	<b>5,169.70</b>
<b>Carrying amounts of :</b>									
Balance at 31st March, 2023	1,513.36	1,682.53	1,099.01	12.14	7.04	107.91	13.77	294.77	4,730.52
Balance at 31st March, 2024	1,488.93	1,577.03	1,148.82	12.70	24.12	98.00	14.16	216.16	4,579.93

The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the Year .



# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 3.1 Details of Tangible Capital Work in Progress

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	1,510.37	1,623.49
Capitalised	(79.35)	(306.43)
Additions during the year	766.15	193.31
<b>Closing Balance</b>	<b>2,197.17</b>	<b>1,510.37</b>

### 3.2 Capital Work In Progress (CWIP) Tangible Ageing Schedule :

As at 31st March, 2024

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	700.04	101.59	5.31	869.05	1,675.99
Projects temporarily suspended	-	-	-	521.18	521.18
<b>Total</b>	<b>700.04</b>	<b>101.59</b>	<b>5.31</b>	<b>1,390.24</b>	<b>2,197.17</b>

### Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

Particulars	To be completed				
	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Project - I	-	10.00	-	-	10.00
Project - II	3,465.99	-	-	-	3,465.99
Project - III	-	-	-	521.18	521.18
<b>Total</b>	<b>3,465.99</b>	<b>10.00</b>	<b>-</b>	<b>521.18</b>	<b>3,997.17</b>

As at 31st March, 2023

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	114.83	5.31	10.80	858.25	989.19
Projects temporarily suspended	-	-	-	521.18	521.18
<b>Total</b>	<b>114.83</b>	<b>5.31</b>	<b>10.80</b>	<b>1,379.44</b>	<b>1,510.37</b>

### Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

Particulars	To be completed				
	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Project - I	30.00	-	-	-	30.00
Project - II	1,911.33	-	-	-	1,911.33
Project - III	-	-	-	521.18	521.18
<b>Total</b>	<b>1,941.33</b>	<b>-</b>	<b>-</b>	<b>521.18</b>	<b>2,462.52</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 4. Intangible Assets

Carrying amounts of :

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Internally Developed Intangible Assets	<b>338.77</b>	474.02
Computer Software	<b>30.65</b>	8.41
Intangible Assets (Trade Mark/Brand)	<b>385.13</b>	1,011.62
Intangible Assets (Goodwill)	<b>19.91</b>	22.06
Technical and Marketing Knowhow	<b>209.97</b>	305.95

(₹ in lakhs)

Particulars	Internally Developed Intangible Assets (Research and development expenditure)	Computer Software	Intangible Assets (Trade Mark / Brand)	Intangible Assets (Goodwill)	Technical and Marketing Knowhow	Total
<b>Gross Block (Cost or Deemed Cost) :</b>						
<b>Balance at 31st March, 2023</b>	1,289.95	148.63	3,752.41	22.59	609.50	5,823.08
Additions	3.75	23.51	-	-	-	27.26
Deletion	-	-	-	-	-	-
<b>Balance at 31st March, 2024</b>	<b>1,293.70</b>	<b>172.14</b>	<b>3,752.41</b>	<b>22.59</b>	<b>609.50</b>	<b>5,850.34</b>
<b>Accumulated Amortisation and Impairment :</b>						
<b>Balance at 31st March, 2023</b>	815.93	140.22	2,740.79	0.53	303.55	4,001.03
Amortisation for the Year	139.00	1.26	626.49	2.15	95.98	864.88
<b>Balance at 31st March, 2024</b>	<b>954.93</b>	<b>141.48</b>	<b>3,367.28</b>	<b>2.68</b>	<b>399.53</b>	<b>4,865.90</b>
Carrying amounts of :						
Balance at 31st March, 2023	474.02	8.41	1,011.62	22.06	305.95	1,822.05
<b>Balance at 31st March, 2024</b>	<b>338.77</b>	<b>30.65</b>	<b>385.13</b>	<b>19.91</b>	<b>209.97</b>	<b>984.43</b>

#### 4.1 Details of Intangible Assets under Development :

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	<b>112.28</b>	150.82
Capitalised	<b>(27.26)</b>	(46.78)
Additions during the year	<b>23.07</b>	-
Disposals / Written Off / Adjustment	-	8.24
<b>Closing Balance</b>	<b>108.09</b>	112.28

#### 4.2 Capital Work In Progress (CWIP) Intangible Ageing Schedule :

As at 31st March, 2024

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	-	7.80	-	31.22	39.02
Projects temporarily suspended	-	-	-	69.06	69.06
<b>Total</b>	-	<b>7.80</b>	-	<b>100.29</b>	<b>108.09</b>

As at 31st March, 2023

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	8.24	-	-	31.22	39.46
Projects temporarily suspended	-	-	-	72.82	72.82
<b>Total</b>	<b>8.24</b>	-	-	<b>104.04</b>	<b>112.28</b>

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 5. Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares/units	Amount	No of Shares/units	Amount
<b>Investments :</b>				
<b>Investments in Equity Shares of Subsidiaries (Unquoted) (At cost):</b>				
(i) Equity Shares of ₹ 10 each fully paid up in Lyka BDR International Ltd	1,46,74,995	1,469.05	1,46,74,995	1,469.05
(ii) Equity Shares of ₹ 10 each fully paid up in Lyka Exports Ltd	53,83,636	1,771.25	53,83,636	1,771.25
<b>Total</b>		<b>3,240.30</b>		<b>3,240.30</b>

### Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares/units	Amount	No of Shares/units	Amount
<b>Investments at FVTPL:</b>				
<b>Investments in Mutual Fund:</b>				
<b>Debt Mutual Fund:</b>				
Birla Sun Life Plus Collection	12.66	0.05	12.66	0.05
HDFC Liquid Fund Post IPO Collection	35.39	1.66	18.15	0.80
<b>Total</b>		<b>1.71</b>		<b>0.84</b>

### 6. Other Non-Current Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Security Deposit	638.94	593.89
Others - Deposit with Drug Price Equalisation Account	1,032.45	1,032.45
<b>Total</b>	<b>1,671.39</b>	<b>1,626.34</b>

### 7. Other Non-Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Capital Advances	228.00	8.81
Balance with Government Authorities	518.06	94.36
<b>Total</b>	<b>746.06</b>	<b>103.17</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**8. Non-Current Tax Assets**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Tax and Tax deducted at source	74.63	511.09
<b>Total</b>	<b>74.63</b>	<b>511.09</b>

**9. Inventories**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Materials (Refer Note No. 40)	360.04	228.84
Packing Material (Refer Note No. 40)	311.13	259.06
Work-in-Progress	34.45	70.81
Finished Goods	250.21	135.25
<b>Total</b>	<b>955.83</b>	<b>693.96</b>

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 23.56 lakh (Previous year ₹ 38.07 lakh). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

**10. Trade Receivables**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured)</b>		
Considered Good	2,572.86	1,715.97
Considered Doubtful	35.48	34.50
Less: Provision for Expected Credit Loss	(35.48)	(34.50)
<b>Total</b>	<b>2,572.86</b>	<b>1,715.97</b>

**10.1 Trade receivables ageing :**
**As at 31st March, 2024**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	2,159.72	99.76	216.79	20.15	7.81	2,504.22
(ii) Disputed Trade receivables - considered good	-	-	-	-	104.12	104.12
<b>Total : Trade receivables</b>	<b>2,159.72</b>	<b>99.76</b>	<b>216.79</b>	<b>20.15</b>	<b>111.93</b>	<b>2,608.34</b>

**As at 31st March, 2023**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,405.81	197.10	47.87		11.09	1,661.87
(ii) Disputed Trade receivables - considered good	-	-		4.32	84.28	88.60
<b>Total : Trade receivables</b>	<b>1,405.81</b>	<b>197.10</b>	<b>47.87</b>	<b>4.32</b>	<b>95.37</b>	<b>1,750.47</b>

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 11. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(A) Cash and Cash Equivalents</b>		
Balances with Banks	11.64	50.39
Cash on hand	7.77	7.39
<b>(B) Bank Balances other than Cash and Cash Equivalents</b>		
Deposits with Banks (Rs 119.17 Lakhs Lien against Bank Gurantee)	569.17	811.79
<b>Total</b>	<b>588.58</b>	<b>869.57</b>

### 12. Current Loans

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Loan to Employees	4.92	7.44
Loan to Subsidiaries	219.00	554.00
<b>Total</b>	<b>223.92</b>	<b>561.44</b>

### 13. Other Current Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Deposits	32.56	21.94
Others	250.22	170.85
<b>Total</b>	<b>282.78</b>	<b>192.79</b>

### 14. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Advances	46.87	12.98
Prepaid Expenses	25.31	61.19
Balance with Government Authorities	288.49	120.86
<b>Total</b>	<b>360.68</b>	<b>195.03</b>

### 15. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	4,80,00,000	4,800.00	4,80,00,000	4,800.00
Redeemable Preference Shares of ₹ 100/- each	2,00,000	200.00	2,00,000	200.00
	<b>4,82,00,000</b>	<b>5,000.00</b>	<b>4,82,00,000</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Fully Paid</b>				
Equity Shares of ₹ 10/- each	3,30,90,000	3,309.00	3,06,90,000	3,069.00
Redeemable Preference Shares of ₹ 100/- each	1,08,570	108.57	1,08,570	108.57
<b>Total</b>	<b>3,31,98,570</b>	<b>3,417.57</b>	<b>3,07,98,570</b>	<b>3,177.57</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

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

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

During the year, Company has allotted 24,00,000 Equity shares to IPCA Laboratories Ltd at a price of Rs. 139.50 (including premium), hence equity capital and securities premium shall stand increased.

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Balance as at the beginning of the year	3,06,90,000	1,08,570	2,86,90,000	1,08,570
Add : Issued during the year	24,00,000	-	20,00,000	-
<b>Balance as at the end of the Year</b>	<b>3,30,90,000</b>	<b>1,08,570</b>	<b>3,06,90,000</b>	<b>1,08,570</b>

### 15.3 Details of Shares held by the shareholders holding more than 5% shares in the Company

Name of the shareholders	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares held	% of Shares	No of Shares held	% of Shares
<b>Equity Shares of ₹ 10/- each</b>				
IpcA Laboratories Limited	1,20,24,923	36.34%	96,24,923	31.36%
Nehal Narendra Gandhi	23,30,000	7.04%	22,65,082	7.38%
Kunal Narendra Gandhi	24,25,000	7.33%	10,69,152	3.48%
<b>10% Cumulative Redeemable Preference Shares</b>				
Dr. D. B. Parikh	1,08,570	100.00%	1,08,570	100.00%

### 15.4 Details of shares held by promoter / promoter group

Name of the promoter / promoter group	As at 31st March, 2024				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
<b>Equity Shares of ₹ 10/- each</b>					
Kunal Narendra Gandhi	10,69,152	13,55,848	24,25,000	7.33%	126.82%
Nehal Narendra Gandhi	22,65,082	64,918	23,30,000	7.04%	2.87%
Narendra Ishwarlal Gandhi HUF	13,50,000	(13,50,000)	-	0.00%	-100.00%
Enai Trading & Investment Pvt. Ltd.	9,93,827	6,173	10,00,000	3.02%	0.62%
Lyka Generics Limited	12,100	7,900	20,000	0.06%	65.29%
Bhawna Godha	6,000	-	6,000	0.02%	0.00%
Neetu Godha	10,000	-	10,000	0.03%	0.00%
Usha Premchand Godha	10,686	-	10,686	0.03%	0.00%
Premchand Godha	10,900	-	10,900	0.03%	0.00%
Pranay Godha	3,00,000	-	3,00,000	0.91%	0.00%
IpcA Laboratories Limited	96,24,923	24,00,000	1,20,24,923	36.34%	24.94%

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Name of the promoter / promoter group	As at 31st March, 2023				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Equity Shares of ₹ 10/- each					
Kunal Narendra Gandhi	10,18,376	50,776	10,69,152	3.48%	4.99%
Nehal Narendra Gandhi	11,57,453	11,07,629	22,65,082	7.38%	95.70%
Narendra Ishwarlal Gandhi	11,67,629	(11,67,629)	-	0.00%	-100.00%
Narendra Ishwarlal Gandhi HUF	14,00,776	(50,776)	13,50,000	4.40%	-3.62%
Enai Trading & Investment Pvt. Ltd.	9,93,827	-	9,93,827	3.24%	0.00%
Lyka Generics Limited (formerly known as Lyka Animal Healthcare Limited)	12,100	-	12,100	0.04%	0.00%
Bhawna Godha	6,000	-	6,000	0.02%	0.00%
Neetu Godha	10,000	-	10,000	0.03%	0.00%
Usha Premchand Godha	10,686	-	10,686	0.03%	0.00%
Premchand Godha	10,900	-	10,900	0.04%	0.00%
Pranay Godha	3,00,000	-	3,00,000	0.98%	0.00%
Ipca Laboratories Limited	76,24,463	20,00,460	96,24,923	31.36%	26.24%

### 16. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital Reserve	50.68	50.68
Securities Premium Account	15,441.97	12,333.97
General Reserve	625.30	625.30
Retained Earning	(10,400.80)	(10,180.07)
Money Received against Share Warrants (Refer Note No. 16.2)	906.75	1,743.75
<b>Total</b>	<b>6,623.91</b>	<b>4,573.63</b>

#### 16.1 Nature of Reserves:

##### Capital Reserves

The Capital reserve is created from the of forfeiture of equity warrants and receipts of subsidy for setting up the factories in backward areas for performing research on critical medicines for the betterment of the society.

##### Securities Premium

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

##### General Reserves

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

16.2 During the year ended 31st March 2023, the Company has issued 50,00,000 Warrants convertible into Equity Shares to Ipca Laboratories Ltd at a price of Rs. 139.50 per warrant, against which the Company has received 25% of the amount and shown under other equity, which will be converted within a period of 18 months from the date of allotment of warrants. During the year, Company has allotted 24,00,000 Equity shares to Ipca Laboratories Ltd, hence reduction in Money received against Share Warrants.

### 17. Non Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured Loan:</b>		
Term Loans from Banks (Refer Note No.17.1)	717.59	-
<b>Unsecured Loan:</b>		
10% Redeemable Preference Shares of ₹ 100/- each	108.08	107.76
Loans and Advances from related parties	3,465.00	6,232.50
<b>Total</b>	<b>4,290.67</b>	<b>6,340.26</b>

#### Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows :

- 17.1 a) Term Loan of Rs. 922.62 lakhs from Yes Bank Ltd. Repayable in 18 quarterly instalments starting from 30th April 2024. Interest @ EBLR + 2.10% p.a.
- b) Above Term Loan From Yes Bank LTD is secured by i) first charged by way of Hypothication on Plant Machineries ii) Second charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujrat.
- 17.2 108570 10% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up were issued on 30th September 2005 redeemable at the option of the company but not later than 20 years from the date of allotment.
- 17.3 Interst on Loan and Advances from related parties ranges between 10.50% p.a. to 10.65% p.a. (simple interest).

### 18. Other Non-current Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposit	113.83	85.83
Interest Accured and not Due on Borrowings	0.49	0.81
<b>Total</b>	<b>114.31</b>	<b>86.64</b>

### 19. Non Current Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Employee Benefits:</b>		
Provision for Leave Encashment	70.45	54.61
Provision for Gratuity	103.86	157.98
<b>Total</b>	<b>174.31</b>	<b>212.59</b>

### 20. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	372.56	398.88
<b>Total</b>	<b>372.56</b>	<b>398.88</b>



# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 20.1 Deferred Tax Assets / (Liabilities) in relation to:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
On Account of Property, Plant and Equipment	460.78	489.99
On Account of Section 43B Disallowances	(81.45)	(82.99)
On Account of IndAS Adjustments	(6.77)	(8.12)
<b>Total</b>	<b>372.56</b>	<b>398.88</b>

### 21. Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured Loans:</b>		
<b>From Bank</b>		
Loans repayable on demand (Secured Against Fixed Deposits with AU Small Finance Bank)	-	321.39
Loan repayable on demand (Refer note no. 21.1)	1,011.26	-
Current Maturities of Long-Term Borrowings (Refer Note No 21.1)	205.03	-
<b>Unsecured:</b>		
Loans and Advances from related parties	150.00	442.50
<b>Total</b>	<b>1,366.28</b>	<b>763.89</b>

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

- 21.1 a) Interest on Loans repayable on demand ranges from 5.40% p.a. to 9.25% p.a. ( simple Interest ).
- b) Above Loan from Yes Bank Ltd is secured by i) second charged by way of Hypothication on Plant Machinerics ii) Exclusive charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.
- 21.2 Interest on Loans from related parties ranges from 10.50% p.a. to 10.65% p.a. ( simple Interest ).

### 22. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	82.56	449.12
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,008.10	373.82
<b>Total</b>	<b>1,090.66</b>	<b>822.94</b>

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

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	25.45	232.15
Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount	0.26	2.65
Payment made to suppliers (Other than interest) beyond the appointed date, during the period	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act, 2006	NIL	NIL

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**22.2 Trade payables ageing :**

**As at 31st March, 2024**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	82.56	-	-	-	82.56
Others	969.50	3.79	3.64	31.17	1,008.11
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,052.06</b>	<b>3.79</b>	<b>3.64</b>	<b>31.17</b>	<b>1,090.66</b>

**As at 31st March, 2023**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	449.12	-	-	-	449.12
Others	270.45	0.70	7.68	94.99	373.82
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>719.57</b>	<b>0.70</b>	<b>7.68</b>	<b>94.99</b>	<b>822.94</b>

**23. Other Current Financial Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Current Maturities of Long-Term Debt :</b>		
Debentures - Privately Placed Non Convertible	13.00	13.00
Fixed Deposits	-	34.23
Interest Accrued and due	19.85	248.17
Employee dues	25.18	171.51
Payable Against Acquisition	23.17	86.23
<b>Creditors for:</b>		
Expenses	306.71	167.61
Capital Expenditure	56.54	8.47
Other Outstanding Liabilities	330.38	338.85
<b>Total</b>	<b>774.83</b>	<b>1,068.07</b>

**24. Other Current Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Other Payables:</b>		
Statutory dues	67.21	68.48
Advance from Customers	47.24	71.65
<b>Total</b>	<b>114.44</b>	<b>140.13</b>

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 25. Current Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Employee Benefits:</b>		
Provision for Bonus	27.06	28.24
Provision for Gratuity	88.83	64.43
Provision for Leave Encashment	33.44	24.49
<b>Total</b>	<b>149.34</b>	<b>117.16</b>

### 26. Revenue From Operations

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Sale of products	10,149.93	7,631.07
<b>Total</b>	<b>10,149.93</b>	<b>7,631.07</b>

### 27. Other Operating Revenue

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Processing charges received	213.72	226.85
Export Incentives	41.44	36.70
Royalty	59.65	64.22
Commission Income	-	61.54
Other Operating Income	174.89	38.88
<b>Total</b>	<b>489.70</b>	<b>428.19</b>

### 28. Other Income

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Interest from Banks on Deposits	35.29	88.98
Other Interest	74.92	132.27
Rent Received	9.30	14.92
Foreign Exchange Fluctuation	40.39	35.95
Miscellaneous Income	4.83	73.04
<b>Total</b>	<b>164.72</b>	<b>345.16</b>

### 29. Cost of material consumed

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Opening stock of raw material and packing material	487.91	733.09
Add: Purchases	3,397.57	2,062.39
Less: Closing stock of raw material and packing material	(671.17)	(487.91)
<b>Total</b>	<b>3,214.31</b>	<b>2,307.57</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade** (₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>As at the beginning of the year:</b>		
Finished Goods	135.25	46.56
Work-in-Progress	70.81	38.79
<b>Total Opening Stock (a)</b>	<b>206.05</b>	<b>85.34</b>
<b>As at the end of the year:</b>		
Finished Goods	250.21	135.25
Work-in-Progress	34.45	70.81
<b>Total Closing Stock (b)</b>	<b>284.66</b>	<b>206.05</b>
<b>Net (increase) / decrease in Finished Goods, work-in-progress and stock in trade(a)-(b)</b>	<b>(78.61)</b>	<b>(120.71)</b>

**31. Employee Benefit Expenses** (₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Salaries and Wages	2,313.65	1,522.72
<b>Contribution to Provident and Other Funds</b>		
Provident / ESI Fund	118.28	79.38
Provision for Gratuity	38.77	33.99
Provision for Leave Encashment	21.00	17.29
Staff Welfare Expenses	109.75	94.92
<b>Total</b>	<b>2,601.46</b>	<b>1,748.30</b>

**32. Finance Costs** (₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>Interest Expenses on:</b>		
<b>Borrowings From Banks:</b>		
Working Capital	25.42	29.82
<b>Borrowing Others:</b>		
Bill Discounting Charges	-	2.33
Bank Charges	11.01	10.44
Term Loans	-	38.44
Other	443.36	1,075.98
<b>Total</b>	<b>479.79</b>	<b>1,157.00</b>

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 33. Other Expenses

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Consumption of Stores and Spare Parts	33.99	31.36
Power and Fuel	391.63	356.95
Processing Charges	4.29	34.24
Rent Including Lease Rentals	165.46	144.64
Repairs and Maintenance - Buildings	23.73	25.69
Repairs and Maintenance - Machinery	102.69	103.43
Repairs and Maintenance - Others	33.74	35.71
Insurance	28.58	29.73
Rates and Taxes	13.84	24.36
Commission & Discount	140.50	21.47
Communication Expenses	6.63	7.33
Travelling and Conveyance	347.38	169.08
Advertisement and Sales Promotion	110.26	22.48
Legal and Professional Charges	178.08	191.08
Payments to Auditors (Refer Note No.50)	19.50	19.50
Factory Expenses	54.29	50.41
Fees & Subscription	30.45	63.20
Security Service Expenses	41.33	33.12
Laboratory Chemicals & Expenses	196.56	222.71
Printing & Stationery	37.32	17.16
Miscellaneous Expenses	119.39	76.86
ECL Provision Expenses	0.98	12.13
Directors Fees	10.10	11.90
Freight & Forwarding	197.25	140.12
<b>Total</b>	<b>2,287.95</b>	<b>1,844.63</b>

### 34. Exceptional Items

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Sales Tax Paid / GST Paid /Provided on earlier year assessment	5.51	10.11
Other Balance / Claims Written Off / Written Back	-	12.61
Loss on Sale of Non Operative Fixed Assets	-	683.61
Loss on Sale of Motor Car	-	3.26
Fixed Assets Discarded	-	7.83
<b>Total</b>	<b>5.51</b>	<b>717.41</b>

**35. Estimated amounts of commitments remaining to be executed as on 31st March, 2024 are as follows:**  
(₹ In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Against Purchase of Capital Goods	<b>901.95</b>	257.74
Against Purchase of RM and PM	<b>171.53</b>	48.27
<b>Total</b>	<b>1,073.48</b>	306.01

**36. Contingent Liabilities are not provided for in respect of following:**

- (i) Demands were raised against the Company aggregating to ₹ 680.62 Lakhs (as at 31st March 2023 ₹ 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Company. In the earlier years, the Company had received recovery notices for recovery of ₹ 2,094.41 Lakhs (as at 31st March 2023 ₹ 2,094.41 Lakhs) to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Company depositing certain amounts against the said demands. Accordingly, the Company has deposited ₹ 1,032.45 Lakhs (as at 31st March 2023 ₹ 1,032.45 Lakhs).

The Company expects favourable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Company as good and recoverable.

- (ii) (a) The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of ₹ 1,324.08 Lakhs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to ₹ 85.44 Lakhs (as at 31st March 2023 ₹ 85.44 Lakhs) against which Company has made payment of ₹ 45.81 Lakhs (as at 31st March 2023 ₹ 45.81 Lakhs) under protest. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of ₹ 45.81 Lakhs (as at 31st March 2023 ₹ 45.81 Lakhs) are considered by the Company as good and recoverable.
- (b) There are disputed Sales Tax demands from state of Maharashtra in respect of prior years amounting to ₹ 412.41 Lakhs (as at 31st March 2022 ₹ 412.41 Lakhs) against which the Company has made payment of ₹ 20.78 Lakhs (as at 31st March 2023 ₹ 20.78 Lakhs) under protest. The Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of ₹ 20.78 Lakhs for the Maharashtra state demand (as at 31st March 2023 ₹ 20.78 Lakhs) are considered by the Company as good and recoverable.
- (iii) The Company has received orders from Income Tax Department raising demands aggregating to ₹ 313.90 Lakhs (as at 31st March 2023 ₹ 463.91 Lakhs) relating to prior years against which the Company has paid ₹ 15.44 Lakhs (as at 31st March 2023 ₹ 15.44 Lakhs). The matter is sub-judice and the payment of ₹ 15.44 Lakhs (as at 31st March 2023 ₹ 15.44 Lakhs) is considered by the Company as good and recoverable.
- (iv) Employees (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to ₹ 433.66 Lakhs (as at 31st March 2023 ₹ 433.66 Lakhs) as the matter is sub-judice.
- (v) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to ₹ 200.86 Lakhs (as at 31st March 2023 ₹ 190.00 Lakhs).

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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- (vi) The Company has received order from Income Tax Department raising demand aggregating to ₹ 100.76 Lakhs (as at 31st March 2023 ₹ 100.76 Lakhs) relating to prior years against which the Company has paid ₹ 20.00 Lakhs (as at 31st March 2023 ₹ 20.00 Lakhs). The matter is sub-judice and the payment of ₹ 20.00 Lakhs (as at 31st March 2023 ₹ 20.00 Lakhs) is considered by the Company as good and recoverable.
- (vii) A legal cases is ongoing against the Company at the Metropolitan Magistrate Court in Mazgaon. The case involves a cheque bounce complaint filed under Section 138 of the Negotiable Instruments Act (NI Act).

The complainant requested interim compensation (partial payment) from the court under Section 143-A of the NI Act. This section empowers the Ld. Court to award temporary compensation while the main case continues. The Ld. Court approved the complainant's request and ordered the Company to pay 20% of the cheque amount being the subject matter of the Complaint as interim compensation. The Company has complied the order dated 04/01/2022 making the payment for an aggregating amount of ₹124.26 Lakhs (as of 31st March 2024). The main Complaint is pending and sub-judice. Lyka labs Limited is seriously contesting the matters. Despite the interim payment, the Company believes this amount is recoverable.

A Suit (commercial summary suit) has been filed against the Company in the Mumbai City Civil Court. The Ld. Court ordered the Company to deposit ₹22 Lakhs (as of 31st March 2024) to be allowed to defend the case. In compliance of the order and to defend their case the Company has made the required deposit of ₹ 22 Lakhs (as of 31st March 2024). The matter is pending and sub-judice. The company considers this amount is recoverable on disposal of the Suit.

### 37 Fixed Deposits:

During the year, the Holding Company has repaid deposits that were claimed aggregating to ₹ 31.12 Lakhs and transferred to IEPF ₹ 3.11 lakhs. The balance of unclaimed deposits ₹ Nil (as at 31st March 2023 ₹ 34.23 Lakhs).

### 38 Debentures:

Debenture of ₹ 13.00 Lakhs (as at 31st March 2021 ₹ 13.00 Lakhs) is outstanding due to cheques returned undelivered / Unclaimed.

### 39 Capital Expenditure:

- (i) Tangible Project Capital Work-in-Progress ₹ 2,197.17 Lakhs as at 31st March 2024, (as at 31st March 2023 ₹ 1,510.37 Lakhs) includes allocable indirect expenditure in respect of modernization/ expansion of Ankleshwar unit aggregating to ₹ 700.04 Lakhs (as at 31st March 2023 ₹ 114.83 Lakhs) which is pending allocation to Fixed Assets on completion of the project.
- (ii) The Company has incurred direct expenditure and allocable indirect expenditure up to 31st March 2024 in respect of "new product development and applied research" aggregating to ₹ 108.09 Lakhs (as at 31st March 2023 ₹ 112.28 Lakhs) which is carried forward under "Capital Work in Progress – Intangibles", to be recognized as "Self-Generated Intangible Assets" upon successful development of respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned.

During the year, the Company has capitalized ₹ 3.75 Lakhs (as at 31st March 2023 ₹ 46.78 Lakhs) as "Self-Generated Intangible Assets" upon successful development of respective products.

- 40 During the year, inventories include slow / non-moving raw-material and packing materials procured during the earlier years amounting to ₹ 48.39 Lakhs (as at 31st March 2023 ₹ 88.84 Lakhs), which are valued at lower of net realisable value or cost whichever is lower. The Company is evaluating to utilize / realize the same.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**41 Employment and Retirement Benefits**

- (i) The actuarial valuation of the present value of the defined benefit obligation in respect of Gratuity has been carried out as at 31st March, 2024. The following tables set out the amounts recognized in the financial statements as at 31st March, 2024 for the defined benefit plans.

(₹ in lakhs)

Sr. No	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>a)</b>	<b>Liability recognized in Balance Sheet</b>		
	Change in Benefit Obligation		
	Opening Balance of Present Value of Obligations	262.90	249.36
	Service Cost	20.86	17.12
	Interest Cost	20.93	17.70
	Liability Transferred In / Acquisitions	17.64	17.06
	Actuarial Loss / (Gain) on Obligations	(5.31)	6.27
	Benefits Paid	(31.49)	(44.61)
	<b>Closing Balance of Present Value of Obligations</b>	<b>285.53</b>	<b>262.90</b>
	<b>Less : Fair Value of Plan Assets</b>		
	Opening Balance of Plan Assets	40.48	14.55
	Expected Return on Plan assets	(3.02)	1.03
	Employer's Contribution	48.48	24.91
	Return on plan assets, excluding amount recognised in net interest expenses	0.86	(0.01)
	<b>Closing Balance of Plan Assets</b>	<b>86.80</b>	<b>40.48</b>
	<b>Net Liability</b>	<b>198.73</b>	<b>222.42</b>
<b>b)</b>	<b>Expense during the year</b>		
	Service Cost	20.86	17.12
	Interest Cost	17.91	17.70
	Expected Return on Plan Assets	-	(1.03)
	Actuarial Loss / (Gain) on Obligations	(6.17)	6.28
	<b>Total</b>	<b>32.60</b>	<b>40.07</b>
<b>c)</b>	<b>Principle Actuarial Assumptions</b>		
	Rate of Discounting	7.19%	7.46%
	Rate of Return on Plan Assets	7.19%	7.46%
	Salary Growth Rate	5.00%	5.00%



# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- (ii) The actuarial valuation of the present value of the defined benefit obligation in respect of Compensated Absence Liabilities has been carried out as at 31st March, 2024. The following tables set out the amounts recognized in the financial statements as at 31st March, 2024 for the defined benefit plan.

(₹ in lakhs)

Sr. No	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>a)</b>	<b>Liability recognized in Balance Sheet</b>		
	Change in Benefit Obligation		
	Opening balance of present value of obligations	99.75	91.23
	Service Cost	18.11	12.16
	Interest Cost	7.44	6.48
	Liability Transferred In / Acquisitions	6.06	2.98
	Actuarial (Gain) on Obligations	16.26	(0.56)
	Benefits Paid	(13.57)	(12.55)
	<b>Closing balance of present value of obligations</b>	<b>134.05</b>	<b>99.75</b>
	<b>Less : Fair Value of Plan Assets</b>		
	Opening Balance of Plan Assets	20.64	16.58
	Expected Return on Plan Assets	1.63	1.16
	Employer's Contribution	7.89	2.90
	Return on plan assets, excluding amount recognised in net interest expenses	-	-
	Adjustment to the Opening Value of Plan Assets	-	-
	<b>Closing Balance of Plan Assets</b>	<b>30.16</b>	<b>20.64</b>
	<b>Net Liability</b>	<b>103.89</b>	<b>79.11</b>
<b>b)</b>	<b>Expense during the year</b>		
	Service Cost	18.11	12.16
	Interest Cost	7.44	6.48
	Expected Return on Plan Assets	(1.63)	(1.16)
	Actuarial (Gain) / Loss on Obligations	16.26	(0.56)
	Return on plan assets, excluding amount recognised in net interest expenses	-	-
	<b>Total</b>	<b>40.19</b>	<b>16.92</b>
<b>c)</b>	<b>Principel Actuarial Assumptions</b>		
	Rate of Discounting	7.19%	7.46%
	Rate of Return on Plan Assets	7.19%	7.50%
	Salary Growth Rate	5.00%	5.00%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Defined Benefit Obligation (Base)	285.52	262.90

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	295.88 3.6%	276.02 -3.3%	273.41 4.0%	253.22 -3.7%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	276.6 -3.1%	295.1 3.4%	249.2 -5.2%	268.5 2.1%
Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity)	284.30 -0.4%	286.91 0.5%	260.00 -1.1%	268.89 2.3%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### 42. Assets taken on operating lease:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	97.17	90.55
Later than one year but not later than five years	170.05	267.23
<b>Total</b>	<b>267.23</b>	<b>357.78</b>

### 43. Segment Disclosures

#### (a) Segment information for primary segment reporting (by business segments):

Based on guiding principles given in the Indian Accounting standard on 'Operating Segments' (IndAS-108), the primary segment of the Company is business segment, which comprises of pharmaceutical products/ pharma related services. As the Company operates in a single primary business segment, no segmental information thereof is given.

#### (b) Segment information for secondary segment reporting (by geographical segments)

The Board of Directors evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments.

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Revenue by Geography</b>		
India	6,336.95	3,749.80
Rest of world	3,812.98	3,881.27
<b>Total</b>	<b>10,149.93</b>	<b>7,631.07</b>

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 44. Disclosure of related parties/ related party transactions pursuant to Ind AS 24 “Related Party Disclosures” :

#### (a) List of related parties over which control exist and status of transactions entered during the year :

Sr. No.	Name of the Related Party	Relationship
1	Lyka BDR International Limited Lyka Export Limited	Subsidiaries
2	Ipca Laboratories Limited Resonance Specialities Limited Makers Laboratories Limited Trophic Wellness Private Limited	Entity Exercising Significant Influence
3	Mr. Kunal Gandhi - Managing Director & Chief Executive Officer Mr. Yogesh Shah - Executive Director & Chief Financial Officer Mr. Kishore P. Shah - Company Secretary & Compliance officer Mrs. Dhara P. Shah - Independent Director Mr. Sandeep. P. Parikh - Independent Director (upto 25th September 2023) Mr. Babu Lal Jain - Chaiman & Independent Director Mr. Prashant Godha - Non Executive Director Mr. Shashil Mendonsa - Non Executive Director Mr. Neeraj Golas - Independent Director (from 16th January 2024) Mr. Vinod. S. Shanbhag - Independent Director (upto 1st August 2022) Mr. Piyush G. Hindia - Company Secretary (upto 8th November 2022)	Key Management Personnel (KMP)
4	Mrs. Nehal N. Gandhi	Relative of KMP
5	Enai Trading & Investment Private Limited Lyka Generics Limited Hiralaxmi Business Finance Private Limited	Entities owned by / over which KMP is able to exercise significant influence

#### (b). Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Description	Subsidiaries	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
1	Sale of Goods & Services	49.16 (367.93)	1857.84 (1,510.35)	- -	- -	- -	1,907.00 (1,878.28)
2	Purchases of Goods / Machinery	- -	- (34.80)	- -	- -	144.93 (48.49)	144.93 (83.29)
3	Purchases of Service	- -	- (0.07)	- -	- -	- -	- (0.07)
4	Rent Expenses	- -	- -	18.00 (9.00)	18.00 (9.00)	31.50 (31.50)	67.50 (49.50)
5	Rent Income	9.30 (14.92)	- -	- -	- -	- -	9.30 (14.92)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(₹ in lakhs)

Sr. No.	Description	Subsidiaries	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
6	Other Income	(1.08)	-	-	-	-	-
			-	-	-	-	(1.08)
7	Remuneration (Payments / Provisions) to	-	-	305.92	-	-	305.92
		-	-	(194.03)	-	-	(194.03)
8	Commission Income	(61.54)	-	-	-	-	-
			-	-	-	-	(61.54)
9	Directors Sitting Fees	-	-	10.10	-	-	10.10
		-	-	(11.90)	-	-	(11.90)
10	Interest Income	25.05	-	-	-	-	25.05
		(15.42)	-	-	-	-	(15.42)
11	Interest Expenses	-	345.01	-	41.76	52.72	439.49
		-	(948.15)	(2.45)	(57.48)	(44.88)	(1,052.97)
12	Loan Received	-	-	-	477.82	170.00	647.82
		-	(9,800.00)	(10.00)	-	(188.00)	(9,998.00)
13	Loan Repaid	-	3,050.00	-	467.82	190.00	3,707.82
		-	(10,500.00)	(50.00)	(300.00)	(183.00)	(11,033.00)
14	Loan Given	298.00	-	-	-	-	298.00
		(662.35)	-	-	-	-	(662.35)
15	Loan (Principle) Received Back	633.00	-	-	-	-	633.00
		(108.35)	-	-	-	-	(108.35)
16	Issue of Equity Shares	-	240.00	-	-	-	240.00
		-	(200.00)	-	-	-	(200.00)
17	Issue of Security Premium	-	3108.00	-	-	-	3,108.00
		-	(2,590.00)	-	-	-	(2,590.00)
18	Issue of Share Warrant	-	-	-	-	-	-
		-	(1,743.75)	-	-	-	(1,743.75)

( ) indicate previous year figures

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (c) Balance for the year ended

(₹ in lakhs)

Sr. No.	Description	Subsidiaries	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
1	Security Deposit given	- -	- -	251.25 (251.25)	251.25 (251.25)	- -	502.50 (502.50)
2	Security Deposit Received	13.95 (13.95)	- -	- -	- -	- -	13.95 (13.95)
3	Loan Given	219.00 (554.00)	- -	- -	- -	- -	219.00 (554.00)
4	Loan Taken	- -	2750.00 (5,800.00)	- -	385.00 (375.00)	480.00 (500.00)	3,615.00 (6,675.00)
5	Sundry Debtors	110.24 (43.11)	170.84 (50.75)	- -	- -	- -	281.08 (93.86)
6	Sundry Creditors	- -	- -	- -	- -	87.89 (2.58)	87.89 (2.58)
7	Other Payable (Interest)	- -	- (217.15)	- -	3.08 (7.33)	3.96 (3.66)	7.04 (228.13)
8	Other Payable (Remuneration)	- -	- -	- (9.94)	- -	- -	- (9.94)
9	Other Receivable (Interest)	5.34 (3.69)	- -	- -	- -	- -	5.34 (3.69)
10	Investments	3,240.30 (3,240.30)	- -	- -	- -	- -	3,240.30 (3,240.30)

( ) Indicate previous year figures

Note : Related party information is as identified by the Company and relied upon by the Auditor.

### 45. Earnings per Share (EPS):

Particulars	As at 31st March, 2024	As at 31st March, 2023
Adjusted (Loss)/Profit for the year (₹ in lakhs) (A)	<b>(237.76)</b>	(1,339.54)
Weighted Average number of Equity Shares (B)	<b>3,29,78,525</b>	2,87,83,151
Face Value per Equity Share (₹) (C)	<b>10.00</b>	10.00
Basic and Diluted Earnings per Share (₹) (D = A/B)	<b>(0.72)</b>	(4.65)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**
**46. Taxation :**
**Deferred Tax :**

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2024 and 31st March 2023.

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before tax (after exceptional items)	(93.25)	(1,320.86)
At India's statutory income tax rate of 25.168% (P.Y. 25.168%)	(23.47)	(332.43)
Deferred Tax impact on:		
On Account of Property, Plant and Equipment	(29.21)	(218.44)
On Account of Section 43B Disallowances	1.54	208.60
On Account of IndAS Adjustments	1.35	(3.04)
Less: Deferred Tax Assets not recognised in current year	(23.47)	(332.43)
Income tax expenses reported in the Statement of Profit and loss	(26.32)	(12.88)

**47. Disclosures on Financials Instruments**
**(a) Financial Instruments by category**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2024.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost / Amotrised Cost	Total Carrying Amount
<b>Financial Assets</b>				
Investment in subsidiaries		-	3,240.30	3,240.30
Other Investments		1.71	-	1.71
Other Financial Assets		-	1,954.17	1,954.17
Trade Receivables		-	2,572.86	2,572.86
Loans		-	223.92	223.92
<b>Total</b>	-	1.71	7,991.25	7,992.96
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	889.15	889.15
Borrowings	-	-	5,656.96	5,656.96
Trade Payable	-	-	1,090.66	1,090.66
<b>Total</b>	-	-	7,636.77	7,636.77

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2023.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost / Amotrised Cost	Total Carrying Amount
<b>Financial Assets</b>				
Investment in subsidiaries	-	-	3,240.30	3,240.30
Investment	-	0.84	-	0.84
Other Financial Assets	-	-	1,819.13	1,819.13
Trade Receivables	-	-	1,715.97	1,715.97
Loans	-	-	561.44	561.44
<b>Total</b>	-	0.84	7,336.83	7,337.68
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	1,154.71	1,154.71
Borrowings	-	-	7,104.15	7,104.15
Trade Payable	-	-	822.94	822.94
<b>Total</b>	-	-	9,081.79	9,081.79

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (b) Fair value hierarchy

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:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

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

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required:

(₹ in lakhs)

Particulars	As at 31st March, 2024			Total
	Fair Value Measurement Using			
	Quoted Price in active markets	Significant observable input	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
Assets measured at fair value				
FVTPL financial investments				
Mutual Funds	-	1.71	-	1.71
<b>Total</b>	-	1.71	-	1.71

(₹ in lakhs)

Particulars	As at 31st March, 2023			Total
	Fair Value Measurement Using			
	Quoted Price in active markets	Significant observable input	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
Assets measured at fair value				
FVTPL financial investments				
Mutual Funds	-	0.84	-	0.84
<b>Total</b>	-	0.84	-	0.84

### (c) Valuation technique to determine fair value

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

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

**(d) Financial risk management objectives**

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks with a six monthly rolling basis due to which a natural hedge exist. TMG advises on financial risks and the appropriate financial risk governance framework for the Company and provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company's policy is not to trade in derivatives for speculative purposes.

**Market Risk**

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

**Foreign currency risk management**

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

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

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

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

Particulars	Currency	As at 31st March, 2024	As at 31st March, 2023
Trade Receivable	USD \$	12,12,481.46	9,10,694.51
Trade Receivable - Advance	USD \$	(10,590.54)	(5,292.04)
Trade Payable	USD \$	(1,17,200.00)	(40,000.00)
Net Exposure (\$)	USD \$	10,84,690.92	8,65,402.47
Trade Receivable	EURO €	-	-
Trade Receivable - Advance	EURO €	-	(2,771.28)
Net Exposure (€)	EURO €	-	(2,771.28)
Trade Payable	JPY ¥	(10,23,000.00)	(10,23,000.00)
Net Exposure (¥)	JPY ¥	(10,23,000.00)	(10,23,000.00)

The company's exposure to foreign currency changes for all other currencies is not material.

The Company has entered into various derivatives transactions, which are not intended for trading or sepculative purpose but to hedge the exports receivables included in above and future receivables.



# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### Foreign currency sensitivity analysis

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

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Impact on profit before tax</b>		
INR / USD - Increase by 5%	2.02	1.80
INR / USD - Decrease by 5%	(2.02)	(1.80)

### Interest rate risk management

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

### Interest rate sensitivity

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

Particulars	Increase / Decrease	Change in interest rate	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expense	Increase	100 basis point	4.58	10.53
	Decrease	100 basis point	(4.58)	(10.53)

### (e) Credit risk

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

#### Trade Receivable

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

#### Financial instruments and cash deposits

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

#### Liquidity risk

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

(₹ in lakhs)

Particulars	Year	Less than 1 Year	More than 1 Year	Total
<b>Financial Liabilities</b>				
Trade Payable	31st March 2024	1,052.06	38.61	<b>1,090.66</b>
	31st March 2023	719.57	103.37	<b>822.94</b>
Borrowings	31st March 2024	1,366.28	4,290.66	<b>5,656.95</b>
	31st March 2023	763.89	6,340.26	<b>7,104.15</b>
Other Financial Liabilities	31st March 2024	774.83	114.31	<b>889.14</b>
	31st March 2023	1,068.08	86.64	<b>1,154.71</b>

### (f) Excessive risk concentration

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

### 48. Capital Management

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

### 49. Derivatives Financial Instruments

The details of outstanding foreign exchange forward contracts and other derivatives designated as cash flow hedges:

Particulars	Currency	As at 31st March, 2024	As at 31st March, 2023
<b>Forward Contracts - Exports</b>	<b>USD</b>	<b>9,75,000.00</b>	<b>-</b>

The foreign exchange forward contracts mature within one year or more. The table below shows the derivative financial instruments into relevant maturity grouping based on the remaining period as at Balance Sheet Date:

Particulars	Currency	As at 31st March, 2024	As at 31st March, 2023
<b>Forward Contracts - Exports</b>			
Not later than one months	<b>USD</b>	-	-
Later than one month and not later than three months	<b>USD</b>	-	-
Later than three months and not later than one year	<b>USD</b>	<b>9,75,000.00</b>	-

# Lyka Labs Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 50 Payments to Auditors :

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i)	Audit Fees	16.00	16.00
(ii)	GST Compliance Fees	3.50	1.25
(iii)	Tax Audit Fees	3.50	3.50
(iv)	For other services (certification work etc.)	1.38	2.70
(v)	Due Dilligenec Fees	2.50	3.00
	<b>Total</b>	<b>26.88</b>	26.45

### 51 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) Company has created various charges in favour of Banks, Financial Institutions and Others for securing loan to the Company. The Company is in process of satisfaction of Charges and filing with the Registrar of Companies, Ahamadabad in respect of which dues are settled.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

**52 Ratio Analysis**

Sr. No.	Ratio	As at 31st March, 2024	As at 31st March, 2023	% change	Reason for variance
1	Current Ratio	1.39	1.41	-1.26%	
2	Debt Equity Ratio	0.60	0.98	-38.52%	Ratio improved due to Repayment of Loans during the year and Issue of Equity Shares.
3	Interest Coverage Ratio	0.80	-0.14	-668.03%	EBIT is higher in current year & reduction in finance cost.
4	Return on Equity Ratio	-0.03	-0.22	-88.23%	Loss for the year is less than previous year, hence ratio has improved.
5	Inventory Turnover Ratio	5.68	4.32	31.64%	Inventory increased in line with turnover.
6	Trade Receivables Turnover Ratio	4.73	4.39	7.76%	
7	Trade Payables Turnover Ratio	4.90	3.86	26.91%	Trade payable increased in line with material consumption
8	Net Capital Turnover Ratio	7.21	6.19	16.42%	
9	Net Profit Ratio	-2.24%	-17.41%	-87.13%	Loss for the year is less than previous year, hence ratio has improved.
10	Return on Capital employed	2.39%	-1.06%	-324.90%	Profit for the year is higher than previous year & increased in net worth.
11	Return on Investment	5.11%	7.66%	-33.32%	Fixed Deposits are matured in 2nd Qtr & new FD created from 3rd quarter hence average return on Investment is lower.

53. The Company has regrouped / reclassified the previous years figures in order to confirm to the figures of the current year.

In terms of our report of even date,

For and on behalf of the Board of Directors of Lyka Labs Limited

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Prashant Godha**

Director

DIN : 00012759

**Mehul N. Patel**

Partner

Membership No. 132650

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

**Kishore P. Shah**

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 21st May, 2024

Place : Mumbai

Date : 21st May, 2024

**CONSOLIDATED  
FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Lyka Labs Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Lyka Labs Limited** (herein after referred as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of 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 Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, and their consolidated loss, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 the provisions of the Act and the Rules made there under, 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.

#### Key Audit Matters

Key audit matters 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. There are no key audit matters to be disclosed.

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

The Holding 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, Shareholders' Information, but does not include the consolidated financial statements, standalone 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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### **Management Responsibility for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the 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 are responsible for overseeing the financial reporting process of the Group.

### **Auditor's 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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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.

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 have audited the financial statements and other financial information in respect of two Subsidiaries whose financial statements reflect total assets of Rs. 976.97 lakhs as at 31st March, 2024, total revenues of Rs. 576.70 lakhs, and net cash outflow amounting to Rs. 295.22 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by us whose reports have been furnished by us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on the reports furnished by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary as noted in the 'other matter' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on 31st March, 2024 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 with reference to financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2024 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of the subsidiaries as noted in the "Other matter" paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2024 on the consolidated financial position of the Group– Refer Note 36 to the consolidated financial statements.
  - ii. The Group has made provision as required under the applicable Law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31st March, 2024.
  - iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Holding Company have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per statutory requirements.

And in case of two Subsidiaries incorporated in India which have been audited by us, we have observed that the feature of recording audit trail (edit log) facility of the accounting software used for maintaining general ledger was not enabled for the year ended 31st March, 2024.

- 2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports

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

**Mehul N. Patel**  
**Partner**  
Membership No. 132650  
UDIN: 24132650BKBIHD9154

Place: Mumbai  
Date: May 21, 2024

# Lyka Labs Limited

## INDEPENDENT AUDITOR'S REPORT (Cont....)

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### Annexure - A

#### To the Independent Auditor's Report on the Consolidated Ind AS Financial Statements of Lyka Labs Limited

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

We have audited the internal financial controls over financial reporting of **Lyka Labs Limited** ("the Company") as of 31st March, 2024 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the year ended on that date.

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

The respective Board of Directors of the Companies included in the Group, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the 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 Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 adequate internal financial controls with reference to 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 control system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial control system with reference to financial statements.

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

A company's internal financial controls with reference to financial statements 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 controls with reference to 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 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



## **INDEPENDENT AUDITOR'S REPORT (Cont....)**

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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 with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, the Group, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

**Mehul N. Patel**  
Partner  
Membership No. 132650  
UDIN: 24132650BKBIHD9154

Place: Mumbai  
Date: May 21, 2024

# Lyka Labs Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	4,687.01	4,856.51
(b) Capital Work- In- Progress	3	2,197.17	1,510.37
(c) Intangible Assets	4	1,082.90	1,953.06
(d) Intangible Assets Under Development	4	108.09	112.28
(e) Financial Assets			
(i) Investments	5	7.47	3.99
(ii) Other Financial Assets	6	1,675.53	1,630.48
(f) Other Non Current Assets	7	746.06	103.17
(g) Non Current Tax Assets	8	102.97	562.04
		<b>10,607.20</b>	<b>10,731.90</b>
<b>Current Assets</b>			
(a) Inventories	9	957.18	695.43
(b) Financial Assets			
(i) Investments	5	1.71	0.84
(ii) Trade Receivables	10	2,699.25	2,012.57
(iii) Cash and Cash Equivalents	11	594.88	1,171.08
(iv) Loans	12	5.66	8.18
(v) Other Financial Assets	13	341.18	255.05
(c) Other Current Assets	14	465.36	277.23
		<b>5,065.22</b>	<b>4,420.38</b>
		<b>15,672.42</b>	<b>15,152.28</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15	3,309.00	3,069.00
(b) Other Equity	16	3,506.43	1,475.06
<b>Equity attributable to owners of the company</b>		<b>6,815.43</b>	<b>4,544.06</b>
(c) Non-controlling Interest	16	11.11	23.01
		<b>6,826.54</b>	<b>4,567.07</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	4,290.67	6,378.85
(ii) Lease Liabilities		125.84	208.06
(iii) Other Financial Liabilities	18	100.36	93.69
(b) Provisions	19	182.22	243.79
(c) Deferred Tax Liabilities (net)	20	382.76	401.02
		<b>5,081.86</b>	<b>7,325.41</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,366.28	791.63
(ii) Lease Liabilities		82.22	84.45
(iii) Trade Payables due to :			
- Micro and Small Enterprise	22	103.22	453.21
- Other than Micro and Small Enterprise	22	1,107.06	487.35
(iv) Other Financial Liabilities	23	828.13	1,150.71
(b) Other Current Liabilities	24	125.47	172.01
(c) Provisions	25	151.63	120.44
		<b>3,764.02</b>	<b>3,259.80</b>
		<b>15,672.42</b>	<b>15,152.28</b>
<b>Total Equity and Liabilities</b>			
<b>See accompanying notes to the consolidated financial statements</b>			

In terms of our report of even date,

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

**Mehul N. Patel**  
Partner  
Membership No. 132650

Place : Mumbai  
Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited

**Kunal Gandhi**  
Managing Director & CEO  
DIN : 01516156

**Yogesh Shah**  
Executive Director & CFO  
DIN : 06396150

Place : Mumbai  
Date : 21st May, 2024

**Prashant Godha**  
Director  
DIN : 00012759

**Kishore P. Shah**  
Company Secretary & Compliance Officer



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024** (₹ in lakhs)

Particulars	Notes	For the Year Ended 31 <sup>st</sup> March, 2024	For the Year Ended 31 <sup>st</sup> March, 2023
<b>INCOME</b>			
Income from Operations	26	10,513.23	8,833.90
Other Operating Income	27	606.23	473.38
		11,119.46	9,307.27
Other Income	28	145.47	340.10
<b>Total Income</b>		<b>11,264.93</b>	<b>9,647.38</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	29	3,214.31	2,307.57
Purchases of Stock-in-Trade		1,349.36	1,568.69
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	30	(78.50)	(120.81)
Employee Benefits Expense	31	2,676.54	1,860.51
Finance Costs	32	489.09	1,187.03
Depreciation and Amortization Expense	3 & 4	1,280.18	1,414.73
Other Expenses	33	2,386.27	2,007.33
<b>Total Expenses</b>		<b>11,317.25</b>	<b>10,225.05</b>
<b>Profit / (Loss) before Exceptional items</b>		<b>(52.32)</b>	<b>(577.67)</b>
Exceptional items	34	41.06	739.44
<b>Profit / (Loss) before tax</b>		<b>(93.38)</b>	<b>(1,317.11)</b>
<b>Tax Expense:</b>			
Current Tax / Earlier year Tax		186.93	20.45
Deferred Tax		(18.26)	(22.32)
<b>Profit / (Loss) for the year</b>		<b>(262.05)</b>	<b>(1,315.24)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans (net of tax)		7.06	(3.63)
Fair Value Changes of Investments in Equity Shares		3.48	3.09
<b>Total Other Comprehensive Income (Net of Tax) - Net Credit / (Charge)</b>		<b>10.54</b>	<b>(0.54)</b>
<b>Total Comprehensive Income for the year</b>		<b>(251.51)</b>	<b>(1,315.78)</b>
<b>Total Comprehensive Income attributable to:</b>			
Owners of the Parent		(239.62)	(1,323.54)
Non-controlling Interest		(11.90)	7.76
<b>(Loss) attributable to:</b>			
Owners of the Parent		(248.94)	(1,321.19)
Non-controlling Interest		(13.12)	5.94
<b>Other Comprehensive Income attributable to: Remeasurement of defined benefit plans (net of tax)</b>			
Owners of the Parent		6.79	(4.62)
Non-controlling Interest		0.27	0.98
<b>Other Comprehensive Income attributable to: Fair Value Changes of Investments in Equity Shares</b>			
Owners of the Parent		2.54	2.25
Non-controlling Interest		0.94	0.84
<b>Earnings per share (of Rs. 10/- each):</b>			
Basic / Diluted	45	(0.79)	(4.63)

**See accompanying notes to the consolidated financial statements**

In terms of our report of even date,

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

**Mehul N. Patel**  
Partner  
Membership No. 132650

Place : Mumbai  
Date : 21st May, 2024

For and on behalf of the Board of Directors of Lyka Labs Limited

**Kunal Gandhi**  
Managing Director & CEO  
DIN : 01516156

**Yogesh Shah**  
Executive Director & CFO  
DIN : 06396150

Place : Mumbai  
Date : 21st May, 2024

**Prashant Godha**  
Director  
DIN : 00012759

**Kishore P. Shah**  
Company Secretary & Compliance Officer

# Lyka Labs Limited

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### A. Equity Share Capital (Refer Note. 15)

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	3,06,90,000	3,069.00	2,86,90,000	2,869.00
Changes in equity share capital during the year	24,00,000	240.00	20,00,000	200.00
<b>Balance at the end of reporting year</b>	<b>3,30,90,000</b>	<b>3,309.00</b>	3,06,90,000	3,069.00

### B. Other Equity (Refer Note. 16.2)

(₹ in lakhs)

Particulars	Reserves and surplus				Items of Other Comprehensive Income (Remeasurement of the defined benefit plan)	Non - Controlling Interest	Money received against share warrants (Refer Note No. 16.2)	Total
	Retained Earnings	Securities Premium Account	Capital Reserve	General Reserve				
Balance As at 31st March, 2023	(13,565.77)	12,333.97	49.13	952.57	(38.60)	23.01	1,743.75	1,498.06
Profit / (Loss) for the year	(248.94)	-	-	-	-	(13.12)	-	(262.06)
Add / (Less) : On Issue of Equity Shares / Warrants	-	3,108.00	-	-	-	-	(837.00)	2,271.00
Other Comprehensive Income for the year (net of tax)	-	-	-	-	9.33	1.21	-	10.53
<b>Balance as at 31st March, 2024</b>	<b>(13,814.71)</b>	<b>15,441.97</b>	<b>49.13</b>	<b>952.57</b>	<b>(29.27)</b>	<b>11.10</b>	<b>906.75</b>	<b>3,517.53</b>

In terms of our report of even date,

For and on behalf of the Board of Directors of Lyka Labs Limited

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Prashant Godha**

Director

DIN : 00012759

**Mehul N. Patel**

Partner

Membership No. 132650

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

**Kishore P. Shah**

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 21st May, 2024

Place : Mumbai

Date : 21st May, 2024

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024**

(₹ in lakhs)

Particulars	Current Year ended 31st March, 2024		Previous Year Ended 31st March, 2023	
<b>A. Cash Flow from Operating Activities</b>				
<b>Profit / (Loss) for the year before tax</b>		<b>(93.38)</b>		<b>(1,317.11)</b>
<b>Adjusted for</b>				
Depreciation	<b>1,280.18</b>		1,414.73	
Interest Income	<b>25.67</b>		(103.58)	
Finance Cost	<b>489.09</b>		1,187.03	
Provision for Doubtful Trade Receivables, Advances, Employee Benefits	<b>57.27</b>		53.13	
Exchange rate fluctuation	<b>(48.88)</b>		(40.19)	
Exceptional Items	<b>-</b>		666.68	
Return on Investment	<b>(0.87)</b>		(0.04)	
		<b>1,802.46</b>		<b>3,177.76</b>
<b>Operating profit before working capital change</b>		<b>1,709.08</b>		<b>1,860.65</b>
<b>Changes in Working Capital :</b>				
(Increase) / Decrease in Other Non-Current Financial Assets	<b>(45.05)</b>		(169.44)	
(Increase) / Decrease in Other Non-Current Assets	<b>(218.89)</b>		28.46	
(Increase) / Decrease in Inventories	<b>(261.75)</b>		124.39	
(Increase) / Decrease in Trade and other receivables	<b>(633.18)</b>		(121.60)	
(Increase) / Decrease in Other Current Financial Assets	<b>(86.13)</b>		(14.89)	
(Increase) / Decrease in Other Current Assets	<b>(188.13)</b>		327.04	
(Increase) / Decrease in Non-Current Loans	<b>-</b>		-	
(Increase) / Decrease in Current Loans	<b>2.52</b>		(3.73)	
Increase / (Decrease) in Other Non-Current Financial Liabilities	<b>7.00</b>		(12.65)	
Increase / (Decrease) in Non-Current Provisions	<b>(61.57)</b>		(103.09)	
Increase / (Decrease) in Trade Payables	<b>269.72</b>		(258.98)	
Increase / (Decrease) in Other Current Financial Liabilities	<b>(94.25)</b>		(222.06)	
Increase / (Decrease) in Other Current Liabilities	<b>(46.54)</b>		(512.80)	
Increase / (Decrease) in Current Provisions	<b>(23.64)</b>		(46.52)	
		<b>(1,379.89)</b>		<b>(985.87)</b>
<b>Cash generated from operations</b>		<b>329.19</b>		<b>874.78</b>
Net Income Tax Payment	<b>(151.86)</b>	<b>(151.86)</b>	20.48	20.48
<b>Net cashflow from operating activities (A)</b>		<b>177.33</b>		<b>895.26</b>



# Lyka Labs Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in lakhs)

Particulars	Current Year ended 31st March, 2024		Previous Year Ended 31st March, 2023	
<b>B. Cashflow for Investing activities</b>				
Purchase of Fixed Assets	(923.14)		(818.54)	
Sale of Fixed Assets	-		1,450.00	
Interest Received	(25.67)		103.58	
<b>Net cash used in Investing activities (B)</b>		<b>(948.81)</b>		<b>735.04</b>
<b>C. Cashflow from Financing activities</b>				
Proceed from / (Repayment) of Non Current Borrowings Net	(2,170.72)		(4,482.67)	
Proceed from / (Repayment) of Current Borrowings Net	572.42		(1,195.48)	
Proceeds from Issue of Equity Shares and warrants (Including Premium)	2,511.00		4,533.75	
Interest Paid	(717.42)		(1,019.87)	
<b>Net cash used in Financing activities (C)</b>		<b>195.28</b>		<b>(2,164.27)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(576.20)</b>		<b>(533.97)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>				
Cash and Cash Equivalents		<b>274.19</b>		134.66
Earmarked Balances		<b>896.89</b>		1,570.39
		<b>1,171.08</b>		1,705.05
<b>Cash and Cash Equivalents at the end of the year</b>				
Cash and Cash Equivalents		<b>25.71</b>		274.19
Deposits with Banks (Rs 119.17 Lacks Lien against Bank Guarantee)		<b>569.17</b>		896.89
		<b>594.88</b>		1,171.08

In terms of our report of even date,

For and on behalf of the Board of Directors of Lyka Labs Limited

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Prashant Godha**

Director

DIN : 00012759

**Mehul N. Patel**

Partner

Membership No. 132650

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

**Kishore P. Shah**

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 21st May, 2024

Place : Mumbai

Date : 21st May, 2024

**1. CORPORATE INFORMATION**

Lyka Labs Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its shares are listed on two stock exchanges in India. The Company is engaged in the business of pharmaceutical and related activities, including research.

**2. THE MATERIAL ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:****A. THE MATERIAL ACCOUNTING POLICIES:****2.1A Basis of Preparation of Ind-AS Consolidated financial statements**

These Ind-AS consolidated financial statements of Lyka Labs Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”), have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These consolidated financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind-AS. Refer to note 55 for information on how the Group adopted IndAS, including the details of the first time adoption exemptions availed by the Group.

The Ind-AS consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.11 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

**2.1B Accounting estimates, assumptions and judgements**

The preparation of the Standalone Financial Statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the Standalone Financial Statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are Deferred Income tax assets and liabilities, Useful lives of property, plant and equipment ('PPE') and intangible assets, Employee benefit obligations, Provisions and contingencies, Impairment of investment in subsidiaries and goodwill

### **2.2 Principles of Consolidation:**

#### **Subsidiaries**

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

#### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

#### **Non-controlling interests ("NCI")**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### **2.3 CURRENT AND NON-CURRENT CLASSIFICATION OF ASSETS AND LIABILITIES AND OPERATING CYCLE:**

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is considered as current when:
  - It is expected to be settled in normal operating cycle,
  - It is held primarily for the purpose of trading,
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realization into cash and cash equivalents.

#### **2.4 PROPERTY, PLANT AND EQUIPMENT:**

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 Statement of Profit or Loss when the asset is derecognized.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

#### **2.5 DEPRECIATION:**

Depreciation on Property, Plant and Equipment is provided on different class of assets on the following basis:

Depreciation on Tangible Assets is provided on straight-line method at the rates and manner in accordance with Schedule II to the Companies Act, 2013.

Cost of Leasehold Land and Improvement is written off over the period of Lease.

Depreciation on additions to Property Plant and Equipment is provided on pro-rata basis from the date of acquisition or installation, and in case of new project from the date of commencement of commercial production.

Depreciation on Assets sold, discarded, demolished or scrapped, is provided up to the date on which the said Asset is sold, discarded, demolished or scrapped.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **2.6 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:**

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

### 2.7 INTANGIBLE ASSETS AND AMORTISATION THEREOF:

#### 2.7.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):

- i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the group can demonstrate all the following:
  - a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
  - b) Its intention to complete the asset.
  - c) Its ability to use or sell the asset.
  - d) How the asset will generate future economic benefits.
  - e) The availability of adequate resources to complete the development and to use or sell the asset.
  - f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

#### 2.7.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognized if

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (b) the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognized 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 Statement of Profit or Loss when the asset is derecognized.

The residual values, useful lives and methods of amortization of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### 2.7.3. AMORTISATION OF INTANGIBLE ASSETS:

Amortization of the asset begins on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

Estimated useful life of the following assets of Lyka BDR Limited, and Lyka Exports Limited (Subsidiary Companies)

<b>Class of Assets</b>	<b>Useful life in years</b>
Registration Rights	10
Technical and Marketing Know-How	10
Brands / Goodwill	10

The residual values, useful lives and methods of amortization of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognized as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

**2.8 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

Carrying amount of tangible and intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**.2.9 INVENTORIES**

- Raw Materials, Packing Materials, Work-in-Process and Finished Goods are valued at lower of cost or net realizable value. Cost is determined by using FIFO method. Cost comprises of all costs of purchases (net of CENVAT/GST credit, rebates, trade discount etc.), costs of conversion and cost incurred to bring the inventories to the present location and condition.
- Stores and Spares (excluding capital spares) are charged to consumption as and when purchased.

Net realizable value is the estimated selling price in the ordinary course of business.

**2.10 REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, discounts and rebates.

- Revenue from Domestic sale is recognized on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
- Revenue from Export sale is recognized on transfer of significant risks and rewards of ownership based on Bill of lading date.
- Revenue in respect of other income/claims, etc. is recognized only when it is reasonably certain that ultimate collection will be made.

- Interest Income:

For all financial instruments measured at amortized cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

- Dividend Income:

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

**2.11 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.

### **FINANCIAL ASSETS:**

#### Initial Recognition and Measurement:

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, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent Measurement:

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

- Financial assets at amortized cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

#### Financial Assets at Amortized Cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

#### Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the Group may transfer the cumulative gain or loss within equity.

#### Financial Assets at FVTPL:

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

### **DERECOGNITION:**

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

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
- b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**IMPAIRMENT OF FINANCIAL ASSETS:**

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortized cost.
- Trade Receivables

The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables. Under this approach the Group does not track changes in credit risk but recognizes impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Group uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Group determines 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 Group reverts to recognizing impairment loss allowance based on 12-month ECL.

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

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 on a financial instrument that are possible within 12 months after the reporting date.

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

**FINANCIAL LIABILITIES:**

Initial Recognition and Measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.



Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

### **DERECOGNITION:**

A financial liability is derecognized 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 DE recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **OFFSETTING OF FINANCIAL INSTRUMENTS:**

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

### **EQUITY INSTRUMENTS:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognized at the amount of the proceeds received, net of direct issue costs.

## **2.12 EMPLOYEE BENEFITS**

- Defined Contribution Plan:

The Group's contribution paid / payable during the year to Provident Fund, ESIC, Superannuation Fund etc., are recognized as expenses in the Statement of Profit and Loss. These are approved / recognized schemes of the Group.

- Defined Benefit Plan:

The Group's annual liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Independent Actuarial Valuer / Life Insurance Corporation of India under Group Gratuity Scheme.

- The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is recognized during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives and are determined using the Projected Unit Credit Method. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. Actuarial gains and losses are recognized immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognized immediately in the Statement of Profit or Loss.

**2.13 BORROWING COST**

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

**2.14 LEASES:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(i) Company as a lessee**

The Company's lease asset classes primarily consist of leases for land, buildings and furniture. 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 recognises 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 recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include 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 recognised 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 amortised 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.

### (ii) Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

### 2.15 FOREIGN CURRENCY TRANSACTIONS:

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### 2.16 TAXES ON INCOME:

#### Current Income Taxes:

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

Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Taxes:

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

Deferred tax liabilities are recognized for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition

of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its subsidiaries will pay normal income tax after the specified years. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Group.

## **2.17 PROVISIONS AND CONTINGENT LIABILITIES:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Group expects some or all of a provision to be reimbursed, the same is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes.

## **2.18 EARNINGS PER SHARE:**

Basic earnings per share is calculated by dividing the net profit or loss 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 are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

### **2.19 CASH AND CASH EQUIVALENT:**

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

### **2.20 CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **2.21 COMMITMENTS:**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

### **2.22 SEGMENT REPORTING:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **2.23 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of Consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

### **2.24 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

**a) Estimation of current tax expense and deferred tax:**

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**b) Recognition of deferred tax assets/ liabilities:**

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

**c) Estimation of Provisions & Contingent Liabilities:**

The Group exercises judgement in measuring and recognizing provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

**d) Estimated useful life of Property, Plant and Equipment:**

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

**e) Estimation of Provision for Inventory:**

The Group writes down inventories to net realizable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realized. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

**f) Estimation of Defined Benefit Obligation:**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post-employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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- g)** The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**h) Estimated fair value of Financial Instruments.**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**3. Property Plant and Equipment**

Carrying amounts of :

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March, 2023
Land	1,488.93	1,513.36
Buildings	1,577.87	1,683.39
Plant and Machinery	1,152.30	1,099.01
Computers	12.40	12.14
Vehicles	130.36	132.18
Furnitures and Fixtures	101.94	112.09
Office Equipments	7.05	9.58
Right To Use Property	216.16	294.77

Particulars	Land	Buildings	Plant and Machinery	Computers	Vehicles	Furnitures and Fixtures	Office Equipments	Right To Use Property	Total
<b>Gross Block (Cost or Deemed Cost) :</b>									
Balance at 31st March, 2023	1,751.99	2,938.48	3,924.46	47.67	168.88	272.45	18.27	576.63	9,698.84
Additions	-	1.13	180.33	6.46	19.39	5.64	0.32	-	213.26
Deletion	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2024</b>	<b>1,751.99</b>	<b>2,939.61</b>	<b>4,104.79</b>	<b>54.13</b>	<b>188.27</b>	<b>278.09</b>	<b>18.59</b>	<b>576.63</b>	<b>9,912.10</b>
<b>Accumulated Depreciation and Impairment :</b>									
Balance at 31st March, 2023	238.63	1,255.09	2,825.45	35.53	36.71	160.36	8.69	281.87	4,842.33
Depreciation for the year	24.43	106.65	127.04	6.20	21.21	15.79	2.85	78.60	382.76
Deletion	-	-	-	-	-	-	-	-	-
Disposals / Written Off / Adjustment	-	-	-	-	-	-	-	-	-
<b>Balance at 31st March, 2024</b>	<b>263.06</b>	<b>1,361.74</b>	<b>2,952.49</b>	<b>41.73</b>	<b>57.91</b>	<b>176.15</b>	<b>11.54</b>	<b>360.47</b>	<b>5,225.09</b>
<b>Carrying amounts of :</b>									
Balance at 31st March, 2023	1,513.36	1,683.39	1,099.01	12.14	132.18	112.09	9.58	294.77	4,856.51
Balance at 31st March, 2024	1,488.93	1,577.87	1,152.30	12.40	130.36	101.94	7.05	216.16	4,687.01

The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.



# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 3.1 Details of Tangible Capital Work in Progress :

(₹ in lakhs)

Particulars	As at 31st March 2024	As at 31st March, 2023
<b>Opening balance</b>	<b>1,510.37</b>	1,623.49
Capitalised	(79.35)	(306.43)
Additions during the year	766.15	193.31
<b>Closing Balance</b>	<b>2,197.17</b>	1,510.37

### 3.2 Capital Work In Progress (CWIP) Tangible Ageing Schedule :

As at 31st March, 2024

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	700.04	101.59	5.31	869.05	1,675.99
Projects temporarily suspended	-	-	-	521.18	521.18
<b>Total</b>	<b>700.04</b>	<b>101.59</b>	<b>5.31</b>	<b>1,390.24</b>	<b>2,197.17</b>

### Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

Particulars	To be completed				
	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Project - I	-	10.00	-	-	10.00
Project - II	3,465.99	-	-	-	3,465.99
Project - III	-	-	-	521.18	521.18
<b>Total</b>	<b>3,465.99</b>	<b>10.00</b>	<b>-</b>	<b>521.18</b>	<b>3,997.17</b>

As at 31st March, 2023

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	114.83	5.31	10.80	858.25	989.19
Projects temporarily suspended	-	-	-	521.18	521.18
<b>Total</b>	<b>114.83</b>	<b>5.31</b>	<b>10.80</b>	<b>1,379.44</b>	<b>1,510.37</b>

### Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

Particulars	To be completed				
	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Project - I	30.00	-	-	-	30.00
Project - II	1,911.33	-	-	-	1,911.33
Project - III	-	-	-	521.18	521.18
<b>Total</b>	<b>1,941.33</b>	<b>-</b>	<b>-</b>	<b>521.18</b>	<b>2,462.52</b>

#### 4. Intangible Assets

Carrying amounts of :

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Internally Developed Intangible Assets (Research and development expenditure)	338.77	474.02
Computer Software	30.65	8.41
Intangible Assets (Trade Mark / Brand)	483.28	1,141.06
Intangible Assets (Goodwill)	19.91	22.06
Technical and Marketing Knowhow	209.97	305.95
Registration Rights	0.31	1.57

(₹ in lakhs)

Particulars	Internally Developed Intangible Assets (Research and development expenditure)	Computer Software	Intangible Assets (Trade Mark / Brand)	Intangible Assets (Goodwill)	Technical and Marketing Knowhow	Registration Rights	Total
<b>Gross Block (Cost or Deemed Cost) :</b>							
Balance at 31st March, 2023	1,289.95	148.63	3,990.91	22.59	609.50	35.89	6,097.46
Additions	3.75	23.51	-	-	-	-	27.26
<b>Balance at 31st March, 2024</b>	<b>1,293.70</b>	<b>172.14</b>	<b>3,990.91</b>	<b>22.59</b>	<b>609.50</b>	<b>35.89</b>	<b>6,124.72</b>
<b>Accumulated Amortisation and Impairment :</b>							
Balance at 31st March, 2023	815.93	140.22	2,849.85	0.53	303.55	34.32	4,144.40
Amortisation for the year	139.00	1.26	657.78	2.15	95.98	1.26	897.42
<b>Balance at 31st March, 2024</b>	<b>954.93</b>	<b>141.48</b>	<b>3,507.62</b>	<b>2.68</b>	<b>399.53</b>	<b>35.57</b>	<b>5,041.82</b>
Carrying amounts of :							
Balance at 31st March, 2023	474.02	8.41	1,141.06	22.06	305.95	1.57	1,953.06
<b>Balance at 31st March, 2024</b>	<b>338.77</b>	<b>30.65</b>	<b>483.28</b>	<b>19.91</b>	<b>209.97</b>	<b>0.31</b>	<b>1,082.90</b>

#### 4.1 Details of Intangible Assets under Development :

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	112.28	150.82
Capitalised	(27.26)	(46.78)
Additions during the year	23.07	-
Disposals / Written Off / Adjustment	-	8.24
<b>Closing Balance</b>	<b>108.09</b>	<b>112.28</b>

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 4.2 Capital Work In Progress (CWIP) Intangible Ageing Schedule :

As at 31st March, 2024

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	-	7.80	-	31.22	39.02
Projects temporarily suspended	-	-	-	69.06	69.06
<b>Total</b>	-	7.80	-	100.29	108.09

As at 31st March, 2023

(₹ in lakhs)

Particulars	<1 Year	1-2 Year	2-3 Years	> 3 Years	Total
Projects in Progress	8.24	-	-	31.22	39.46
Projects temporarily suspended	-	-	-	72.82	72.82
<b>Total</b>	8.24	-	-	104.04	112.28

### 5. Non-Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares / units	Amount	No of Shares / units	Amount
<b>Investments :</b>				
<b>(a) Other Investments (Quoted) - FVTOCI :</b>				
Equity Shares of Rs. 10 each fully paid up in Paramount Printpackaging Ltd	10,000.00	0.08	10,000.00	0.08
Equity Shares of Rs. 1 each fully paid up in Themis Medicare Ltd	3,340.00	7.38	334.00	3.90
<b>c) Other Investments (Unquoted)- FVTPL :</b>				
Janata Sahakari Bank Ltd	10.00	0.01	10.00	0.01
<b>Total</b>		7.47		3.99

### Current Investments

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No of units	Amount	No of units	Amount
<b>Investments at FVTPL:</b>				
<b>Investments in Mutual Fund:</b>				
<b>Debt Mutual Fund:</b>				
Birla Sun Life Plus Collection A/c	12.66	0.05	12.66	0.05
HDFC Liquid Fund Post IPO Collection	35.39	1.66	18.15	0.80
<b>Total</b>		1.71		0.84

### 6. Other Non-Current Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Security Deposit	643.08	598.03
Others - Deposit with Drug Price Equalisation Account	1,032.45	1,032.45
<b>Total</b>	1,675.53	1,630.48

### 7. Other Non-Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Capital Advances	228.00	8.81
Balance with Government Authorities	518.06	94.36
<b>Total</b>	746.06	103.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**8. Non-Current Tax Assets**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Tax and Tax deducted at source	102.97	562.04
<b>Total</b>	<b>102.97</b>	<b>562.04</b>

**9. Inventories**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw Materials (Refer Note No. 40)	360.04	228.84
Packing Material (Refer Note No. 40)	311.13	259.06
Work-in-Progress	34.45	70.81
Finished Goods	251.57	136.71
<b>Total</b>	<b>957.18</b>	<b>695.43</b>

**10. Trade Receivables**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured)</b>		
Considered Good	2,704.61	2,023.53
Considered Doubtful	336.38	335.39
Less: Provision for Expected Credit Loss	(40.85)	(45.46)
Less: Provision for Doubtful Debt	(300.89)	(300.89)
<b>Total</b>	<b>2,699.25</b>	<b>2,012.57</b>

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 23.56 lakh (Previous year ₹ 38.07 lakh). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

**10.1 Trade receivables ageing :**

As at 31st March, 2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade receivables - considered good	2,291.47	99.76	216.79	20.15	7.81	2,635.97
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	300.89	300.89
(iii) Disputed Trade receivables - considered good	-	-	-	-	104.12	104.12
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total : Trade receivables</b>	<b>2,291.47</b>	<b>99.76</b>	<b>216.79</b>	<b>20.15</b>	<b>412.82</b>	<b>3,040.99</b>

As at 31st March, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,713.37	197.10	47.87	-	11.09	1,969.43
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	300.89	300.89
(iii) Disputed Trade receivables - considered good	-	-	-	4.32	84.28	88.61
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total : Trade receivables</b>	<b>1,713.37</b>	<b>197.10</b>	<b>47.87</b>	<b>4.32</b>	<b>396.27</b>	<b>2,358.92</b>

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 11. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(A) Cash and Cash Equivalents</b>		
Balances with Banks	17.93	266.79
Cash on hand	7.78	7.40
<b>(B) Bank Balances other than Cash and Cash Equivalents</b>		
Deposits with Banks (Rs. 119.17 Lacks Lien against Bank Guarantee)	569.17	896.89
<b>Total</b>	<b>594.88</b>	<b>1,171.08</b>

### 12. Current Loans

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Loan to Employees	5.66	8.18
<b>Total</b>	<b>5.66</b>	<b>8.18</b>

### 13. Other Current Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Unsecured, considered good)</b>		
Deposits	32.56	21.94
Advance payment of taxes	-	2.22
Others	308.62	230.90
<b>Total</b>	<b>341.18</b>	<b>255.05</b>

### 14. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Advances	57.73	25.06
Prepaid Expenses	25.76	61.84
Balance with Government Authorities	381.87	190.32
<b>Total</b>	<b>465.36</b>	<b>277.23</b>

### 15. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	4,80,00,000	4,800.00	4,80,00,000	4,800.00
Redeemable Preference Shares of ₹ 100/- each	2,00,000	200.00	2,00,000	200.00
	<b>4,82,00,000</b>	<b>5,000.00</b>	<b>4,82,00,000</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Fully Paid</b>				
Equity Shares of ₹ 10/- each	3,30,90,000	3,309.00	3,06,90,000	3,069.00
Redeemable Preference Shares of ₹ 100/- each	1,08,570	108.57	1,08,570	108.57
<b>Total</b>	<b>3,31,98,570</b>	<b>3,417.57</b>	<b>3,07,98,570</b>	<b>3,177.57</b>

**15.1 Rights, preferences and restriction attached to equity shares :**

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

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

During the year, The Holding Company has allotted 24,00,000 Equity shares to IPCA Laboratories Ltd at a price of Rs. 139.50 (including premium), hence equity capital and securities premium shall stand increased.

**15.2 Reconciliation of number of shares outstanding as at the beginning and end of the year**

(₹ in lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Balance as at the beginning of the Year	3,06,90,000	1,08,570	2,86,90,000	1,08,570
Add : Issued during the Year	24,00,000	-	20,00,000	-
<b>Balance as at the end of the Year</b>	<b>3,30,90,000</b>	<b>1,08,570</b>	<b>3,06,90,000</b>	<b>1,08,570</b>

**15.3 Details of Shares held by the Shareholders holding more than 5% shares in the Company**

(₹ in lakhs)

Name of the shareholders	As at 31st March, 2024		As at 31st March, 2023	
	No of Shares held	% of Shares	No of Shares held	% of Shares
<b>Equity Shares of ₹ 10/- each</b>				
Ipca Laboratories Limited	1,20,24,923	36.34%	96,24,923	31.36%
Nehal Narendra Gandhi	23,30,000	7.04%	22,65,082	7.38%
Kunal Narendra Gandhi	24,25,000	7.33%	10,69,152	3.48%
<b>10% Cumulative Redeemable Preference Shares</b>				
Dr. D. B. Parikh	1,08,570	100.00%	1,08,570	100.00%

**15.4 Details of shares held by promoter / promoter group**

(₹ in lakhs)

Name of the promoter / promoter group	As at 31st March, 2024				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Equity Shares of ₹ 10/- each					
Kunal Narendra Gandhi	10,69,152	13,55,848	24,25,000	7.33%	126.82%
Nehal Narendra Gandhi	22,65,082	64,918	23,30,000	7.04%	2.87%
Narendra Ishwarlal Gandhi HUF	13,50,000	(13,50,000)	-	0.00%	-100.00%
Enai Trading & Investment Pvt. Ltd.	9,93,827	6,173	10,00,000	3.02%	0.62%
Lyka Generics Limited	12,100	7,900	20,000	0.06%	65.29%
Bhawna Godha	6,000	-	6,000	0.02%	0.00%
Neetu Godha	10,000	-	10,000	0.03%	0.00%
Usha Premchand Godha	10,686	-	10,686	0.03%	0.00%
Premchand Godha	10,900	-	10,900	0.03%	0.00%
Pranay Godha	3,00,000	-	3,00,000	0.91%	0.00%
Ipca Laboratories Limited	96,24,923	24,00,000	1,20,24,923	36.34%	24.94%

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Name of the promoter / promoter group	As at 31st March, 2023				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total shares	% Change during the year
Equity Shares of ₹ 10/- each					
Kunal Narendra Gandhi	10,18,376	50,776	10,69,152	3.48%	4.99%
Nehal Narendra Gandhi	11,57,453	11,07,629	22,65,082	7.38%	95.70%
Narendra Ishwarlal Gandhi	11,67,629	(11,67,629)	-	0.00%	-100.00%
Narendra Ishwarlal Gandhi HUF	14,00,776	(50,776)	13,50,000	4.40%	-3.62%
Enai Trading & Investment Pvt. Ltd.	9,93,827	-	9,93,827	3.24%	0.00%
Lyka Generics Limited (formerly known as Lyka Animal Healthcare Limited)	12,100	-	12,100	0.04%	0.00%
Bhawna Godha	6,000	-	6,000	0.02%	0.00%
Neetu Godha	10,000	-	10,000	0.03%	0.00%
Usha Premchand Godha	10,686	-	10,686	0.03%	0.00%
Premchand Godha	10,900	-	10,900	0.04%	0.00%
Pranay Godha	3,00,000	-	3,00,000	0.98%	0.00%
Ipca Laboratories Limited-Buyback Account Operated by Ms Arihant Capital Markets Ltd	76,24,463	20,00,460	96,24,923	31.36%	26.24%

### 16. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained Earning	(13,814.71)	(13,565.77)
Securities Premium Account	15,441.97	12,333.97
Capital Reserve	49.13	49.13
General Reserve	952.57	952.57
Items of Other Comprehensive Income	(29.27)	(38.59)
Non Controlling Interest	11.10	23.01
Money received against share warrants	906.75	1,743.75
<b>Total</b>	<b>3,517.54</b>	<b>1,498.07</b>

#### 16.1 Nature of Reserves:

##### Capital Reserves

The Capital reserve is created from the of forfeiture of equity warrants and receipts of subsidy for setting up the factories in backward areas for performing research on critical medicines for the betterment of the society.

##### Securities Premium

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

##### General Reserves

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

**16.2** During the year ended 31st March 2023, the Holding Company has issued 50,00,000 Warrants convertible into Equity Shares to Ipca Laboratories Ltd at a price of Rs. 139.50 per warrant, against which the Holding Company has received 25% of the amount and shown under other equity, which will be converted within a period of 18 months from the date of allotment of warrants. During the year, The Holding Company has allotted 24,00,000 Equity shares to Ipca Laboratories Ltd, hence reduction in Money received against Share Warrants.

**17. Non Current Borrowings**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured Loan:</b>		
Term Loans from Bank (Refer Note no. 17.1)	717.59	-
Finance Lease Obligations	-	38.59
<b>Unsecured Loan:</b>		
10% Redeemable Preference Shares of Rs. 100/- each	108.08	107.76
Loans and Advances from related parties	3,465.00	6,232.50
<b>Total</b>	<b>4,290.67</b>	<b>6,378.85</b>

**Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows :**

- 17.1** a) Term Loan of Rs. 922.62 lakhs from Yes Bank Ltd. Repayable in 18 quarterly instalments starting from 30th April 2024. Interest @ EBLR + 2.10% p.a.
- b) Above Term Loan From Yes Bank LTD is secured by i) first charged by way of Hypothication on Plant. ii) Machineries & Second charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.

**17.2** 108570 10% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up were issued on 30th September 2005 redeemable at the option of the company but not later than 20 years from the date of allotment.

**17.3** Interest on Loan and Advances from related parties ranges between 10.50% p.a. to 10.65% p.a. (simple interest).

**18. Other Non-current Financial Liabilities**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposit	99.88	92.88
Interest Accured and not Due on Borrowings	0.49	0.81
<b>Total</b>	<b>100.36</b>	<b>93.69</b>

**19. Non Current Provisions**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Employee Benefits:</b>		
Provision for Leave Encashment	74.25	64.46
Provision for Gratuity	107.97	179.32
<b>Total</b>	<b>182.22</b>	<b>243.79</b>



# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 20. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liabilities	382.76	401.02
<b>Total</b>	<b>382.76</b>	<b>401.02</b>

### 20.1 Deferred Tax (Assets) / Liabilities in relation to:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
On Account of Property, Plant and Equipment	473.41	502.12
On Account of Section 43B Disallowances	(83.13)	(85.75)
On Account of IndAS Adjustments	(7.51)	(15.34)
<b>Total</b>	<b>382.76</b>	<b>401.02</b>

### 21. Current Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured Loans:</b>		
<b>From Bank</b>		
Loans repayable on demand (Refer Note No. 21.1)	1,011.26	321.39
Current Maturities of Long-Term Borrowings (Refer Note No 21.1)	205.03	-
<b>From Others</b>		
Finance Lease Obligations	-	27.74
<b>Unsecured:</b>		
Loans and Advances from related parties	150.00	442.50
<b>Total</b>	<b>1366.28</b>	<b>791.63</b>

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

- 21.1 a) Interest on Loans repayable on demand ranges from 5.40% p.a. to 9.25% p.a. ( simple Interest ).
- b) Above Loan from Yes Bank Ltd is secured by i) second charged by way of Hypothication on Plant Machineries ii) Exclusive charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.
- 21.2 Interest on Loans from related parties ranges from 10.50% p.a. to 10.65% p.a. ( simple Interest ).

### 22. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	103.22	453.21
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,107.06	487.35
<b>Total</b>	<b>1,210.28</b>	<b>940.56</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

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

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	46.11	278.70
Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount	4.25	2.72
Payment made to suppliers (Other than interest) beyond the appointed date, during the year	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	NIL	NIL
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	NIL	NIL

**22.2 Trade payables ageing :**

**As at 31st March, 2024**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	103.22	-	-	-	103.22
Others	1,068.45	3.79	3.64	31.17	1,107.06
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,171.68</b>	<b>3.79</b>	<b>3.64</b>	<b>31.17</b>	<b>1,210.28</b>

**As at 31st March, 2023**

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	453.21	-	-	-	453.21
Others	383.98	0.70	7.68	94.99	487.35
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>837.19</b>	<b>0.70</b>	<b>7.68</b>	<b>94.99</b>	<b>940.56</b>

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 23. Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Current Maturities of Long-Term Debt:</b>		
Debentures - Privately Placed Non Convertible	13.00	13.00
Fixed Deposits	-	34.23
Interest Accrued and due	19.85	248.17
Employee dues	30.52	182.99
Payable Against Acquisition	23.17	86.23
<b>Creditors for:</b>		
Expenses	315.42	197.39
Capital Expenditure	56.54	8.47
Other Outstanding Liabilities	369.64	380.24
<b>Total</b>	<b>828.13</b>	<b>1,150.71</b>

### 24. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Other Payables:</b>		
Statutory dues	69.16	75.35
Advance from Customers	56.32	96.66
<b>Total</b>	<b>125.47</b>	<b>172.01</b>

### 25. Current Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Employee Benefits:</b>		
Provision for Bonus	27.06	28.24
Provision for Gratuity	90.05	66.50
Provision for Leave Encashment	34.52	25.69
<b>Total</b>	<b>151.63</b>	<b>120.44</b>

### 26. Revenue from Operations

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Sale of Products	10,513.23	8,833.90
<b>Total</b>	<b>10,513.23</b>	<b>8,833.90</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

**27. Other Operating Revenue**

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Processing Charges Received	213.72	226.85
Export Incentives	45.47	43.60
Royalty	59.65	64.22
Commssion Income	112.50	100.90
Other Operating Income	174.89	37.80
<b>Total</b>	<b>606.23</b>	<b>473.38</b>

**28. Other Income**

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Interest from Banks on Deposits	35.95	97.10
Other Interest	50.20	118.30
Foreign Exchange Fluctuation	48.88	40.19
Miscellaneous Income	5.55	79.01
ECL Provision Income	4.62	5.50
<b>Total</b>	<b>145.47</b>	<b>340.10</b>

**29. Cost of Material Consumed**

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Opening stock of raw material and packing material	487.91	733.09
Add: Purchases	3,397.57	2,062.39
Less: Closing stock of raw material and packing material	(671.17)	(487.91)
<b>Total</b>	<b>3,214.31</b>	<b>2,307.57</b>

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

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>As at the beginning of the year:</b>		
Finished Goods	136.71	47.93
Work-in-Progress	70.81	38.79
<b>Total Opening Stock (a)</b>	<b>207.52</b>	<b>86.71</b>
<b>As at the end of the year:</b>		
Finished Goods	251.57	136.71
Work-in-Progress	34.45	70.81
<b>Total Closing Stock (b)</b>	<b>286.01</b>	<b>207.52</b>
<b>Net (Increase)/decrease in Finished Goods, work-in-progress and stock in trade (a) - (b)</b>	<b>(78.50)</b>	<b>(120.81)</b>

**31. Employee Benefit Expenses**

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Salaries and Wages	2,384.23	1,622.18
<b>Contribution to Provident and Other Funds :</b>		
Provident / ESI Fund	120.61	84.18
Provision for Gratuity	40.40	37.39
Provision for Leave Encashment	21.49	21.24
Staff Welfare Expenses	109.82	95.52
<b>Total</b>	<b>2,676.54</b>	<b>1,860.51</b>

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 32. Finance Costs

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
<b>Interest Expenses on :</b>		
<b>Borrowings From Banks :</b>		
Working Capital	25.57	36.54
<b>Borrowing Others :</b>		
Bill Discounting charges	-	2.33
Bank Charges	11.90	12.34
Term Loans	-	38.44
Others	443.39	1,097.38
<b>Total</b>	<b>489.09</b>	<b>1,187.03</b>

### 33. Other Expenses

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Consumption of Stores and Spare Parts	33.99	31.36
Power and Fuel	392.83	360.42
Processing Charges	4.29	34.24
Rent including Lease Rentals	169.62	148.70
Repairs and Maintenance - Buildings	23.73	30.04
Repairs and Maintenance - Machinery	102.69	103.43
Repairs and Maintenance - Others	36.26	37.01
Insurance	30.94	36.75
Rates and Taxes	14.14	24.65
Commission & Discount	142.15	30.50
Communication Expenses	7.54	8.96
Travelling and Conveyance	375.97	201.48
Advertisement and Sales Promotion	110.96	31.02
Legal and Professional Charges	195.90	215.64
Payments to Auditors (Refer Note No. 50)	23.75	26.25
Factory Expenses	54.29	50.41
Fees & Subscription	30.45	63.20
Security Service Expenses	41.33	33.12
Laboratory Chemicals & Expenses	196.56	222.71
Printing and Stationery	37.32	17.16
Miscellaneous Expenses	132.71	89.68
Directors Fees	12.20	13.40
Freight & Forwarding	216.65	197.21
<b>Total</b>	<b>2,386.27</b>	<b>2,007.33</b>

**34. Exceptional Items**

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Sales Tax Paid/GST paid/provided on earlier years assessment	41.06	30.42
Other Balance / Claims Written Off / Written Back	-	(24.76)
Loss on Sale of Non operative Fixed Assets	-	683.61
Loss on Sale of Fixed Assets	-	20.04
Fixed Assets Discarded	-	7.83
Compounding Charges	-	22.30
<b>Total</b>	<b>41.06</b>	<b>739.44</b>

**35. Estimated amounts of commitments remaining to be executed as on 31st March, 2024 are as follows:**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Against Purchase of Capital Goods	901.95	257.74
Against Purchase of RM and PM	171.53	48.27
<b>Total</b>	<b>1,073.48</b>	<b>306.01</b>

**36. Contingent Liabilities are not provided for in respect of following:**

- (i) Demands were raised against the Holding Company aggregating to ₹ 680.62 Lakhs (as at 31st March 2023 ₹ 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Holding Company. In the earlier years, the Holding Company had received recovery notices for recovery of ₹ 2,094.41 Lakhs (as at 31st March 2023 ₹ 2,094.41 Lakhs) to be deposited into "Drug Price Equalisation Account".

The Holding Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Holding Company depositing certain amounts against the said demands. Accordingly, the Holding Company has deposited ₹ 1,032.45 Lakhs (as at 31st March 2023 ₹ 1,032.45 Lakhs).

The Holding Company expects favourable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Holding Company as good and recoverable.

- (ii) (a) The Holding Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Holding Company's appeal against the demand for Gujarat Sales Tax of ₹ 1,324.08 Lakhs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to ₹ 85.44 Lakhs (as at 31st March 2023 ₹ 85.44 Lakhs) against which Holding Company has made payment of ₹ 45.81 Lakhs (as at 31st March 2023 ₹ 45.81 Lakhs) under protest. The Holding Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of ₹ 45.81 Lakhs (as at 31st March 2023 ₹ 45.81 Lakhs) are considered by the Holding Company as good and recoverable.
- (b) There are disputed Sales Tax demands from state of Maharashtra in respect of prior years amounting to ₹ 412.41 Lakhs (as at 31st March 2023 ₹ 412.41 Lakhs) against which the Holding Company has made payment of ₹ 20.78 Lakhs (as at 31st March 2023 ₹ 20.78 Lakhs) under protest. The Holding Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of ₹ 20.78 Lakhs for the Maharashtra state demand (as at 31st March 2023 ₹ 20.78 Lakhs) are considered by the Holding Company as good and recoverable.

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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- (iii) The Holding Company has received orders from Income Tax Department raising demands aggregating to ₹ 313.90 Lakhs (as at 31st March 2023 ₹ 463.91 Lakhs) relating to prior years against which the Holding Company has paid ₹ 15.44 Lakhs (as at 31st March 2023 ₹ 15.44 Lakhs). The matter is sub-judice and the payment of ₹ 15.44 Lakhs (as at 31st March 2023 ₹ 15.44 Lakhs) is considered by the Holding Company as good and recoverable.
- (iv) Employees (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to ₹ 433.66 Lakhs (as at 31st March 2023 ₹ 433.66 Lakhs) as the matter is sub-judice.
- (v) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to ₹ 200.86.00 Lakhs (as at 31st March 2023 ₹ 190.00 Lakhs).
- (vi) The Holding Company has received order from Income Tax Department raising demand aggregating to ₹ 100.76 Lakhs (as at 31st March 2023 ₹ 100.76 Lakhs) relating to prior years against which the Holding Company has paid ₹ 20.00 Lakhs (as at 31st March 2023 ₹ 20.00 Lakhs). The matter is sub-judice and the payment of ₹ 20.00 Lakhs (as at 31st March 2023 ₹ 20.00 Lakhs) is considered by the Holding Company as good and recoverable.
- (vii) Lyka BDR International Ltd. (Subsidiary Company) has filed Income tax appeal against the income tax assessment order for Assessment year 2014-15 for disallowance of claim of ₹ 68.00 lacs due to reduction in Brand Value. As the matter is sub-judice, no liability is provided.
- (viii) A legal cases is ongoing against the Company at the Metropolitan Magistrate Court in Mazgaon. The case involves a cheque bounce complaint filed under Section 138 of the Negotiable Instruments Act (NI Act). The complainant requested interim compensation (partial payment) from the court under Section 143-A of the NI Act. This section empowers the Ld. Court to award temporary compensation while the main case continues. The Ld. Court approved the complainant's request and ordered the Company to pay 20% of the cheque amount being the subject matter of the Complaint as interim compensation. The Company has complied the order dated 04/01/2022 making the payment for an aggregating amount of ₹124.26 Lakhs (as of 31stMarch 2024). The main Complaint is pending and sub-judice. Lyka labs Limited is seriously contesting the matters. Despite the interim payment, the Company believes this amount is recoverable.
- A Suit (commercial summary suit) has been filed against the Company in the Mumbai City Civil Court. The Ld. Court ordered the Company to deposit ₹ 22 Lakhs (as of 31stMarch 2024) to be allowed to defend the case. In compliance of the order and to defend their case the Company has made the required deposit of ₹ 22 Lakhs (as of 31stMarch 2024). The matter is pending and sub-judice. The company considers this amount is recoverable on disposal of the Suit.

### 37. Fixed Deposits:

During the year, the Holding Company has repaid deposits that were claimed aggregating to ₹ 31.12 Lakhs and transferred to IEPF ₹ 3.11 lakhs. The balance of unclaimed deposits ₹ Nil (as at 31st March 2023 ₹ 34.23 Lakhs).

### 38. Debentures:

Debenture of ₹ 13.00 Lakhs (as at 31st March 2023 ₹ 13.00 Lakhs) is outstanding due to cheques returned undelivered / Unclaimed.

### 39. Capital Expenditure:

- (i) Tangible Project Capital Work-in-Progress ₹ 2,197.17 Lakhs as at 31st March 2024, (as at 31st March 2023 ₹ 1,510.37 Lakhs) includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to ₹ 700.04 Lakhs (as at 31st March 2023 ₹ 114.83 Lakhs) which is pending allocation to Fixed Assets on completion of the project.
- (ii) The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31st March 2024 in respect of "new product development and applied research" aggregating to ₹ 108.09 Lakhs (as at 31st March 2023 ₹ 112.28 Lakhs) which is carried forward under "Capital Work in Progress – Intangibles", to be recognized as "Self-Generated Intangible Assets" upon successful development of respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

During the year, the Holding Company has capitalized ₹ 3.75 Lakhs (as at 31st March 2023 ₹ 46.78 Lakhs) as “Self-Generated Intangible Assets” upon successful development of respective products.

40. During the year, inventories include slow / non-moving raw-material and packing materials procured during the earlier years amounting to ₹ 48.39 Lakhs (as at 31st March 2023 ₹ 88.84 Lakhs), which are valued at lower of net realisable value or cost whichever is lower. The Holding Company is evaluating to utilize / realize the same.

**41. Employment and Retirement Benefits**

- (i) The actuarial valuation of the present value of the defined benefit obligation in respect of Gratuity has been carried out as at 31st March, 2024. The following tables set out the amounts recognized in the financial statements as at 31st March, 2024 for the defined benefit plans.

(₹ in lakhs)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>a)</b>	<b>Liability recognized in Balance Sheet</b>		
	Change in Benefit Obligation		
	Opening Balance of Present Value of Obligations	<b>286.91</b>	275.65
	Service Cost	<b>22.06</b>	19.20
	Interest Cost	<b>21.40</b>	19.57
	Liability Transferred In/ Acquisitions	-	13.43
	Actuarial Loss / (Gain) on Obligations	<b>(6.21)</b>	3.65
	Benefits Paid	<b>(32.67)</b>	(44.61)
	<b>Closing Balance of Present Value of Obligations</b>	<b>291.50</b>	286.91
	<b>Less : Fair Value of Plan Assets</b>		
	Opening Balance of Plan Assets	<b>41.07</b>	15.06
	Expected Return on Plan assets	<b>(2.98)</b>	1.07
	Employer’s Contribution	<b>48.48</b>	24.91
	Return on plan assets, excluding amount recognised in net interest expenses	<b>0.86</b>	0.02
	<b>Closing Balance of Plan Assets</b>	<b>87.43</b>	41.07
	<b>Net Liability</b>	<b>204.07</b>	245.84
<b>b)</b>	<b>Expense during the year</b>		
	Service Cost	<b>22.06</b>	19.20
	Interest Cost	<b>18.38</b>	19.57
	Expected Return on Plan Assets	<b>(0.04)</b>	(1.07)
	Actuarial Loss / (Gain) on Obligations	<b>(7.06)</b>	3.63
	<b>Total</b>	<b>33.34</b>	41.34
<b>c)</b>	<b>Principle Actuarial Assumptions</b>		
	Rate of Discounting	<b>7.19%</b>	7.46%
	Rate of Return on Plan Assets	<b>7.19%</b>	7.46%
	Salary Growth Rate	<b>5.00%</b>	5.00%



# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- (ii) The actuarial valuation of the present value of the defined benefit obligation in respect of Compensated Absence Liabilities has been carried out as at 31st March, 2024. The following tables set out the amounts recognized in the financial statements as at 31st March, 2024 for the defined benefit plan.

(₹ in lakhs)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>a)</b>	<b>Liability recognized in Balance Sheet</b>		
	Change in Benefit Obligation		
	Opening balance of present value of obligations	110.80	104.92
	Service Cost	19.09	13.40
	Interest Cost	8.26	7.45
	Actuarial (Gain) on Obligations	14.95	1.18
	Benefits Paid	(14.18)	(16.14)
	<b>Closing balance of present value of obligations</b>	<b>138.92</b>	<b>110.80</b>
	<b>Less : Fair Value of Plan Assets</b>		
	Opening Balance of Plan Assets	20.64	16.58
	Expected Return on Plan Assets	1.63	1.16
	Employer's Contribution	7.89	2.90
	<b>Closing Balance of Plan Assets</b>	<b>30.16</b>	<b>20.64</b>
	<b>Net Liability</b>	<b>108.76</b>	<b>90.16</b>
<b>b)</b>	<b>Expense during the year</b>		
	Service Cost	19.09	13.40
	Interest Cost	8.26	7.45
	Expected Return on Plan Assets	(1.63)	(1.16)
	Actuarial (Gain) / Loss on Obligations	14.95	1.18
	<b>Total</b>	<b>40.68</b>	<b>20.87</b>
<b>c)</b>	<b>Principle Actuarial Assumptions</b>		
	Rate of Discounting	7.19%	7.46%
	Rate of Return on Plan Assets	7.19%	7.46%
	Salary Growth Rate	5.00%	5.00%

### (iii) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(₹ in lakhs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Defined Benefit Obligation (Base)	291.49	286.90

(₹ in lakhs)

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	302.24	281.62	298.16	276.49
(% change compared to base due to sensitivity)	3.7%	-3.4%	3.9%	-3.6%
Salary Growth Rate (- / + 1%)	282.20	301.11	272.80	293.02
(% change compared to base due to sensitivity)	-3.2%	3.3%	-4.9%	2.1%
Attrition Rate (- / + 50% of attrition rates)	290.18	292.94	283.87	293.02
(% change compared to base due to sensitivity)	-0.4%	0.5%	-1.1%	2.1%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**42. Assets taken on operating lease:**

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Not later than one year	97.17	90.55
Later than one year but not later than five years	170.05	267.23
<b>Total</b>	<b>267.23</b>	<b>357.78</b>

**43. Segment Disclosures:**
**(a) Segment information for primary segment reporting (by business segments):**

Based on guiding principles given in the Indian Accounting standard on 'Operating Segments' (IndAS-108), the primary segment of the Group is business segment, which comprises of pharmaceutical products/ pharma related services. As the Company operates in a single primary business segment, no segmental information thereof is given.

**(b) Segment information for secondary segment reporting (by geographical segments)**

The Board of Directors evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments.

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Revenue by Geography</b>		
India	6,317.48	4,173.00
Rest of world	4,195.75	4,660.90
<b>Total</b>	<b>10,513.23</b>	<b>8,833.90</b>

# Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

## 44. Disclosure of related parties/ related party transactions pursuant to Ind AS 24 “Related Party Disclosures” :

### (a) List of related parties over which control exist and status of transactions entered during the year:

Sr. No.	Name of the Related Party	Relationship
1	Ipca Laboratories Limited Resonance Specialities Limited Makers Laboratories Limited Trophic Wellness Private Limited	Entity Exercising Significant Influence
2	Mr. Kunal Gandhi - Managing Director & Chief Executive Officer Mr. Yogesh Shah - Executive Director & Chief Financial Officer Mr. Kishore P. Shah - Company Secretary & Compliance officer Mrs. Dhara P. Shah - Independent Director Mr. Sandeep. P. Parikh - Independent Director (upto 25th September 2023) Mr. Babu Lal Jain - Chairman & Independent Director Mr. Prashant Godha - Non Executive Director Mr. Shashil Mendonsa - Non Executive Director Mr. Neeraj Golas - Independent Director (from 16th January 2024) Mr. Vinod. S. Shanbhag - Independent Director (upto 1st August 2022) Mr. Piyush G. Hindia - Company Secretary (upto 8th November 2022)	Key Management Personnel (KMP)
3	Mrs. Nehal N. Gandhi Mrs. Alisha K. Gandhi	Relative of KMP
4	Enai Trading & Investment Private Limited Lyka Generics Limited Hiralaxmi Business Finance Private Limited	Entities owned by / over which KMP is able to exercise significant influence

### (b) Disclosure of related party transactions:

(₹ in lakhs)

Sr. No.	Description	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
1	Sales of Goods	1,857.84 (1,530.61)	- -	- -	- -	1,857.84 (1,530.61)
2	Purchases of Goods / Machinery	- (34.80)	- -	- -	144.93 (48.49)	144.93 (83.29)
3	Purchases of Service	- (0.07)	- -	- -	- (18.00)	- (18.07)
4	Rent Expenses	- -	18.00 (9.00)	18.00 (9.00)	31.50 (31.50)	67.50 (49.50)
5	Remuneration (Payments / Provisions) to	- -	305.92 (194.03)	29.45 (30.93)	- -	335.37 (224.97)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in lakhs)

Sr. No.	Description	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
6	Consultancy Fee	- -	- (6.67)	- -	- -	- (6.67)
7	Directors Sitting Fees	- -	11.90 (12.50)	- -	- -	11.90 (12.50)
8	Interest Expenses	345.01 (948.15)	- (2.45)	41.76 (57.48)	52.72 (45.27)	439.49 (1,053.35)
9	Loan Received	- (9,800.00)	- (10.00)	477.82 -	170.00 (203.00)	647.82 (10,013.00)
10	Loan Repaid	3,050.00 (10,500.00)	- (50.00)	467.82 (300.00)	190.00 (198.00)	3,707.82 (11,048.00)
11	Issue of Equity Shares	240.00 (200.00)	- -	- -	- -	240.00 (200.00)
12	Issue of Security Premium	3,108.00 (2,590.00)	- -	- -	- -	3,108.00 (2,590.00)
13	Issue of Share Warrant	- (1,743.75)	- -	- -	- -	- (1,743.75)

() indicate previous year figures

**(c) Balance for the year ended**

(₹ in lakhs)

Sr. No.	Description	Entity Exercising Significant Influence	KMP	Relative of KMP	Entities Owned by KMP	Total
1	Security Deposit given	- -	251.25 (251.25)	251.25 (251.25)	- -	502.50 (502.50)
2	Loan Taken	2,750.00 (5,800.00)	- -	385.00 (375.00)	480.00 (500.00)	3,615.00 (6,675.00)
3	Sundry Debtors	170.84 (50.75)	- -	- -	- -	170.84 (50.75)
4	Sundry Creditors	- -	- (0.23)	- -	87.89 (4.12)	87.89 (4.35)
5	Other Payable (Interest)	- (217.15)	- -	3.08 (7.33)	3.96 (3.66)	7.04 (228.13)
6	Other Payable (Remuneration)	- -	- (9.94)	- -	- -	- (9.94)

() indicate previous year figures

Note : Related party information is as identified by the Group Companies and relied upon by the Auditors.

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 45. Earnings per Share (EPS):

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Adjusted (Loss)/Profit for the year (₹ in lakh) (A)	(259.80)	(1,332.04)
Weighted Average number of Equity Shares (B)	3,29,78,525	2,87,83,151
Face Value per Equity Share (₹) ©	10.00	10.00
Basic and Diluted Earnings per Share (₹) (D = A/B)	(0.79)	(4.63)

### 46. Taxation :

#### Deferred Tax :

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2024 and 31st March 2023.

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Accounting profit before tax (after exceptional items)	(93.39)	(1,317.12)
At India's statutory income tax rate of 25.168% (P.Y. 25.168%)	(23.50)	(331.49)
Deferred Tax impact on:		
On Account of Property, Plant and Equipment	(263.25)	(234.54)
On Account of Section 43B Disallowances	239.90	214.96
On Account of IndAS Adjustments	5.09	(2.74)
Less: Deferred Tax Assets not recognised in current year	(23.50)	(331.49)
Income tax expenses reported in the Statement of Profit and loss	(18.26)	(22.32)

### 47. Disclosures on Financial Instruments

#### (a) Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2024.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost / Amortised Cost	Total Carrying Amount
<b>Financial Assets</b>				
Investment	7.47	1.71	-	9.18
Other Financial Assets	-	-	2,016.71	2,016.71
Trade Receivables	-	-	2,699.25	2,699.25
Loans	-	-	5.66	5.66
<b>Total</b>	<b>7.47</b>	<b>1.71</b>	<b>4,721.62</b>	<b>4,730.80</b>
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	928.49	928.49
Borrowings	-	-	5,656.95	5,656.95
Trade Payable	-	-	1,210.28	1,210.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,795.72</b>	<b>7,795.72</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2023.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost / Amotrised Cost	Total Carrying Amount
<b>Financial Assets</b>				
Investment	3.99	0.84	-	4.83
Other Financial Assets	-	-	1,885.53	1,885.53
Trade Receivables	-	-	2,012.57	2,012.57
Loans	-	-	8.18	8.18
<b>Total</b>	<b>3.99</b>	<b>0.84</b>	<b>3,906.28</b>	<b>3,911.11</b>
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	1,244.40	1,244.40
Borrowings	-	-	7,170.48	7,170.48
Trade Payable	-	-	940.56	940.56
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,355.44</b>	<b>9,355.44</b>

**(b) Fair value hierarchy**

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:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

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

The following table provides the fair value measurement hierarchy of the Company's financials assets and liabilities that are measured at fair value or where fair value disclosure is required:

(₹ in lakhs)

Particulars	As at 31st March, 2024			Total
	Fair Value Measurement Using			
	Quoted Price in active markets	Significant observable input	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
<b>Assets measured at fair value</b>				
<b>FVTPL financial investments</b>				
Quoted equity instruments	7.47	-	-	7.47
<b>FVTPL financial investments</b>				
Unquoted equity instruments	-	-	-	-
Mutual Funds	-	1.71	-	1.71
<b>Total</b>	<b>7.47</b>	<b>1.71</b>	<b>-</b>	<b>9.18</b>

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(₹ in lakhs)

Particulars	As at 31st March, 2023			Total
	Fair Value Measurement Using			
	Quoted Price in active markets	Significant observable input	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	3.99	-	-	3.99
FVTPL financial investments				
Unquoted equity instruments	-	-	-	-
Mutual Funds	-	0.84	-	0.84
<b>Total</b>	<b>3.99</b>	<b>0.84</b>	<b>-</b>	<b>4.83</b>

### (c) Valuation technique to determine fair value

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

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

### (d) Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks with a six monthly rolling basis due to which a natural hedge exist. TMG advises on financial risks and the appropriate financial risk governance framework for the Company and provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company's policy is not to trade in derivatives for speculative purposes.

#### Market Risk

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

#### Foreign currency risk management

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

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

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

Particulars	Currency	As at 31st March, 2024	As at 31st March, 2023
Trade Receivable	USD \$	15,02,739.46	13,28,362.51
Trade Receivable - Advance	USD \$	(41,108.54)	(35,810.04)
Trade Payable	USD \$	(1,47,873.52)	(46,761.00)
Net Exposure (\$)	USD \$	13,13,757.40	12,45,791.47
Trade Receivable	EURO €	-	-
Trade Receivable - Advance	EURO €	-	(2,771.28)
Net Exposure (€)	EURO €	-	(2,771.28)
Trade Payable	JPY ¥	(10,23,000.00)	(10,29,761.00)
Net Exposure (¥)	JPY ¥	(10,23,000.00)	(10,29,761.00)

The Group's exposure to foreign currency changes for all other currencies is not material.

The Group has entered into various derivatives transactions, which are not intended for trading or speculative purpose but to hedge the exports receivables included in above and future receivables.

### Foreign currency sensitivity analysis

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

(₹ in lakh)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Impact on profit before tax</b>		
INR / USD - Increase by 5%	0.42	2.01
INR / USD - Decrease by 5%	(0.42)	(2.01)

### Interest rate risk management

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

### Interest rate sensitivity

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

Particulars	Increase / Decrease	Change in interest rate	For the year ended 31st March, 2024	As at 31st March, 2023
Interest expense	Increase	100 basis point	4.58	10.53
	Decrease	100 basis point	(4.58)	(10.53)



# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### (e) Credit risk

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

#### Trade Receivable

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

#### Financial instruments and cash deposits

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

#### Liquidity risk

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

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

(₹ in lakhs)

Particulars	Year	Less than 1 Year	More than 1 Year	Total
<b>Financial Liabilities</b>				
Trade Payable	31st March 2024	1,171.68	38.61	<b>1,210.28</b>
	31st March 2023	837.19	103.37	940.56
Borrowings	31st March 2024	1,366.28	4,290.67	<b>5,656.95</b>
	31st March 2023	791.63	6,378.85	7,170.48
Other Financial Liabilities	31st March 2024	828.13	100.36	<b>928.49</b>
	31st March 2023	1,150.71	93.69	1,244.40

### (f) Excessive risk concentration

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

**48. Capital Management**

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

**49. Derivatives Financial Instruments**

The details of outstanding foreign exchange forward contracts and other derivatives designated as cash flow hedges:

Particulars	Currency	For the year ended 31st March, 2024	As at 31st March, 2023
<b>Forward Contracts - Exports</b>	<b>USD</b>	<b>9,75,000.00</b>	<b>-</b>

The foreign exchange forward contracts mature within one year or more. The table below shows the derivative financial instruments into relevant maturity grouping based on the remaining period as at Balance Sheet Date:

Particulars	Currency	For the year ended 31st March, 2024	As at 31st March, 2023
<b>Forward Contracts - Exports</b>			
Not later than one months	<b>USD</b>	-	-
Later than one month and not later than three months	<b>USD</b>	-	-
Later than three months and not later than one year	<b>USD</b>	<b>9,75,000.00</b>	-

**50. Payments to Auditors :**

(₹ in lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i)	Audit Fees	<b>19.25</b>	20.75
(ii)	GST Compliance Fees	<b>3.50</b>	2.75
(iii)	Tax Audit Fees	<b>4.50</b>	5.50
(iv)	For other services (certification work etc.)	<b>1.38</b>	3.20
(v)	Due Dilligenec Fees	<b>2.50</b>	3.00
	<b>Total</b>	<b>31.13</b>	35.20

**51. Other Statutory Information**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Holding Copmany has created various charges in favour of Banks, Financial Institutions and Others for securing loan to the Group. The Group is in process of satisfaction of Charges and filing with the Registrar of Companies, Ahamadabad in respect of which dues are settled.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

# Lyka Labs Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Group has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.
51. The Group has regrouped / reclassified the previous years figures in order to confirm to the figures of the current year.

In terms of our report of even date,

For and on behalf of the Board of Directors of Lyka Labs Limited

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Kunal Gandhi**

Managing Director & CEO

DIN : 01516156

**Prashant Godha**

Director

DIN : 00012759

**Mehul N. Patel**

Partner

Membership No. 132650

**Yogesh Shah**

Executive Director & CFO

DIN : 06396150

**Kishore P. Shah**

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 21st May, 2024

Place : Mumbai

Date : 21st May, 2024







BY COURIER / POST / REGD. AD

To,

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If undelivered, please return to:

**Lyka Labs Limited**

**Corporate Office:**

Ground Floor, Spencer Building, 30, Forjett Street,  
Grant Road (West), Mumbai - 400 036.

