

27th February, 2018

To,
BOMBAY STOCK EXCHANGE
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Scrip code: 500259

Dear Sir(s),

Notice is hereby given in pursuance of sub-section (5) of Section 230 of the Companies Act, 2013, that as directed by the Ahmedabad Bench of the National Company Law Tribunal at Ahmedabad by an order dated 6th February, 2018, passed in Company Application No. 2 of 2018, under section 230-232 of the Companies Act, 2013, the following meetings of shareholders and creditors of Lyka Labs Limited shall be held as mentioned hereunder for the purpose of seeking the approval of scheme of merger of Lyka Healthcare Limited, Wholly owned subsidiary with Lyka Labs Limited with effect from 1st April, 2017 (Appointed date):

| Sr. No. | Class of Meetings | Date of Meetings | Time (IST) | Place of Meeting |
|---------|-------------------------|--|------------|--|
| 1. | Equity Shareholders | Tuesday, 27 th March, 2018 | 12.00 Noon | 4801/B & 4802/A , GIDC Industrial Estate, Ankleshwar - 393002, Gujarat, India |
| 2. | Preference Shareholders | | 1.00 P.M. | |
| 3. | Secured Creditors | | 2.00 P.M. | |
| 4. | Unsecured Creditors | | 2.30 P.M. | |

Notice have already been issued to Equity Shareholders, Preference Shareholders, Secured creditors and unsecured creditors. A Copy of Notices are attached herewith.

FOR LYKA LABS LIMITED



YOGESH SHAH
CHIEF FINANCE OFFICER



NOTICE TO THE EQUITY SHAREHOLDERS OF LYKA LABS LIMITED WHICH INCLUDES PUBLIC SHAREHOLDERS

**MEETING OF THE EQUITY SHAREHOLDERS
WHICH INCLUDES PUBLIC SHAREHOLDERS
OF
LYKA LABS LIMITED**

(Convened pursuant to the order dated 6th day of February, 2018 passed by the National Company Law Tribunal, Bench at Ahmedabad)

MEETING

| | |
|-------|--|
| Day | Tuesday |
| Date | 27th March, 2018 |
| Time | 12.00 Noon |
| Venue | 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India. |

POSTAL BALLOT AND E -VOTING

| | |
|---------------------|--|
| Start Date and Time | Sunday, 25th February, 2018 at 9.00 a.m. |
| End Date and Time | Monday, 26th March, 2018 at 5.00 p.m |

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FORM NO. CAA 2

[Pursuant to Section 230 (3) and rule 6 and 7]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD

COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

A Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant/Transferee Company**

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF LYKA LABS LIMITED

To,

The Equity Shareholder(s) of LYKA LABS LIMITED (“the Transferee Company” or “the Applicant Company”)

NOTICE is hereby given that by an order made on February 6, 2018 in the above mentioned Company Application No 2 of 2018 (the “Order”), the Hon’ble National Company Law Tribunal, Bench at Ahmedabad (“NCLT”) has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 12.00 Noon for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited with Lyka Labs Limited (“Scheme”).

In pursuance of the said Order and as directed therein, further notice is hereby given that meeting of Equity Shareholders of the Lyka Labs Limited (“Transferee Company”) will be held at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, Gujarat, India on Tuesday, 27th March 2018, at 12.00 Noon at which time and place the Equity Shareholders of the Transferee Company are requested to attend, consider and, if thought fit, approve with or without modification(s), the following resolution under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company with requisite majority.

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, if and when applicable, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble National Company Law Tribunal, if and when applicable or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Merger (By Absorption) embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, if and when applicable while sanctioning the Merger (By Absorption) embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that in pursuance of the said Orders and as directed therein, a meeting of the equity shareholders of the Transferee Company, will be held on Tuesday, 27th March 2018, at 12.00 Noon at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, at which time and place the said members are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative, is deposited at the Registered Office of the Transferee Company at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting.

In compliance with the provisions of (i) section 230(4) read with sections 108 and 110 of the Companies Act, 2013 (“Act”); (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“Rules”) ; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by Postal Ballot and remote e-voting (“Remote E-voting” or “E-voting”) using facility offered by CDSL so as to enable the shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting by polling paper at the venue of the Meetings of the shareholders as provided in Section 107 of the Act read with Rule 20 of the aforesaid management Rules. Accordingly, you may cast your vote either through postal ballot or through Remote E-voting or through polling paper by assenting or dissenting to the said Resolution. As directed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in its order dated February 6, 2018, the Voting rights of Equity Shareholders shall be in proportion to their share in the paid-up Equity share capital of the Company as on 15th December, 2017, being the cutoff date (“Cut-off Date”). The Shareholders may refer to Notes to this Notice for further details on Postal Ballot. In accordance with applicable regulations and pursuant to the Order, the Applicant Company is also offering remote e-voting facility to the equity shareholders and the e-voting commences from Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Each shareholder can opt for only one mode of voting i.e. either by postal ballot or by polling paper at the venue of the meeting of the shareholders of Applicant Company or by e-voting using facility offered by CDSL

The Hon'ble National Company Law Tribunal (the Tribunal) has appointed Mr. Manish Shah Chartered Accountant and failing him, Mr. Ragnesh Desai, Chartered Accountant, as the Chairman of the said meeting of Equity Shareholders of the Transferee Company. The above mentioned Scheme, if approved by the Equity Shareholders of the Transferee Company at the meeting, will be subject to the subsequent approval of the Tribunal.

The following are enclosed herewith:

- a. Explanatory Statement under Section 230(3) of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
- b. Scheme of Merger (By Absorption);
- c. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- e. Copy of Un-Audited Financial Statements of Lyka Healthcare Limited for period ended on December 31, 2017;
- f. Copy of Un-Audited Financial Statements of Lyka Labs Limited for period ended on October 31, 2017;
- g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
- h. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.
- i. Proxy Form,
- j. Postal Ballot Form

For Lyka Labs Limited

**Mr. Manish Shah,
Chairman appointed for the Meeting**

Place: Mumbai
Date: 12.02.2018

Regd. Office:

4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE TRANSFEREE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Transferee Company carrying voting rights. Further, a member holding more than 10% of the total share capital of Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. All alterations made in the Form of Proxy should be initialed.
4. This Notice is being sent to the Equity Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business hours on December 15, 2017, by email to the Shareholders whose email address is registered with the Company / Depository Participants(s) for communication and in physical mode through either by registered post or speed post or by courier service or by hand delivery to other shareholders at their registered address.
5. The notice is also available on our website, i.e. www.lykalabs.com.
6. As directed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in its order dated February 6, 2018, the Voting rights of Equity Shareholders shall be in proportion to their share in the paid-up Equity share capital of the Company as on 15th December, 2017, being the cutoff date ("Cut-off Date")
7. Only registered Equity Shareholders of the Transferee Company may attend and vote (either in person or by proxy) at the National Company Law Tribunal Convened Meeting.
8. The authorized representative of a body corporate or Foreign Institutional Investor ("FII"), which is a registered Equity Shareholder of the Transferee Company may attend and vote at the Equity Shareholders' meeting, provided a certified true copy of the Resolution of the Board of Directors or other governing body of such body corporate/ FII authorizing such a representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Transferee Company not later than 48 hours before the scheduled time of the commencement of the meeting.
9. The quorum of the meeting of the equity shareholders of the applicant company shall be 21 (Twenty One) equity shareholders of applicant company, in terms of the order passed by the Tribunal on 6th February, 2018.
10. Registered Equity Shareholders of the Transferee Company are informed that in case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members of Transferee Company and in his/her absence by the next named member of the Transferee Company in respect of such joint holding will be entitled to vote.
11. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with Applicant Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
12. The queries, if any, related to the scheme should be sent to the Transferee Company addressed to Mr. Kunal N. Gandhi, at its Registered Office in such a way that the Transferee Company will receive the same at least seven days before the meeting.
13. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Transferee Company, provided that not less than 3 (three) days of notice in writing is given to the Transferee Company addressed to Mr. Kunal Gandhi .
14. As directed by the Hon'ble Tribunal Mr. Kaushal Doshi, Practicing Company Secretary (Mem No.32178, C.O.P. No.13143) failing him Mr. D.P. Shah, Practicing Chartered Accountant (Mem No. 030492), shall act as the Scrutinizer to scrutinize votes cast either through E-voting facility or Postal Ballot or through polling paper at the venue of the meeting and submitting a report on votes cast to the Chairman of the Meeting within 48 hours from the conclusion of the Meeting. The Scrutinizer's decision on the validity of the voting on the resolution through polling paper at the venue of the meeting, through evoting facility or through postal ballot shall be final.
15. The result of the voting on the resolutions through polling paper at the venue of the meeting ,through evoting facility or through postal ballot will be announced within 48 hours from the conclusion of the Meeting, and will be displayed at the Registered Office of the Transferee Company and the Company's website www.lykalabs.com and on the website of CDSL and shall be communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

16. The relevant documents referred to in the accompanying Explanatory Statement shall be open for inspection, from 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting by the Equity Shareholders at the Registered Office of the Transferee Company.
17. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Indian Express" (Ahmedabad Edition) in English language; and (ii) translation thereof in "Sandesh" (Ahmedabad Edition) in Gujarati language.

NOTES AND INSTRUCTIONS FOR POSTAL BALLOT:

1. The voting period for Postal Ballot commences on Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Responses received after this date and time will be treated as invalid.
2. In case of shares held by Companies, institutional members (FPIs/ Foreign Institutional Investors / Trust / Mutual Funds / Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/ Other Authority Letter together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
3. Members are requested to communicate their assent or dissent by carefully reading the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed through Courier / Registered Post / Speed Post on or before 5.00 P.M. on Monday, 26th March, 2018. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
4. All the relevant documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Transferee Company between 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting.
5. The shareholder(s) can opt for only one mode of voting, i.e. either by postal ballot or by polling paper at the venue of the meeting of the shareholders of applicant company or by e-voting using facility offered by CDSL. However, in case shareholders cast their vote by postal ballot and e-voting, then e-voting shall prevail over voting through postal ballot and voting done through postal ballot shall be treated as invalid. The members who have cast their vote by remote e-voting or postal ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. The vote on postal ballot cannot be exercised through proxy.
7. A shareholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer in the enclosed self-addressed postage prepaid envelope. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the shareholder will also be accepted.
8. The self-addressed postage prepaid envelope bears address of the Scrutinizer appointed by the NCLT.
9. Postal Ballot Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Transferee Company). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his/her absence, by the next named Shareholder.
10. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (√) in the appropriate column.
11. There will be only one Postal Ballot Form for every Folio/ Client ID irrespective of the number of joint shareholder(s).
12. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on Monday, 26th March 2018.
13. Shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the Scrutinizer and any extraneous paper found would be destroyed by the Scrutinizer.
14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
15. Any queries/grievances in relation to the voting by postal ballot may be addressed to Mr. Piyush Girishchandra Hindia, Company Secretary of the Applicant Company through email to companysecretary@lykalabs.com
16. A Postal Ballot Form shall be considered invalid if:
 - (a) A form other than one issued by the Transferee Company has been used;
 - (b) It has not been signed by or on behalf of the member;
 - (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company;
 - (d) It is not possible to determine without any doubt the assent or dissent of the member;
 - (e) Neither assent nor dissent is mentioned;
 - (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the member;
 - (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e.

Monday, 26th March 2018, 5.00 PM; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority; (i) It is received from a member who is in arrears of payment of calls; (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (k) Member has made any amendment to the resolution or imposed any condition while exercising his vote. (l) Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

E Voting Facility

The Company will be offering e-voting facility to the members to cast their votes electronically on resolution set forth in this Notice. The detailed instructions for e-voting are given hereunder.

- i. The voting period commences from Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first-time user follow the steps given below:

| PAN | For Members holding shares in Demat Form and Physical Form |
|---|--|
| | Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details or Date of Birth | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD**

COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

A Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant/Transferee Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF LYKA LABS LIMITED

- 1) Pursuant to the order passed by the Hon’ble National Company Law Tribunal (NCLT) Bench at Ahmedabad, in the Company Application No. 2 of 2018 referred to hereinabove, a meeting of Equity Shareholders of Lyka Labs Limited, The Transferee Company is being convened on Tuesday, 27th March 2018, at 12.00 Noon at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, Gujarat, India for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Merger (By Absorption) under Section 232 read with section 230, of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders.
- 2) Notice of the said meetings together with the copy of the Scheme of Merger (By Absorption) is sent herewith. This statement explaining the terms of the scheme of Merger (By Absorption) is being furnished as required under section 230(3) of the Companies Act, 2013.
- 3) A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been approved by the Board of Directors of the Transferee Company is enclosed herewith.
- 4) Details of the scheme of Merger (By Absorption) as required under Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:
 - 4.1. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting:-
 - (a) Date of the Order: 6th February, 2018,
 - (b) Date, time and venue of the meeting.
 - Date: Tuesday, 27th March 2018, at 12.00 Noon
 - Time:- 12 Noon
 - Venue: 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India
 - 4.2. Details of the company:
 - 4.2.1. Details of the Transferor Company
 - 4.2.1.1. Corporate Identification Number (CIN): U85190MH2013PLC244062

- 4.2.1.2. Permanent Account Number (PAN): AACCL5426A
- 4.2.1.3. Name of the Company: LYKA HEALTHCARE LIMITED
- 4.2.1.4. Date of incorporation: 05/06/2013
- 4.2.1.5. Type of the company (whether public or private or one-person company)
Unlisted Public Limited Company
- 4.2.1.6. Registered office address and e-mail address: 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059, Maharashtra.
- 4.2.1.7. Email ID: pkhinduja@lykalabs.com
- 4.2.1.8. Summary of main object as per the memorandum of association; and main business carried on by the Company
1. To carry on all or any of the business of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal preparation, chemist, druggist and chemical manufactures.
 2. To import, export, purchase and sell patent medicines, pharmaceutical products, chemicals, surgical and medicinal instruments, apparatus, appliances and to acquire, transfer, license, sub-license, assign Trademarks, Patents and any other Intellectual Property Rights, technical know-how of the medicinal products.
- 4.2.1.9. Details of change of name, registered office and objects of the company during the last five years: NIL
- 4.2.1.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: NOT LISTED
- 4.2.1.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017; and

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

- 4.2.1.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Lyka Labs Limited | 4801/B & 4802/A GIDC Industrial Estate Ankleshwar GJ 393002 |
| 2. | Mr. Narendra I. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mrs. Nehal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Mr. Kunal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | Mr. Rajendra V. Pawar (Nominee of Lyka Labs Ltd.) | Sanskar / A/ 306, Neelam Nagar, Phase – II, Mulund East, Mumbai – 400081 |
| 6. | Mr. Yogesh B. Shah (Nominee of Lyka Labs Ltd.) | A/403, Madhav Kung, M.G. Road, Kandivali(w), Mumbai – 400067 |
| 7. | Mr. Vinod S. Shanbhag (Nominee of Lyka Labs Ltd.) | 3, Mehta Nivas, Mahant Rd. Vile Parle (E), Mumbai-400057 |

4.2.1.13. Name of Directors along with their address

| Sr. No. | Names of the Directors | Address |
|---------|--------------------------|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mr. Kunal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Manish Shirishkant Mehta | B 10 Raghukul Lallubhai Park Andheri West Mumbai 400058 |
| 4. | Dhaval Mahendra Desai | B-1010, Twin Tower Manish Park, Pump House, Andheri East Mumbai 400093 |

Company Secretary:

Pooja Kumar Hinduja:

Address:

Satguru Palace, Flat No. 204, Section 28 Ulhasnagar Mumbai 421004.

4.2.1.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on 29th May, 2017.

4.2.2. Details of the Transferee Company

4.2.2.1. Corporate Identification Number (CIN): L24230GJ1976PLC008738

4.2.2.2. Permanent Account Number (PAN): AAACL0820G

4.2.2.3. Name of the company: LYKA LABS LIMITED

4.2.2.4. Date of incorporation: 29/12/1976

4.2.2.5. Type of the company (whether public or private or one-person company) Public Limited Company (Listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'))

4.2.2.6. Registered office address and e-mail address:

4801/B & 4802/A GIDC INDUSTRIAL ESTATE ANKLESHWAR 393002, Gujarat, India

4.2.2.7. Email ID: companysecretary@lykalabs.com

4.2.2.8. Summary of main object as per the memorandum of association; and main business carried on by the Company

- To purchase associate with or otherwise acquire the running business as a whole with all the assets including all attendant rights and benefits thereof used and exploited by and in the name of Messers. Lyka Laboratories also known as "LYKA LABS" as a going concern together with the benefit of Tenancy Rights of the said firm's business premises, goodwill, plant, machinery, stock-in-trade, trade marks, trade names, patents designs, import and export quotas, entitlements and licences, and allocations of any nature whatsoever in connection with the said business.
- To carry on the business of wholesale and retail pharmaceutical chemists and druggists and of the dispensing of medicines.
- To carry on the business of manufacturing, wholesale and retail chemists and manufacturers and refiners of and dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, salts, alkalis, antibiotics, pharmaceutical, medicinal and chemical preparations.
- To carry on all or any of the business of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal, preparation, chemists, druggists and chemical manufacturers.
- To import, export and sell patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
- To purchase and sell as agents, patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.

- To carry on business as buyers, sellers, importers, exporters, distributors, stockists and dealers of all kinds of articles, things and goods, fabrics, textiles, including decorative and machine made readymade garments, carpets, mats, rugs, blankets, shawls, tweeds, linens, flannels, bedspreads, quilts, scarf's, belts and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed blended products, nylon, polyester, fabric yarn, hosiery and mixed fabrics, natural silk fabrics and garments and engineering goods, building materials cement machine tools, hand tools, small tools, metals, alloys, iron pipe fittings, nuts and bolts, bicycle and accessories, automobile parts, steel and stainless and iron products ores and scrape metallurgical residues, hides, skins, leather goods, furs, bristles, tobacco (raw and manufactured), hemp, seeds, oil and cakes, vanaspati, and waste coir and jute and products thereof, wood and timber, bones crushed and uncrushed industrial diamonds, coal and charcoal, flue gums and resins, ivory, shellac, manures, pulp or woods, rage, rubber, tanning substances, wax, quarts, crystal, plastic and linoleum articles, glassware, handicrafts, handloom, toys, precious stones, ornaments, jewelleryes, pearls, soaps paints, instruments, apparatus and appliances, machinery and mill work and parts thereof, paper and stationery, sports goods, cosmetics, wigs, belting, cinematograph films exposed, gramophone records, rubber, plastic goods, starch, umbrellas, cork, batteries, musical instruments, marble, hardware items, traditional calendars, all kinds of books, and manuscripts, electric and electronic cellulosic products, mixed blended products, fish and fish products, fodder bran, fruits, nuts, cashew nuts, kernels, grains, pulses, flour, confectionery, provisions, alcohol, beverages, perfumes, spirits, spices, tea, coffee, sugar and molasses, vegetables and vegetable products, processed foods and packed food products.

- 4.2.2.9. Details of change of name, registered office and objects of the company during the last five years: NIL
- 4.2.2.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')
- 4.2.2.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017; and

| Particulars | Amount in Rs. |
|---|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 200,000 Redeemable Pref. Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Equity, Issued, Subscribed and Paid up: | |
| 2,20,40,000 Equity Share of Rs.10/- each | 22,04,00,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 23,12,57,000 |

- 4.2.2.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Kunal N Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Narendra I Gandhi HUF | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | M/s Enai Trading and Investment Private Limited | Gate No. 3, Unit No. 151, shiv shakti Industrial Estate, opposite Mittal Estate, Andheri kurla Road, Andheri (East), Mumbai 400059 |

4.2.2.13. Names of the directors along with their addresses:

| Sr. No. | Names of Directors | Address |
|---------|----------------------------------|---|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Yatin N Shah | 407/B, Pushpak Apt., Garton Para, W.E. Highway, Dahisar (East), Mumbai 400068 |
| 4. | Mr. Ajit Kumar Shantilal Bagadia | A 502 Winsway Complex, Old Police Lane Opp. Vaibhav Hotel, Andheri East Mumbai 400069 |
| 5. | Mr. Atit Nitin Shukla | 5-Uma Smruti, Mamlatdar Wadi 3rd Road, Malad West Mumbai 400064 |

COMPANY SECRETARY: PIYUSH GIRISHCHANDRA HINDIA

CFO(KMP): YOGESH BABULAL SHAH

CEO(KMP): KUNAL NARENDRA GANDHI

4.2.2.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on Monday 29th May 2017.

4.3. Parties involved in such compromise or Merger (By Absorption) –

| Sr. No. | Name of Party/Company | Particulars |
|---------|-------------------------|--------------------|
| 1. | Lyka Healthcare Limited | Transferor Company |
| 3. | Lyka Labs Limited | Transferee Company |

4.4. Relationship subsisting between such companies who are parties to such scheme of Merger (By Absorption): Lyka Healthcare Limited, the Transferor Company is a Wholly Owned Subsidiary Company of Lyka Labs Limited, the Transferee Company.

4.5. In case of Merger (By Absorption), appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any;

4.5.1. Appointed Date: 1st April, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal

4.5.2. Effective Date: means the Appointed Date as defined in section 232 (6) of the Companies Act, 2013 Reference in this Scheme to the date of “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Appointed Date subject to fulfillment of conditions under Clause Scheme Conditional Upon Sanctions, Etc. of the Scheme of Merger (By Absorption).

4.5.3. Consideration: Since Lyka Healthcare Limited, the Transferor Company is a wholly owned subsidiary company of Lyka Labs Limited, the Transferee Company, the shares of the Transferor Company held by the Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of the Transferor Company.

4.5.4. Summary of valuation report (if applicable) including basis of valuation and the declaration that the valuation report is available for inspection at the registered office of the company; Not Applicable

4.5.5. Details of capital or debt restructuring, if any; Not Applicable

4.5.6. Rationale for the Merger (By Absorption):

a. The Merger (By Absorption) would provide greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.

b. The Merger (By Absorption) would provide greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

- c. The Merger (By Absorption) will enable improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - d. The Merger (By Absorption) will result in greater access by the amalgamated company to different market segments in the conduct of its business.
 - e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses. The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
 - f. The Merger (By Absorption) will result in simplified group and business structure.
- 4.5.7. Benefits of the Merger (By Absorption) as perceived by the Board of directors to the company, members, creditors and others (as applicable):
- a. All the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company. The Merger (By Absorption) would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
 - b. The Merger (By Absorption) will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger business and financial base for execution of the larger business activities.
 - c. The Merger (By Absorption) will result in economy of scale and reduction in overheads, administrative, managerial and other expenditure and optimal utilization of resources.
 - d. The Merger (By Absorption) will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
 - e. The Scheme of Merger (By Absorption) will result in cost saving for all the companies as they are capitalizing on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company.
- 4.5.8. Amount due to unsecured creditors –
- 4.5.8.1. Amount due to unsecured creditors by Transferor Company:
As on August 31st, 2017, Rupees 27,24,26,922.00/- (Rupees Twenty Seven Crores Twenty Four Lakhs Twenty Six Thousand Nine Hundred Twenty Two Only).
- 4.5.8.2. Amount due to unsecured creditors by Transferee Company:
As on October 31st, 2017, Rupees 49,73,43,538.00/- (Rupees Forty Nine Crores Seventy Three Lakhs Forty Three Thousand Five Hundred & Thirty Eight Only.)
- 4.6. Disclosure about the effect of the Merger (By Absorption) on:
- (a) key managerial personnel; (b) directors; (c) promoters; (d) non-promoter members; (e) depositors; (f) creditors; (g) debenture holders; (h) deposit trustee and debenture trustee; (i) employees of the company:
- None of the aforesaid parties are impacted in any way post sanctioning of the Scheme and reference to the same has been made at the respective places in the Scheme of Merger (By Absorption) attached herewith.
- 4.7. Disclosure about effect of Merger (By Absorption) on material interests of directors, Key Managerial Personnel - The Scheme of Merger (By Absorption) has no impact on the material interests of directors, Key Managerial Personnel of the Company.
- 4.8. Investigation or proceedings, if any, pending against the company under the Act- NIL
- 4.9. Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely:
- Inspection of the following documents may be had at the Registered Office of Lyka Labs Limited, the Transferee Company up to one day prior to the date of the meeting between 11.00 am and 5.00 pm on all working days (except Saturdays and Sundays and Public Holidays):
- (a) Latest audited financial statements of the Transferee Company,

- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened
 - (c) Copy of scheme of Merger (By Absorption),
 - (d) Contracts or agreements material to the scheme of Merger (By Absorption), if any,
 - (e) The certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme of Merger (By Absorption) is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
 - (f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme
- 4.10. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of Merger (By Absorption):

The Copies of the Scheme of Merger (By Absorption) is being filed simultaneously along with the dispatch of this notice with the following regulatory and governmental authorities:

- 1. Income Tax Department, Government of India
 - 2. Registrar of Companies, Ahmedabad, Gujarat
 - 3. Regional Director, North Western Region
 - 4. Central Government through Regional Director, North Western Region
 - 5. Official Liquidator in respect of Transferor Companies,
 - 6. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') Approvals, sanctions or representations, if any, are pending from these authorities.
- 5) Documents under Section 232(2) of the Companies Act, 2013:

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- a. Scheme of Merger (By Absorption);
- b. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- c. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of un-Audited Financial Statements of Transferor Company for period ended on December 31, 2017
- e. Copy of Un-Audited Financial Statements of Transferee Company for period ended on October 31, 2017
- f. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
- g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.

Note: The Scheme of Merger (By Absorption) is simultaneously being filed with the Registrar of Companies, Ahmedabad, Gujarat.

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANY ACT, 2013
OF
LYKA HEALTHCARE LIMITED (THE “TRANSFEROR COMPANY”)
AND
LYKA LABS LIMITED (THE “TRANSFEE COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. Description of Company and Background

- I. Lyka Healthcare Limited, Transferor Company (CIN: U85190MH2013PLC244062) is a unlisted public limited company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059 (hereinafter referred to as the **“Transferor Company”**).

The Transferor Company is engaged in the business of pharmaceutical sector. The Transferor Company is 100% subsidiary of the Transferee Company.
- II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the **“Transferee Company”**). The Transferee Company is engaged in the business of wholesale and retail chemists and manufacturers and refiners of and dealers in all kinds of drugs ,in pharmaceutical sector .
- III. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company’s equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Company Act, 1956 and other applicable provisions of the Company Act, 2013.

B. Rationale for the Scheme

The Transferee Company is holding stake directly in the Transferor Company and as the Transferor Company and Transferee Company’s business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency, the merger of the Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- (b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cashflow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- (c) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- (d) Greater access by the amalgamated company to different market segments in the conduct of its business.
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
- (f) Achieving economies of scale.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

C. Parts of the Scheme:

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
 - (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
 - (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Companies, as applicable;
 - (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
 - (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.
- D.** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. “Act” means the Company Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. “Appointed Date” For the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means the open of business hours on 1st April 2017;
- 1.3. “Board of Directors” or “Board” means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof
- 1.4. “Effective Date” means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Company by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;
- 1.5. “Governmental Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India, National Company Law Tribunal (to be constituted under Company Act, 2013), and the NCLT ;
- 1.6. “NCLT “ means the National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferee Company and the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor as the context may admit ;
- 1.7. “Registrar of Companies” means the Registrar of Companies, Mumbai and /or Ahmedabad
- 1.8. “Scheme” means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT Mumbai Bench and Ahmedabad Bench ;
- 1.9. “Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.10. “Transferor Company” means Lyka Healthcare Limited (CIN: U85190MH2013PLC244062), a company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai 400059 ;
- 1.11. “Transferee Company” means Lyka Labs Limited (CIN: L24230GJ1976PLC008738) a company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002;

- 1.12 “Undertaking” means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
 - II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
 - III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
 - IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
 - V. All permanent employees engaged by the Transferor Company as on the Effective Date.
 - VI. all quotas, rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;
 - VII. all brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to ANDAs (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
 - VIII. all intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

IX. all benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including CENVAT credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.2. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|------------|
| Authorised Share Capital: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 75,50,000 equity shares of Rs. 10/- each | 75,500,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

2.2. Transferee Company:

The Authorised, Issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|---------------------------|
| Authorised Share Capital: | |
| 30,000,000 Equity Shares of Rs. 10/-each. | 300,000,000 |
| 200,000 Reedemable Preference Shares of Rs. 100/- each | 20,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 22,040,000 Equity Shares of Rs. 10/- each | |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs 100/- each | 220,400,000 10,857,000 |
| | |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferee Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

The equity shares of Transferee Company are, at present, listed on the National Stock Exchange of India Limited and the BSE Limited.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking(s) of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, manufacturing facilities, laboratories receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals, recognitions and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, trade secrets, know-how, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations, and all other interests exclusively relating to the goods or services, GMP Certificates, AND As approved by the U.S. Food and Drug Administration, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the orders of the NCLT, Mumbai Bench and Ahmedabad Bench sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking(s) of the Transferee Company.

4.3 Transfer of Assets:

- 4.3.1 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- 4.3.1.1 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- 4.3.1.2 Without prejudice to the provisions of Clause 4.3.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.3.1.3 In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.3.1.4 All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.

- 4.3.1.5 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.3.2 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Mumbai Bench and Ahmedabad Bench under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.3.3 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

4.4 Transfer of Liabilities:

- 4.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- 4.4.2 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.5 Encumbrances

- 4.5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.33 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2 All the existing securities, mortgages, charges, encumbrances or liens (the “Encumbrances”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4 Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Company to give formal effect to the above provisions, if required.
- 4.5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 4.5.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.5.7 The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

4.6 Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1 to 4.55, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

- 6.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

7. CONDUCT OF BUSINESS

- 7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.1.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

7.1.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

7.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

- 7.2 With effect from the first of the date of filing of this Scheme with the NCLT, Mumbai and up to and including the Effective Date:

7.2.1 The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

7.2.1.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.1.2 if the same is permitted by this Scheme; or

7.2.1.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.2.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities.;(iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:

7.2.2.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.2.2 if the same is permitted by this Scheme; or

7.2.2.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.3 Treatment of Taxes

7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as “**Tax Laws**”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

7.3.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

7.3.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. STAFF WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

8.1.1 All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.

8.1.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the “**Funds**”) and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

10. CANCELLATION OF SHARES

The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees. Upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Paid up share capital of the Transferor Company shall stand cancelled

10.1 Increase in authorized share capital of Transferee Company

10.1.1 Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs.8,00,00,000 (Rupees Eight Crores), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Company Act 2013 , would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

“The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty Crores Only) divided into 3,80,00,000 equity shares of Rs. 10 each and 2,00,000 Redeemable Preference shares of Rs.100 each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Company Act, 1956, for the time being in force.”

PART IV

ACCOUNTING TREATMENT AND DIVIDENDS

11. ACCOUNTING TREATMENT

11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded by the Transferee Company at their Fair Value

11.2 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this Scheme becoming effective.

11.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Transferor Company shall be carried as the balances in the accounts of the Transferee Company.

- 11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "Net Book Value" of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- 11.8 Inter Company balances shall be cancelled;

12. DECLARATION OF DIVIDEND

- 12.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 12.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

13. POWER TO GIVE EFFECT TO THIS PART

- 13.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 13.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), ANDAs, manufacturing licenses, product permissions, certificates, CoPPs, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives and subsidies. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period".

During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered medicines for export purposes.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF TRANSFEROR COMPANY

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company

and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

16. MODIFICATION OF SCHEME

16.1 Subject to approval of Jurisdictional NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the “Delegate”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which Jurisdictional NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

17. FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

18. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

19. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

19.1 This Scheme is conditional upon and subject to:

19.1.1 The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the Jurisdictional NCLT being obtained; and

19.1.2 The certified copies of the orders of the Jurisdictional NCLT sanctioning this Scheme being filed with the Registrar of Companies, Ahmedabad and the Registrar of Companies, Maharashtra, Mumbai.

20. COSTS, CHARGES, EXPENSES AND STAMP DUTY

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LYKA HEALTHCARE LIMITED

Report adopted by the Board of Directors of Lyka Healthcare Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Healthcare Limited (“the Transferor Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts as on 31st March, 2017,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LHL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LLL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - c) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - d) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - f) Achieving economies of scale
- iv. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable to the Transferor Company since it an Unlisted Company.
- v. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group to any additional shares or any special benefits.
- vi. The effect of the proposed Scheme of Amalgamation on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- vii. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LHL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
Lyka Healthcare Limited
Sd/-
Mr. Kunal Narendra Gandhi
Director**

Place: Mumbai
Date: 29th May, 2017

Report adopted by the Board of Directors of Lyka Labs Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Labs Limited (“the Transferee Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts of Companies as on 31st March, 2017,
 - d) Report from the Audit Committee recommending the draft scheme,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LLL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LHL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - g) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - h) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - i) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - j) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - k) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - l) Achieving economies of scale
- iv. Since, the shareholders and the shareholding pattern of LLL remains the same, it is treated as no change in shareholding pattern
- v. Further as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. However the aforesaid circular requires that such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.
- vi. Further as per amendment to regulation 37, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified as on 15th February, 2017, nothing contained in the aforesaid regulation shall

apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company and that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.

- vii. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares or any special benefits.
- viii. The effect of the proposed Scheme of Merger (By Absorption) on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- ix. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LLL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
LYKA LABS LIMITED**

Sd/-

**Mr. Narendra I Gandhi
Director**

Place: Mumbai

Date: 29th May 2017

LYKA HEALTHCARE LIMITED

Balance Sheet as at 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | As at 31.12.2017 | As at 31.03.2017 |
|--|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 1 | 7,55,00,000 | 7,55,00,000 |
| (b) Reserves and Surplus | 2 | 5,83,13,248 | 8,33,72,846 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 23,69,562 | 50,50,243 |
| (b) Other Long-Term Liabilities | 4 | 7,35,61,867 | 8,06,89,037 |
| (c) Long-Term Provisions | 5 | 41,92,811 | 41,92,811 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 28,99,319 | 2,951 |
| (b) Trade Payables | | | |
| - Total outstanding dues of micro & small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro & small enterprises | | 11,50,18,825 | 9,27,84,793 |
| (c) Other Current Liabilities | 7 | 9,98,09,968 | 10,14,77,626 |
| (d) Short term provisions | 8 | 4,32,052 | 4,32,052 |
| | | 43,20,97,652 | 44,35,02,360 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 54,71,283 | 63,05,453 |
| (ii) Intangible Assets | 9 | 30,45,60,929 | 31,83,47,636 |
| 2 Deferred Tax Assets | 10 | 1,57,71,137 | 1,57,71,137 |
| 3 Current Assets | | | |
| (a) Inventories | 11 | 2,44,19,134 | 3,48,54,670 |
| (b) Trade Receivables | 12 | 7,66,00,028 | 6,26,95,923 |
| (c) Cash and Cash Equivalents | 13 | 5,45,681 | 15,97,405 |
| (d) Short-Term Loans and Advances | 14 | 47,29,459 | 39,30,135 |
| | | 43,20,97,652 | 44,35,02,360 |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Statement of Profit and Loss for the period ended 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | Period ended 31.12.2017 | Year ended 31.03.2017 |
|---|----------|-------------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | 15 | 10,41,38,871 | 14,14,86,241 |
| Other Income | | 8,27,565 | 2,46,603 |
| | | 10,49,66,436 | 14,17,32,844 |
| EXPENSES | | | |
| (a) Purchases | 16 | 4,85,98,654 | 9,00,72,751 |
| (b) Changes in Inventories | 17 | 1,04,35,536 | (47,99,692) |
| (c) Employee Benefits Expense | 18 | 2,88,68,495 | 4,29,00,147 |
| (d) Finance Costs | 19 | 8,66,806 | 13,15,063 |
| (e) Depreciation and Amortization Expense | 9 | 1,46,48,876 | 3,50,18,010 |
| (f) Other Expenses | 20 | 2,66,07,667 | 3,65,63,470 |
| | | 13,00,26,034 | 20,10,69,749 |
| Profit / (Loss) before tax expenses | | (2,50,59,598) | (5,93,36,905) |
| Provision for Deferred Tax | | - | (2,85,02,623) |
| Profit/(Loss) after tax | | (2,50,59,598) | (3,08,34,282) |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|--|---------------------|---------------------|
| 1 | Share Capital | | |
| | Authorised 80,00,000 (PY 80,00,000) Equity Shares of Rs 10 each | 8,00,00,000 | 8,00,00,000 |
| | Issued , Subscribed & Paid-Up | | |
| | Equity Share Capital 75,50,000 Equity Share of Rs 10/- each (PY 75,50,000 Equity Share of Rs 10/- each) | 7,55,00,000 | 7,55,00,000 |
| | TOTAL | 7,55,00,000 | 7,55,00,000 |

1.2 Rights, Preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period

| | 31.12.2017 | |
|---|------------------|--------------------|
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |
| | 31.03.2017 | |
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |

1.4 Wholly owned subsidiary of Lyka Labs Ltd

| | | | |
|---|--|-----------------------|-----------------------|
| 2 | Reserves & Surplus | | |
| | Surplus in the Statement of Profit & Loss | | |
| | -Balance as per Last Financial Statement | (14,16,27,154) | (10,85,63,834) |
| | -Profit/(Loss) for the year | (2,50,59,598) | (3,30,63,320) |
| | Net Balance in the Statement of Profit & Loss | (16,66,86,752) | (14,16,27,154) |
| | Share Premium Account | 22,50,00,000 | 22,50,00,000 |
| | | 5,83,13,248 | 8,33,72,846 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|---------------------|---------------------|
| 3 | Long term Borrowings | | |
| | Secured | | |
| | Car Loan (Secured against Vehicle) | 23,69,562 | 29,07,920 |
| | Unsecured Loan | | |
| | Loan from Director | - | 21,42,323 |
| | | 23,69,562 | 50,50,243 |
| 4 | Other Long Term Liabilities | | |
| | Slump Sale Consideration Payable to Lyka Labs Ltd | 6,50,00,000 | 6,50,00,000 |
| | Security Deposits | 85,61,867 | 1,56,89,037 |
| | | 7,35,61,867 | 8,06,89,037 |
| 5 | Long Term Provisions | | |
| | Provisions for Employee Benefits : | | |
| | Provision for Gratuity | 10,55,444 | 10,55,444 |
| | Provision for Leave Encashment | 23,97,367 | 23,97,367 |
| | Provision for Superannuation | 7,40,000 | 7,40,000 |
| | | 41,92,811 | 41,92,811 |
| 6 | Short-Term Borrowings | | |
| | Unsecured | | |
| | Loans Borrowed from Associates | - | 2,951 |
| | Loan From Director | 2,00,000 | - |
| | Inter-Corporate deposit | 26,99,319 | - |
| | | 28,99,319 | 2,951 |
| 7 | Other Current liabilities | | |
| | Current maturities of Long Term Debt | 7,08,479 | 6,54,182 |
| | Interest Accrued and due on Borrowings | 15,49,741 | 19,35,253 |
| | Statutory remittances | 15,93,121 | 26,19,410 |
| | Payable for Fixed Assets | 6,09,50,000 | 6,09,50,000 |
| | Advance for Brands | 2,85,87,951 | 2,91,85,000 |
| | Other Liabilities | 64,20,676 | 61,33,781 |
| | | 9,98,09,968 | 10,14,77,626 |
| 8 | Short Term Provision | | |
| | Short Term Provision for Gratuity | 6,132 | 6,132 |
| | Short Term Provision for Leave Encashment | 4,25,920 | 4,25,920 |
| | | 4,32,052 | 4,32,052 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

Note No : 9 - Fixed Assets

| Name of the Asset | Depn Rate | Gross Block | | | Depreciation | | | Net block | | |
|--|-----------|---------------------|-----------------------------|---------------------|--------------------|-----------------------------|---------------------------|---------------------|---------------------|---------------------|
| | | As on 01/04/2017 | Additions during the period | As on 31/12/2017 | Till 31/03/2017 | Additions during the period | Deletions during the year | As on 31/12/2017 | As on 31/03/17 | |
| TANGIBLE ASSETS : | | | | | | | | | | |
| VEHICLES | 11.88% | 60,04,802 | - | 60,04,802 | 8,87,621 | 5,37,471 | - | 14,25,092 | 45,79,710 | 51,17,181 |
| OFFICE EQUIPMENTS | 19.00% | 5,48,446 | - | 5,48,446 | 2,63,978 | 78,510 | - | 3,42,488 | 2,05,958 | 2,84,468 |
| FURNITURE & FIXTURES | 9.50% | 7,98,190 | 28,000 | 8,26,190 | 1,95,022 | 57,335 | - | 2,52,357 | 5,73,833 | 6,03,168 |
| COMPUTERS | 31.67% | 7,91,478 | - | 7,91,478 | 4,90,842 | 1,88,854 | - | 6,79,696 | 1,11,782 | 3,00,636 |
| TOTAL TANGIBLE ASSETS | | 81,42,916 | 28,000 | 81,70,916 | 18,37,463 | 8,62,170 | - | 26,99,633 | 54,71,283 | 63,05,453 |
| INTANGIBLE ASSETS : | | | | | | | | | | |
| COMPUTER SOFTWARE | 15.83% | 4,82,170 | - | 4,82,170 | 2,01,204 | 57,507 | - | 2,58,711 | 2,23,459 | 2,80,966 |
| TECHNICAL & MARKETING KNOW-H | 5.00% | 6,09,50,000 | - | 6,09,50,000 | 7,64,144 | 22,96,062 | - | 30,60,205 | 5,78,89,795 | 6,01,85,866 |
| BRANDS | | 34,50,00,000 | - | 34,50,00,000 | 8,71,19,186 | 1,14,33,140 | - | 9,85,52,326 | 24,64,47,674 | 25,78,80,814 |
| TOTAL INTANGIBLE ASSETS | | 40,64,32,170 | - | 40,64,32,170 | 8,80,84,534 | 1,37,86,708 | - | 10,18,71,242 | 30,45,60,929 | 31,83,47,636 |
| TOTAL TANGIBLE & INTANGIBLE | | 41,45,75,086 | 28,000 | 41,46,03,086 | 8,99,21,997 | 1,46,48,879 | - | 10,45,70,875 | 31,00,32,211 | 32,46,53,089 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|--|--------------------|--------------------|
| 10 | Deferred Atx Assets | | |
| | Deferred Tax Liability | | |
| | on account of deprecciation difference | (1,85,592) | (1,85,592) |
| | Deferred Tax Assets | | |
| | on account of brought forward losses & unabsorbed depreciation | 1,44,27,610 | 1,44,27,610 |
| | on account of Sec 43B disallowances | 15,29,118 | 15,29,118 |
| | | 1,57,71,137 | 1,57,71,137 |

| | | | |
|----|---|--------------------|--------------------|
| 11 | Inventories (taken as valued, vefified & certified by management) | | |
| | Closing Stock of Finished Goods | 2,44,19,134 | 3,48,54,670 |
| | | 2,44,19,134 | 3,48,54,670 |

| | | | |
|----|--|--------------------|--------------------|
| 12 | Trade Receivables (Unsecured and considered good) | 7,66,00,028 | 6,26,95,923 |
| | | 7,66,00,028 | 6,26,95,923 |

| | | | |
|----|----------------------------------|-----------------|------------------|
| 13 | Cash and Cash equivalents | | |
| | Cash in Hand | 7,103 | 5,414 |
| | Balances with bank | 5,38,577 | 15,91,991 |
| | | 5,45,680 | 15,97,405 |

| | | | |
|----|---------------------------------------|------------------|------------------|
| 14 | Short term loans and advances | | |
| | Advance to Employees | 12,36,411 | 2,18,796 |
| | Recoverables from revenue authorities | 28,72,663 | 31,70,587 |
| | Prepaid Expenses | 1,23,003 | 68,045 |
| | Other Advances | 4,97,382 | 4,72,708 |
| | | 47,29,459 | 39,30,135 |



LYKA HEALTHCARE LIMITED
Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | For the period ended 31.12.2017 | For the period ended 31.03.2017 |
|----------|---|------------------------------------|------------------------------------|
| 15 | Revenue from operations | | |
| | Sale of Products | 10,41,38,871 | 14,14,86,241 |
| | | 10,41,38,871 | 14,14,86,241 |
| 16 | Purchase | | |
| | Finished Goods | 4,85,98,654 | 9,00,72,751 |
| | | 4,85,98,654 | 9,00,72,751 |
| 17 | Change in inventories of Finished Goods (Taken as valued, verified & certified by management) | | |
| | Opening stock | 3,48,54,670 | 3,00,54,978 |
| | Closing Stock | 2,44,19,134 | 3,48,54,670 |
| | | 1,04,35,536 | (47,99,692) |
| 18 | Employee benefits expense | | |
| | Salary & Incentives | 2,74,97,145 | 4,07,04,689 |
| | Employer's Contribution to Provident Fund | 13,71,350 | 21,95,458 |
| | | 2,88,68,495 | 4,29,00,147 |
| 19 | Finance Costs | | |
| | Interest on Secured Loans | 2,68,313 | 29,706 |
| | Interest on Unsecured Loans | - | 91,990 |
| | Bill Discounting Charges | - | 1,46,839 |
| | Interest on Security Deposit | 4,61,208 | 10,46,528 |
| | Interest on Intercorporate Loan | 1,37,285 | - |
| | | 8,66,806 | 13,15,063 |
| 20 | Other Expenses | | |
| | Payment to Auditors | | |
| | Statutory Audit Fees | - | 2,30,000 |
| | For representative | - | 20,850 |
| | For certificate | - | - |
| | Others | | |
| | Rent including lease rentals | 7,25,616 | 9,53,151 |
| | Commision and brokerage | 40,92,178 | 65,36,591 |
| | Conference and seminar | 5,27,472 | 10,47,236 |
| | Travelling and Conveyance | 66,72,322 | 94,50,747 |
| | Advertisement and Sales Promotion | 57,18,600 | 94,28,952 |
| | Legal and Professional Charges | 21,17,799 | 8,37,412 |
| | Freight Expenses - Inwards and Outwards | 27,20,126 | 38,70,652 |
| | Communication Expenses | 5,45,256 | 11,32,983 |
| | Assets Leasing Charges | 8,69,584 | - |
| | Insurance | - | - |
| | Miscellaneous Expenses | 26,18,715 | 30,54,896 |
| | | 2,66,07,667 | 3,65,63,470 |

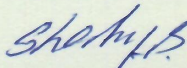


Lyka Labs Limited
Provisional Balance Sheet as at 31st October, 2017

[Amount in Rs.]

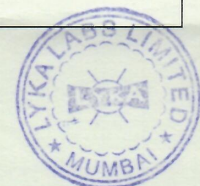
| Particulars | Note No. | As at 31st October, 2017 | As at 31st March, 2017 |
|---|----------|--------------------------|------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 28,14,00,000 | 23,12,57,000 |
| (b) Reserves and Surplus | 4 | 74,43,02,023 | 43,94,62,342 |
| | | 1,02,57,02,023 | 67,07,19,342 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 27,04,63,999 | 34,73,44,608 |
| (b) Other Long-Term Liabilities | 6 | 37,59,962 | 13,95,000 |
| (c) Long-Term Provisions | 7 | 2,27,26,895 | 2,19,52,386 |
| | | 29,69,50,856 | 37,06,91,994 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 8 | 37,84,83,961 | 37,72,05,332 |
| (b) Trade Payables | 9 | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 34,01,24,174 | 34,98,90,555 |
| (c) Other Current Liabilities | 10 | 63,48,64,578 | 56,82,21,646 |
| (d) Short-Term Provisions | 11 | 1,07,54,008 | 1,12,73,658 |
| | | 1,37,18,60,696 | 1,31,42,25,168 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 80,22,61,822 | 54,36,29,484 |
| (ii) Intangible Assets | | 4,67,58,848 | 4,60,50,014 |
| (iii) Capital Work-in-Progress | | 16,60,17,648 | 17,81,30,353 |
| (iv) Intangible Assets under Development | | 15,59,42,566 | 14,65,06,534 |
| | | 1,17,09,80,884 | 91,43,16,385 |
| (b) Non-Current Investments | 13 | 62,94,31,461 | 62,45,30,394 |
| (c) Long-Term Loans and Advances | 14 | 15,34,95,000 | 15,98,54,219 |
| | | 1,95,39,07,345 | 1,69,87,00,998 |
| 2 Current Assets | | | |
| (a) Inventories | 15 | 10,24,81,020 | 9,25,16,212 |
| (b) Trade Receivables | 16 | 38,95,88,100 | 31,42,08,761 |
| (c) Cash and Cash Equivalents | 17 | 1,07,30,983 | 1,45,74,164 |
| (d) Short-Term Loans and Advances | 18 | 22,39,82,143 | 22,18,12,383 |
| (e) Other Current Assets | 19 | 1,38,23,986 | 1,38,23,986 |
| | | 74,06,06,231 | 65,69,35,506 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| See accompanying notes to the financial statements | 1 to 60 | | |

For Lyka Labs Limited


Y. B. Sha Chief Financial Officer

Place : Mumbai

Date :



Lyka Labs Limited

Provisional Statement of Profit and Loss for the year ended 31st October, 2017

[Amount in Rs.]

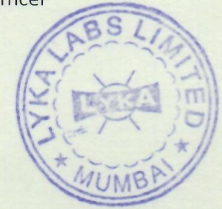
| Particulars | Note No. | For the period ended 31st October, 2017 | For the year ended 31st March, 2017 |
|---|-----------|---|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Less: Excise Duty | | - | - |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Other Income | 21 | 72,24,789 | 1,70,23,449 |
| Total Revenue | | 21,09,01,922 | 86,34,20,166 |
| EXPENSES | | | |
| Cost of Materials Consumed | | 10,01,40,464 | 35,36,66,810 |
| Purchases of Stock-in-Trade | | 85,40,825 | 2,73,05,655 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | (34,19,391) | (1,78,71,137) |
| Excise Duty Paid | | 81,00,270 | 6,63,25,164 |
| Employee Benefits Expense | 23 | 6,25,02,115 | 10,04,84,606 |
| Finance Costs | 24 | 9,84,68,082 | 14,88,77,717 |
| Depreciation and Amortization Expense | 12 | 3,21,58,676 | 4,28,89,441 |
| Other Expenses | 25 | 7,53,15,397 | 11,41,57,307 |
| Total Expenses | | 38,18,06,436 | 83,58,35,563 |
| Profit before Exceptional Items and Extra Ordinary Item and Tax | | (17,09,04,513) | 2,75,84,603 |
| Exceptional Items (Net) | 48 | 92,37,445 | 1,96,31,809 |
| <i>Deferred Tax (P & L) IND AS</i> | | -35,08,483 | |
| Prior Period Adjustments (Net) | 49 | 19,86,355 | 4,41,110 |
| Profit before Extra Ordinary Items and Tax | | (17,86,19,830) | 75,11,684 |
| Extra Ordinary Items | 39 | 0 | 18,21,996 |
| Profit for the Year / Period | | (17,86,19,830) | 56,89,688 |
| Earnings per equity share | | | |
| Basic / Diluted | 47 | (8.30) | 2.17 |
| See accompanying notes to the financial statements | (1 to 60) | | |

For Lyka Labs Limited

Y. B. Sh: Chief Financial Officer

Place : Mumbai

Date :



Provisional Notes to the Financial Statements for the period ended 31st October, 2017

3 - Share Capital

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|---|--------------------------|---------------------|------------------------|---------------------|
| | Number of shares | Amount (In Rs.) | Number of shares | Amount (In Rs.) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| Redeemable Preference Shares of Rs. 100/- each | 2,00,000 | 2,00,00,000 | 2,00,000 | 2,00,00,000 |
| | 3,02,00,000 | 32,00,00,000 | 3,02,00,000 | 32,00,00,000 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of Rs. 10/- each | 2,81,40,000 | 28,14,00,000 | 2,20,40,000 | 22,04,00,000 |
| 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,570 | - | 1,08,570 | 1,08,57,000 |
| Total | 2,82,48,570 | 28,14,00,000 | 2,21,48,570 | 23,12,57,000 |

3.1 Reconciliation of number of shares outstanding as at the beginning and end of the year / period

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the Year / Period | 2,20,40,000 | 1,08,570 | 2,15,80,000 | 1,08,570 |
| Add : Issued during the Year / Period | 61,00,000 | - | 4,60,000 | - |
| Balance as at the end of the Year / Period | 2,81,40,000 | 1,08,570 | 2,20,40,000 | 1,08,570 |

3.2 Rights, preferences and restriction attached to equity shares :

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

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

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

| Name of the shareholders | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of Rs. 10/- each | | | | |
| Narendra I Gandhi (HUF) | 15,00,776 | 5.33% | 15,00,776 | 6.81% |
| Kunal Narendra Gandhi | 11,16,642 | 3.97% | 11,51,642 | 5.23% |
| Nehal Narendra Gandhi | 11,69,803 | 4.16% | 13,69,803 | 6.22% |
| | | | | |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

3.4 4,000,000 Equity shares of Rs.10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

3.5 108,570 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.

3.6 The Company has allotted 460,000 convertible warrants at Rs. 28/- per warrant to Promoters / Promoters Group on preferential basis pursuant to the Special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on January 23,2015. These warrants were converted (in the ratio of 1 share for 1 warrant) into equity shares of Rs.10/- each at a premium of Rs.18/- per share during the previous period.

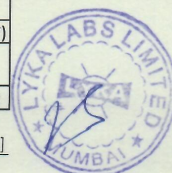
4 - Reserves and Surplus

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Reserve | | |
| Balance as at the beginning and end of the Year / Period | 50,68,404 | 50,68,404 |
| Securities Premium Account | | |
| Balance as at the beginning of the Year / Period | 67,51,46,662 | 67,51,46,662 |
| Add : On Issue of Equity Shares | 27,45,00,000 | - |
| Balance as at the end of the Year / Period | 94,96,46,662 | 67,51,46,662 |
| Revaluation Reserve | | |
| Balance as at the beginning of the Year / Period | 2,61,72,074 | 2,61,72,073 |
| Less: Refer note 30(iii) | 28,53,44,568 | 1 |
| Balance as at the end of the Year / Period | 31,15,16,642 | 2,61,72,074 |
| General Reserve | | |
| Balance as at the beginning and end of the Year / Period | 9,52,45,599 | 9,52,57,370 |
| Surplus | | |
| Balance as at the beginning of the Year / Period | (36,21,82,167) | (36,78,71,855) |
| Add: Profit for the Year / Period | (17,86,19,830) | 56,89,688 |
| Retained Earnings-IND AS | (7,63,73,287) | |
| Balance as at the end of the Year / Period | (61,71,75,284) | (36,21,82,167) |
| Total | 74,43,02,023 | 43,94,62,343 |

5 - Long Term Borrowings

[Amount in Rs.]



Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Secured Loans | | |
| Term Loans from Banks (Refer Note No. 5.1 below) | 26,69,98,097 | 34,21,91,866 |
| Finance Lease Obligations (Refer Note No. 5.2 below) | 34,65,902 | 51,52,742 |
| Total | 27,04,63,999 | 34,73,44,608 |

5.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 10)

(a) Term Loan (Expansion) from Dena Bank repayable in 8 quarterly installments of Rs. 18.09 Lacs each. Interest rate is MCLR + 1.10 % ##

(b) Term Loan (R&D) from Dena Bank repayable in 8 quarterly installments of Rs. 6.77 Lacs each. Interest rate is MCLR + 1.10 % ##

(c) Term Loan from Dena Bank repayable in 6 quarterly installments of Rs. 16.40 Lacs each. Interest rate is MCLR + 1.65 % ##

(d) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 40 Lacs each. Interest rate is MCLR + 1.10 % ##

(e) Term Loan (Lypholisation II) from Dena Bank repayable in 8 quarterly installments of Rs. 7.81 Lacs each. Interest rate is MCLR + 1.10 % ##

(f) Term Loan (New Expansion) from Dena Bank repayable in 11 quarterly installments of Rs. 90.90 lacs each. Interest rate is MCLR + 1.10 % ##

(g) Term Loan (Schedule - M Requirement) from Dena Bank repayable in 10 quarterly installments of Rs. 15.50 lacs each. Interest rate is MCLR + 1.10 % ##

(h) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 60 Lacs each. Interest rate is MCLR + 1.15% ##

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly installments of Rs. 100 Lacs each and subsequently 10 quarterly installments of Rs.140 Lacs commencing after 1 year of moratorium period from the date of disbursement. Interest rate is MCLR + 1.65% , ##

The above Term Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar and Valsad.

(j) Term Loan from Bank of Maharashtra repayable in 16 quarterly installments of Rs. 30 Lacs each. Interest rate is MCLR + 3.5 % + 1 % . *

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly installment of Rs.50 lacs each. Interest rate is MCLR + 1.25 % . *

* Above Term Loans are Secured by extension of equitable mortgage of property situated at Shiv Shakti industrial Estate, Andheri - East, Mumbai - 400059

(l) Term Loan from Kapol Co-Operative Bank Ltd. repayable in 62 equal monthly installments of Rs. 12.16 lacs each. Interest rate is @15%. **

**Above Term Loan are Secured by extension of equitable mortgage of property and machinery situated at Ankleshwar.

5.2 8 Lease obligations repayable in equated monthly installments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

6 - Other Long-Term Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------|--------------------------|------------------------|
| Security Deposit | 37,59,962 | 13,95,000 |
| Total | 37,59,962 | 13,95,000 |

7 - Long-Term Provisions

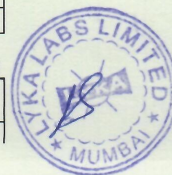
[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 58,06,345 | 57,20,815 |
| Provision for Gratuity | 1,74,24,946 | 1,62,31,571 |
| Total | 2,27,26,895 | 2,19,52,386 |

8 - Short Term Borrowings

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------|--------------------------|------------------------|
| Secured Loans | | |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| From Bank | | |
|--|---------------------|---------------------|
| Loans repayable on demand (Refer Note (8.1) below) | 26,22,81,691 | 26,15,44,118 |
| Term Loan (Refer Note (8.1) below) | - | - |
| | 26,22,81,691 | 26,15,44,118 |
| Unsecured | | |
| Loans and Advances from related parties (Refer Note (8.2) below) | 9,52,40,145 | 5,63,01,597 |
| Inter Corporate Deposits (Refer Note (8.3) below) | 1,50,00,000 | 2,20,50,000 |
| Short Term Loans (Refer Note (8.4) below) | 59,62,124 | 3,73,09,617 |
| | 11,62,02,269 | 11,56,61,214 |
| Total | 37,84,83,961 | 37,72,05,331 |

8.1 Details of terms of repayment and securities provided in respect of Short -Term Borrowings:

(a) Interest on Dena Bank Cash Credit Loan is MCLR +1.10 % p.a. ##

(b) Interest on Dena Bank Buyers Credit Loan ranges from LIBOR + 0.75% to LIBOR + 2.00% ##

The above Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the Directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar , Valsad and Mumbai.

8.2 Interest on Loans from related parties ranges between 10.25 % and 12% (simple Interest) payable on yearly basis.

8.3 Interest on Inter Corporate Deposits ranges between 16% and 25% (simple interest) and repayable at quarterly / half yearly / yearly basis.

8.4 Interest on Short Term Loans ranges between 12% and 21%

9 - Trade Payables

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Trade Payables (Refer Note No.51) | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 34,01,24,174 | 34,98,90,555 |
| Total | 34,77,58,151 | 35,75,24,532 |

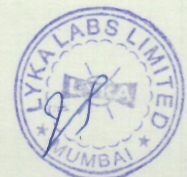
10 - Other Current Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| (A) Current Maturities of Long-Term Debt | | |
| (i) Debentures - Privately Placed Non Convertible (Refer Note No.29) | 3,23,75,000 | 7,24,00,000 |
| (ii) Term Loan from Banks (Refer Note No.5.1) | 38,54,30,363 | 31,37,57,363 |
| (iii) Finance Lease Obligations (Refer Note No.5.2) | 30,44,993 | 33,28,907 |
| (iv) Fixed Deposits (Refer Note No.28) | 52,97,000 | 67,37,000 |
| (B) Interest Accrued but not due | - | - |
| (C) Interest Accrued and due | 10,13,38,963 | 4,65,16,488 |
| (D) Other Payables | | |
| (i) Statutory dues | 2,10,72,286 | 4,55,04,341 |
| (ii) Unclaimed Preference Share Dues | - | - |
| (iii) Book Overdraft | 1,70,20,497 | 2,03,94,025 |
| (iv) Employee dues | 1,88,01,593 | 2,31,34,806 |
| (v) Advance from Customers | 50,00,000 | 5,43,903 |
| (vi) Retention Money Payable | 2,052 | 4,78,939 |
| (vii) Creditors for : | | |
| Expenses | 1,25,53,500 | 1,09,29,302 |
| Capital Expenditure | - | 70,74,262 |
| (viii) Other Outstanding Liabilities | 2,79,13,884 | 1,24,07,863 |
| (ix) Sales Tax Deferment Scheme | 50,14,447 | 50,14,447 |
| Total | 63,48,64,578 | 56,82,21,647 |

10.1 - Details of continuous default in repayment of Secured Loans and Interest thereon as on 31st March, 2017

| Period of Default | Principal Amount | Interest Amount |
|-------------------|------------------|-----------------|
| February, 2016 | - | 15,17,959 |
| March, 2016 | - | 16,29,613 |
| April, 2016 | - | 15,50,830 |
| May, 2016 | - | 16,13,883 |
| June, 2016 | 30,00,000 | 15,72,259 |
| July, 2016 | 40,00,000 | 13,08,754 |
| August, 2016 | - | 13,08,754 |
| September, 2016 | 30,00,000 | 13,08,754 |
| October, 2016 | 50,00,000 | 13,08,754 |
| November, 2016 | - | 13,08,754 |
| December, 2016 | 4,80,00,000 | 13,08,754 |
| January, 2017 | 50,00,000 | 62,43,119 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|----------------|---------------------|--------------------|
| February, 2017 | 10,01,15,876 | 62,43,119 |
| March, 2017 | 2,92,06,878 | 62,43,119 |
| Total | 19,73,22,754 | 3,44,66,425 |

11. Short Term Provisions

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------------------|-----------------------------|---------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 17,41,858 | 22,61,508 |
| Provision for Gratuity | 84,64,511 | 84,64,511 |
| Provision for Superannuation | 5,47,639 | 5,47,639 |
| Total | 1,07,54,008 | 1,12,73,658 |

14 - Long Term Loans and Advances (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|-----------------------------|---------------------------|
| Capital Advances | - | 63,59,219 |
| Security Deposit (Refer Note No.31) | 5,02,50,000 | 5,02,50,000 |
| Others - Deposit with Drug Price Equalisation Account (Refer Note No.27(i)) | 10,32,45,000 | 10,32,45,000 |
| Total | 15,34,95,000 | 15,98,54,219 |

15 - Inventories (At Lower of Cost and Net Realizable Value)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|-------------------------------------|-----------------------------|---------------------------|
| Raw Materials (Refer Note No.38) | 2,20,36,868 | 1,69,19,938 |
| Packing Material (Refer Note No.38) | 3,59,91,787 | 3,45,63,299 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Total | 10,24,81,020 | 9,25,16,212 |

16 - Trade Receivables (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|-----------------------------|---------------------------|
| Outstanding for a period exceeding six months (Refer Note No.33) | 24,48,15,310 | 10,45,84,973 |
| Others | 14,47,72,790 | 20,96,23,788 |
| Total | 38,95,88,100 | 31,42,08,761 |

17 - Cash and Cash Equivalents

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|-----------------------------|---------------------------|
| Balances with Banks | 22,25,268 | 65,98,534 |
| Cash on hand (Refer Note No. 58) | 18,42,779 | 45,081 |
| Other Bank Balance | | |
| Deposits with Banks held as margin money | 66,62,936 | 79,30,549 |
| Total | 1,07,30,983 | 1,45,74,164 |

18 - Short Term Loans and Advances (Unsecured considered good)

[Amount in Rs.]

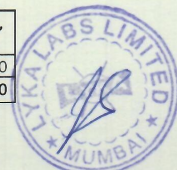
| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|-----------------------------|---------------------------|
| Related Parties (Refer Note No.18.1 below) | 6,50,00,000 | 6,50,00,000 |
| Employees | 2,10,300 | 2,83,000 |
| Prepaid Expenses | 59,49,511 | 1,57,01,844 |
| Balances with Government Authorities-CENVAT Credit Receivable | 66,89,568 | 67,14,384 |
| Income Tax Payments | 3,58,69,414 | 3,33,20,176 |
| Other Advances | 11,02,63,350 | 10,07,92,979 |
| Total | 22,39,82,143 | 22,18,12,383 |

18.1 Short-Term Loans and Advances include amounts due from

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------------|-----------------------------|---------------------------|
| Lyka Healthcare Ltd | 6,50,00,000 | 6,50,00,000 |
| Total | 6,50,00,000 | 6,50,00,000 |

19 - Other Current Assets

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|-----------------------------|---------------------------|
| Foreign Currency Monetary item Translation Difference Account | 1,38,23,986 | 1,38,23,986 |
| Others | - | - |
| Total | 1,38,23,986 | 1,39,51,273 |

20 - Revenue From Operations

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Sale of products | 19,17,10,380 | 74,22,73,643 |
| Other operating revenue (Refer Note No.20.1 below) | 1,23,47,864 | 10,99,98,257 |
| | 20,40,58,244 | 85,22,71,900 |
| Less: Excise Duty | 81,00,270 | 6,63,25,164 |
| Add : Excise Duty (To be shown Separately) | -81,00,270 | -6,63,25,164 |
| Cash Discount | - | 23,71,543 |
| Sales Commission | 1,65,748 | 31,35,716 |
| Freight and Forwarding | 2,15,363 | 3,67,924 |
| Total | 19,55,76,863 | 78,00,71,553 |

20.1 Other Operating Revenue

| | | |
|-----------------------------|--------------------|---------------------|
| Processing charges received | 1,21,10,229 | 2,70,10,825 |
| Sale of Dossiers | - | 5,75,00,000 |
| Sale of Trade Marks | - | 2,25,00,000 |
| Export Incentives | - | 30,736 |
| Royalty | 2,37,635 | 29,56,696 |
| Total | 1,23,47,864 | 10,99,98,257 |

21 - Other Income

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| Interest Income (Refer Note 21.1 below) | 4,03,017 | 8,17,411 |
| Insurance Claim | - | 3,855 |
| Rent Received | 19,42,500 | 33,30,000 |
| Excess Provision for Diminution in value of Investment written back | - | 3,89,400 |
| Foreign Exchange Fluctuation | - | 5,50,339 |
| Sundry Credit Balances/Excess Provision Written Back (net) | 40,57,948 | 1,00,59,478 |
| Miscellaneous Income | 8,21,325 | 18,72,966 |
| Total | 72,24,789 | 1,70,23,449 |

21.1 Interest Income

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|-------------------------------------|---|---|
| (i) Interest from banks on deposits | - | 7,92,309 |
| (ii) Other interest | 4,03,017 | 25,102 |
| Total | 4,03,017 | 8,17,411 |

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

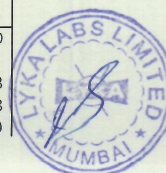
[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| As at the beginning of the year / period : | | |
| Finished Goods | 38,19,414 | 74,86,738 |
| Work-in-Progress | 3,72,13,560 | 1,56,75,100 |
| Total | 4,10,32,974 | 2,31,61,838 |
| As at the end of the year / period : | | |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Total | 4,44,52,365 | 4,10,32,975 |
| Net (increase)/decrease | (34,19,391) | (1,78,71,137) |

23 - Employee Benefit Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Salaries and Wages | 5,05,11,281 | 8,19,05,190 |
| Contribution to Provident and Other Funds | | |
| a) Provident / ESI Fund | 36,49,074 | 67,99,113 |
| b) Superannuation Fund | 3,02,699 | 5,39,258 |
| Provision for Gratuity | 19,76,736 | 33,88,689 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|--------------------------------|--------------------|---------------------|
| Provision for Leave Encashment | 11,79,230 | 8,04,721 |
| Staff Welfare Expenses | 48,83,094 | 70,47,635 |
| Total | 6,25,02,115 | 10,04,84,605 |

24 - Finance Costs

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|--------------------------------------|--|
| Interest Expenses on : | | |
| (i) Borrowings From Banks | | |
| Term Loans | 4,80,79,880 | 6,52,25,753 |
| Working Capital (Net of capitalised of Rs. 7,960,325, Previous Period Rs. 6,206,184) | 1,14,40,163 | 2,20,64,074 |
| (ii) Debentures | 37,40,409 | 90,82,221 |
| (iii) Borrowing Others | | |
| Bill Discounting charges | 1,53,83,940 | 2,73,58,010 |
| Bank Charges | 39,17,490 | 98,29,366 |
| Others | 1,59,06,200 | 1,53,18,293 |
| Total | 9,84,68,082 | 14,88,77,717 |

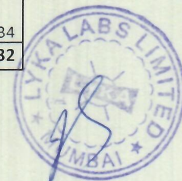
25 - Other Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|--------------------------------------|--|
| Consumption of Stores and Spare Parts | 7,76,259 | 8,68,559 |
| Power and Fuel | 1,09,80,272 | 1,83,93,200 |
| Processing Charges | 11,60,743 | 49,16,968 |
| Rent including Lease Rentals | 10,24,438 | 15,18,932 |
| Repairs and Maintenance - Buildings | 5,74,711 | 16,48,669 |
| Repairs and Maintenance - Machinery | 15,14,099 | 25,43,149 |
| Repairs and Maintenance - Others | 8,04,803 | 19,74,237 |
| Insurance | 12,58,913 | 20,44,298 |
| Rates and Taxes | 8,26,663 | 12,24,979 |
| Commission for L/C | 1,46,43,606 | 1,42,79,668 |
| Communication Expenses | 6,60,304 | 13,69,660 |
| Travelling and Conveyance | 67,39,456 | 1,14,57,364 |
| Sales Commission | - | - |
| Bank Charges | - | - |
| Telephone Expenses | - | - |
| Sales Discount | - | - |
| Advertisement and Sales Promotion | 5,80,228 | 36,40,186 |
| Legal and Professional Charges | 72,70,433 | 92,60,106 |
| Payments to Auditors (Refer Note No.52) | 16,80,035 | 38,07,000 |
| CWIP Written Off | - | - |
| Irrecoverable Advances written off | - | - |
| Excise Duty | - | - |
| Miscellaneous Expenses | 2,48,20,434 | 3,52,10,332 |
| Penalty on delayed payment of Statutory dues | - | - |
| Penalty on delayed Return | - | - |
| Total | 7,53,15,397 | 11,41,57,308 |

25 (i) Miscellaneous Expenses

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---------------------------------|--------------------------------------|--|
| Directors Fees | 11,43,000 | 15,90,000 |
| Factory Expenses | 18,65,061 | 54,60,740 |
| Fees & Subscription | 10,89,661 | 10,04,164 |
| Brokerage | 13,01,203 | 15,08,566 |
| Office Expense | 4,74,433 | 8,77,310 |
| Exchange Rate Fluctuation | 48,460 | 3,126 |
| Security Service Expenses | 17,05,608 | 29,90,159 |
| Laboratory Chemicals & Expenses | 17,42,169 | 21,93,896 |
| Printing and Stationery | 7,94,651 | 17,00,237 |
| Freight and Forwarding | - | - |
| Others | 1,46,56,187 | 1,78,82,134 |
| | 2,48,20,434 | 3,52,10,332 |



PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
|---------------|---|------------------------|------------------------|------------|
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 6 | 6 | 0.012 |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 7549994 | 99.988 |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 7 | 7550000 | 100 |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 7 | 7550000 | 100 |
| (B) | Public Shareholding | - | - | - |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

Since Transferor Company is a wholly owned subsidiary of Transferee Company and the entire paid up share capital of Transferor Company is held by the Transferee Company and its nominee, as a result of the proposed Merger (By Absorption), the shares of Transferor Company held by Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of Transferor Company.

PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|--|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 2,00,000 Redeemable Preference Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 2,81,40,000 Equity Share of Rs.10/- each | 28,14,00,000 |
| 1,08,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 29,22,57,000 |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|------------------------|------------------------|----------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | 5 | 52,62,265 | 18.70.% |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 4 | 48,29,850 | 17.16% |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 4,32,415 | 1.54% |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 5 | 52,62,265 | 18.70% |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 5 | 52,62,265 | 18.70% |
| (B) | Public Shareholding | 19,870 | 2,28,77,735 | 81.30% |
| | Grand Total (A) + (B) | 19,875 | 2,81,40,000 | 100.00% |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|------------------------|------------------------|-------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | - | - | - |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | - | - | - |
| (B) | Public Shareholding | 1 | 108570 | 100% |
| | Grand Total (A) + (B) | 1 | 108570 | 100% |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|---|----------------------|
| Authorised: | |
| 3,80,00,000 Equity Shares of Rs. 10/- each | 38,00,00,000 |
| 2,00,000 Redeemable Preference Share of Rs. 100/-each | 2,00,00,000 |
| Total | 40,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 28,140,000 Equity Share of Rs.10/- each | 28,14,00,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 29,22,57,000 |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD**

COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant/Transferee Company**

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L24230GJ1976PLC08738

Name of the Company: LYKA LABS LIMITED

Registered office: 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India

| |
|------------------------|
| Name of the Member(s): |
| Registered address: |
| E-mail Id: |
| Folio No/ Client Id: |
| DP ID: |

I/ We being the member of Lyka Labs Limited, holding.....shares, hereby appoint

1. Name:
Address:
E-mail Id:
Signature: or failing him

2. Name:
Address:
E-mail Id:
Signature: or failing him

3. Name:
 Address:
 E-mail Id:
 Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the National Company Law Tribunal Convened Meeting of the Equity Shareholders of Transferee Company, to be held on Tuesday, 27th March 2018, at 12.00 Noon at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution | Description |
|------------|--|
| 01 | Approval of the proposed Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) |

Signed this _____ day of _____ 2018

Signature of Shareholder:

Signature of Proxy Holder:

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialed
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be member of Lyka Labs Limited
6. No person shall be appointed as a proxy who is a minor.

POSTAL BALLOT FORM

| | | |
|----|---|--|
| 1. | Name & Registered Address of the Sole/ Named Shareholder | |
| 2. | Name(s) of the Joint Shareholder(s), if any | |
| 3. | Registered folio Number or DPID No. & Client ID No.* | |
| 4. | Number of Shares held | |

* Applicable in case shares are held in electronic form.

I / We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the notice dated 12th February, 2018, of Lyka Labs Limited (the “Notice”) by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick mark (√) at the appropriate column below.

| Description of Resolution | No. of Shares held | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|--|--------------------|--|--|
| Resolution pursuant to provisions of Section 230 to 232 of the Companies, Act 2013 read with relevant Rules and under relevant provisions of applicable law for approval of the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders | | | |

Date:

Place:

Signature of Shareholder

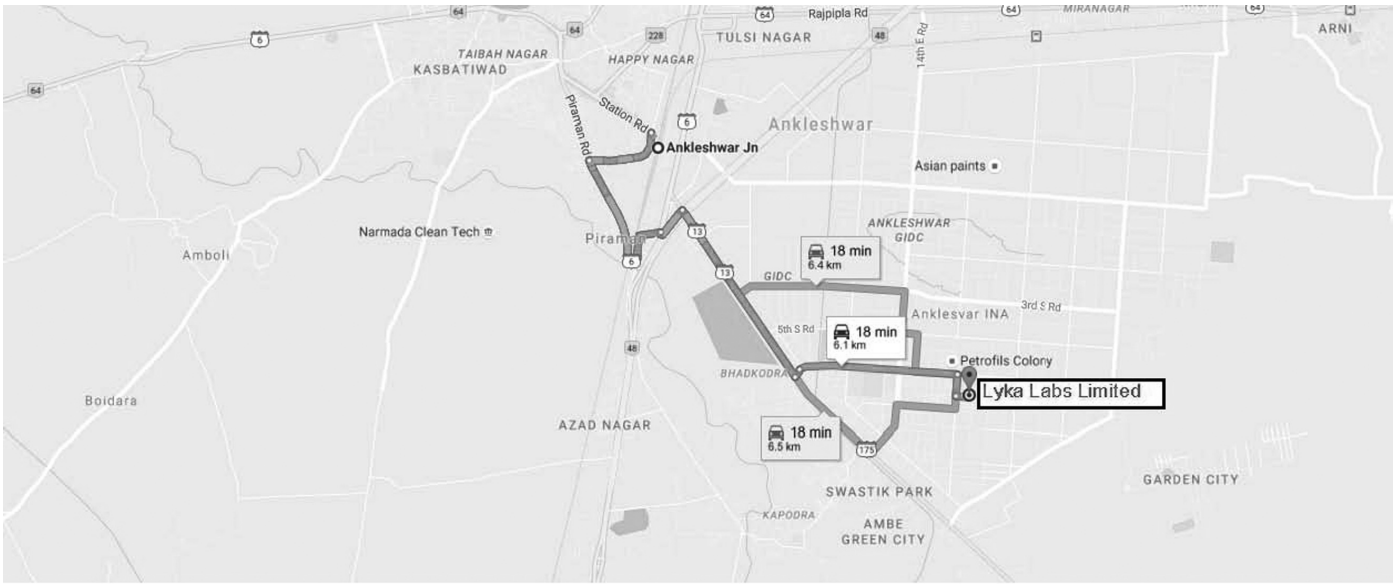
Note: Kindly read the instructions printed before filling the form. Only valid Postal ballot forms received by the scrutinizer by 5:00 PM on Monday, 26th March 2018 shall be considered.

NOTES AND INSTRUCTIONS FOR POSTAL BALLOT:

1. The voting period for Postal Ballot commences on Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Responses received after this date and time will be treated as invalid.
2. In case of shares held by Companies, institutional members (FPIs/ Foreign Institutional Investors / Trust / Mutual Funds / Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/ Other Authority Letter together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
3. Members are requested to communicate their assent or dissent by carefully reading the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed through Courier / Registered Post / Speed Post on or before 5.00 P.M. on Monday, 26th March, 2018. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
4. All the relevant documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Transferee Company between 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting.
5. The shareholder(s) can opt for only one mode of voting, i.e. either by postal ballot or by polling paper at the venue of the meeting of the shareholders of applicant company or by e-voting using facility offered by CDSL However, in case shareholders cast their vote by postal ballot and e-voting, then e-voting shall prevail over voting through postal ballot and voting done through postal ballot shall be treated as invalid. The members who have cast their vote by remote e-voting or postal ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. The vote on postal ballot cannot be exercised through proxy.
7. A shareholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer in the enclosed self-addressed postage prepaid envelope. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the shareholder will also be accepted.
8. Postal Ballot Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Transferee Company). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his/her absence, by the next named Shareholder.
9. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (✓) in the appropriate column.
10. There will be only one Postal Ballot Form for every Folio/ Client ID irrespective of the number of joint shareholder(s).
11. A Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on Monday, 26th March 2018.
12. Shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the Scrutinizer and any extraneous paper found would be destroyed by the Scrutinizer.
13. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
14. Any queries/grievances in relation to the voting by postal ballot may be addressed to Mr. Piyush Girishchandra Hindia, Company Secretary of the Applicant Company through email to companysecretary@lykalabs.com
15. A Postal Ballot Form shall be considered invalid if:
 - (a) A form other than one issued by the Transferee Company has been used;
 - (b) It has not been signed by or on behalf of the member;
 - (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company;
 - (d) It is not possible to determine without any doubt the assent or dissent of the member;
 - (e) Neither assent nor dissent is mentioned;
 - (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the member;
 - (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. Monday, 26th March 2018, 5.00 PM;
 - (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority;
 - (i) It is received from a member who is in arrears of payment of calls;
 - (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established;
 - (k) Member has made any amendment to the resolution or imposed any condition while exercising his vote.
 - (l) Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

Road Map to meeting venue

Meeting venue: 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India



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NOTICE TO THE PREFERENCE SHAREHOLDERS OF LYKA LABS LIMITED

**MEETING OF THE PREFERENCE SHAREHOLDERS
OF**

LYKA LABS LIMITED

(convened pursuant to the order dated 6th day of February, 2018 passed by the National Company Law Tribunal, Bench at Ahmedabad)

MEETING

| | |
|-------|--|
| Day | Tuesday |
| Date | 27 th March, 2018 |
| Time | 1.00 PM |
| Venue | 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India. |

POSTAL BALLOT AND E -VOTING

| | |
|----------------------------|--|
| Start Date and Time | Sunday, 25 th February, 2018 at 9.00 a.m. |
| End Date and Time | Monday, 26 th March, 2018 at 5.00 p.m |

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FORM NO. CAA 2
[Pursuant to Section 230 (3) and rule 6 and 7]
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD

COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230-232 read with other
relevant provisions of the Companies Act, 2013
And
In the matter of Scheme of Merger (By Absorption) of
Lyka Healthcare Limited (“Transferor Company”) with
Lyka Labs Limited (“The Transferee Company”) and
their respective Shareholders

LYKA LABS LIMITED,

A Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }
India. }

}

} - Applicant / Transferee Company

NOTICE CONVENING THE MEETING OF THE PREFERENCE SHAREHOLDERS OF LYKA LABS LIMITED

To,
The Preference Shareholder(s) of LYKA LABS LIMITED (“the Transferee Company” or “the Applicant Company”)

NOTICE is hereby given that by an order made on February 6, 2018 in the abovementioned Company Application No.2 of 2018(the “Order”), the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (“NCLT”) has directed that a meeting of the Preference Shareholders of the Applicant Company, be convened and held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 1.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited with Lyka Labs Limited (“Scheme”).

In pursuance of the said Order and as directed therein, further notice is hereby given that meeting of Preference Shareholders of the Lyka Labs Limited (“Transferee Company”) will be held at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, Gujarat, India on Tuesday, 27th March 2018, at 1.00 P.M. at which time and place the Preference Shareholders of the Transferee Company are

requested to attend, consider and, if thought fit, approve with or without modification(s), the following resolution under Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company with requisite majority.

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, if and when applicable, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble National Company Law Tribunal, if and when applicable or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Merger (By Absorption) embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, if and when applicable while sanctioning the Merger (By Absorption) embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that in pursuance of the said Orders and as directed therein, a meeting of the Preference shareholders of the Transferee Company, will be held on Tuesday, 27th March 2018, at 1.00 P.M. at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, at which time and place the said Preference shareholders are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative, is deposited at the Registered Office of the Transferee Company at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, India, not later than 48 (fourty eight) hours before the time fixed for the aforesaid meeting.

In compliance with the provisions of (i) section 230(4) read with sections 108 and 110 of the Companies Act, 2013 (“Act”); (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“Rules”) ; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by Postal Ballot and remote e-voting (“Remote E-voting” or “E-voting”) using facility offered by CDSL so as to enable the Preference

shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of voting by polling paper at the venue of the Meetings of the Preference shareholders as provided in Section 107 of the Act read with Rule 20 of the aforesaid management Rules. Accordingly, you may cast your vote either through postal ballot or through Remote E-voting or through polling paper by assenting or dissenting to the said Resolution. As directed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in its order dated February 6, 2018, the Voting rights of Preference Shareholders shall be in proportion to their share in the paid-up Preference share capital of the Company as on 15th December, 2017, being the cutoff date ("Cut-off Date"). The Preference Shareholders may refer to Notes to this Notice for further details on Postal Ballot. In accordance with applicable regulations and pursuant to the Order, the Applicant Company is also offering remote e-voting facility to the Preference shareholders and the e-voting commences from Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Each Preference shareholder can opt for only one mode of voting i.e. either by postal ballot or by polling paper at the venue of the meeting of the Preference shareholders of Applicant Company or by e-voting using facility offered by CDSL

The Hon'ble National Company Law Tribunal (the Tribunal) has appointed Mr. Manish Shah, Chartered Accountant and failing him, Mr. Ragnesh Desai, Chartered Accountant, as the Chairman of the said meeting of Preference Shareholders of the Transferee Company. The above-mentioned Scheme, if approved by the Preference Shareholders of the Transferee Company at the meeting, will be subject to the subsequent approval of the Tribunal.

The following are enclosed herewith:

- a. Explanatory Statement under Section 230(3) of the Companies Act, 2013 and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016
- b. Copy of Scheme of Merger (By Absorption);
- c. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- e. Copy of Un-Audited Financial Statements of Lyka Healthcare Limited for period ended on December 31, 2017;
- f. Copy of Un-Audited Financial Statements of Lyka Labs Limited for period ended on October 31, 2017;
- g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
- h. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.
- i. Proxy Form,
- j. Attendance Slip
- k. Postal Ballot Form

For Lyka Labs Limited

Sd/-
Manish Shah,
Chairman appointed for the Meeting

Place: Mumbai
Date: 12.02.2018

Regd. Office:

4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India.

NOTES:

- 1. A PREFERENCE SHAREHOLDER OF THE TRANSFEREE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY / PROXIES SO APPOINTED NEED NOT BE A PREFERENCE SHAREHOLDER OF THE TRANSFEREE COMPANY. THE FORM OF PROXY DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE TRANSFEREE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE AFORESAID MEETING.**
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Transferee Company carrying voting rights. Further, a member holding more than 10% of the total share capital of Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. All alterations made in the Form of Proxy should be initialed.
4. This Notice is being sent to the Preference Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business hours on December 15, 2017, by email to the Preference Shareholders whose email address is registered with the Company / Depository Participants(s) for communication and in physical mode through either by registered post or speed post or by courier service or by hand delivery to other Preference shareholders at their registered address.
5. The notice is also available on our website, i.e. www.lykalabs.com.
6. As directed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in its order dated February 6, 2018, the Voting rights of Preference Shareholders shall be in proportion to their share in the paid-up Preference share capital of the Company as on 15th December, 2017, being the cutoff date (“Cut-off Date”)
7. Only registered Preference Shareholders of the Transferee Company may attend and vote (either in person or by proxy) at the National Company Law Tribunal Convened Meeting.
8. The authorized representative of a body corporate or Foreign Institutional Investor (“FII”), which is a registered Preference Shareholder of the Transferee Company may attend and vote at the Preference Shareholders’ meeting, provided a certified true copy of the Resolution of the Board of Directors or other governing body of such body corporate/ FII authorizing such a representative to attend and vote at the Preference Shareholders’ meeting is deposited at the Registered Office of the Transferee Company not later than 48 hours before the scheduled time of the commencement of the meeting.
9. Registered Preference Shareholders of the Transferee Company are informed that in case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members of Transferee Company and in his/her absence by the next named Preference Shareholder of the Transferee Company in respect of such joint holding will be entitled to vote.

10. Preference Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with Applicant Company for admission to the meeting hall. Preference Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
11. The queries, if any, related to the scheme should be sent to the Transferee Company addressed to Mr. Kunal N. Gandhi, at its Registered Office in such a way that the Transferee Company will receive the same at least seven days before the meeting.
12. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Preference Shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Transferee Company, provided that not less than 3 (three) days of notice in writing is given to the Transferee Company addressed to Mr. Kunal Gandhi
13. As directed by the Hon'ble Tribunal Mr. Kaushal Doshi, Practicing Company Secretary (Mem No. 32178, C.O.P. No.13143) failing him Mr. D.P. Shah, Practicing Chartered Accountant Company (Mem No. 030492), shall act as the Scrutinizer to scrutinize votes cast either through E-voting facility or Postal Ballot or through polling paper at the venue of the meeting and submitting a report on votes cast to the Chairman of the Meeting within 48 hours from the conclusion of the Meeting. The Scrutinizer's decision on the validity of the voting on the resolution through polling paper at the venue of the meeting, through e-voting facility or through postal ballot shall be final.
14. The result of the voting on the resolutions through polling paper at the venue of the meeting, through evoting facility or through postal ballot will be announced within 48 hours from the conclusion of the Meeting, and will be displayed at the Registered Office of the Transferee Company and the Company's website www.lykalabs.com and on the website of CDSL and shall be communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.
15. The relevant documents referred to in the accompanying Explanatory Statement shall be open for inspection, from 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting by the Preference Shareholders at the Registered Office of the Transferee Company.
16. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Indian Express" (Ahmedabad Edition) in English language; and (ii) translation thereof in "Sandesh" (Ahmedabad Edition) in Gujarati language.

NOTES AND INSTRUCTIONS FOR POSTAL BALLOT:

1. The voting period for Postal Ballot commences on Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Responses received after this date and time will be treated as invalid.
2. In case of shares held by Companies, institutional Preference Shareholders (FPIs/ Foreign Institutional Investors / Trust / Mutual Funds / Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/ Other Authority Letter together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
3. Preference Shareholders are requested to communicate their assent or dissent by carefully reading the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed through Courier / Registered Post / Speed Post on or before 5.00 P.M. on Monday, 26th March, 2018. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such Preference shareholder has not been received.
4. All the relevant documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Transferee Company between 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting.
5. The Preference shareholder(s) can opt for only one mode of voting, i.e. either by postal ballot or by polling paper at the venue of the meeting of the Preference shareholders of applicant company or by e-voting using facility offered by CDSL However, in case Preference shareholders cast their vote by postal ballot and e-voting, then e-voting shall prevail over voting through postal ballot and voting done through postal ballot shall be treated as invalid. The Preference shareholder(s) who have cast their vote by remote e-voting or postal ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. The vote on postal ballot cannot be exercised through proxy.
7. A Preference shareholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, in the enclosed self-addressed postage prepaid envelope. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Preference shareholder will also be accepted.
8. The self-addressed postage prepaid envelope bears address of the Scrutinizer appointed by the NCLT.
9. Postal Ballot Form should be completed and signed by the Preference Shareholder (as per the specimen signature registered with the Transferee Company). In case of joint holding, this Form should be completed and signed by the first named Preference Shareholder and in his/her absence, by the next named Preference Shareholder.
10. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (√) in the appropriate column.

11. There will be only one Postal Ballot Form for every Folio/ Client ID irrespective of the number of joint Preference shareholder(s).
12. A Preference Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on Monday, 26th March 2018.
13. Preference Shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the Scrutinizer and any extraneous paper found would be destroyed by the Scrutinizer.
14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
15. Any queries/grievances in relation to the voting by postal ballot may be addressed to Mr. Piyush Girishchandra Hindia, Company Secretary of the Applicant Company through email to companysecretary@lykalabs.com
16. A Postal Ballot Form shall be considered invalid if:
 - (a) A form other than one issued by the Transferee Company has been used; (b) It has not been signed by or on behalf of the Preference shareholder; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company; (d) It is not possible to determine without any doubt the assent or dissent of the Preference shareholder; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the Preference shareholder; (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. Monday, 26th March 2018, 5.00PM; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority; (i) It is received from a Preference shareholder who is in arrears of payment of calls; (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (k) Preference shareholder has made any amendment to the resolution or imposed any condition while exercising his vote.
 - (l) Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

E Voting Facility

The Company will be offering e-voting facility to the Preference shareholder to cast their votes electronically on resolution set forth in this Notice. The detailed instructions for e-voting are given hereunder.

- i. The voting period commences from Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. During this period Preference shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Preference Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.

- v. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Preference shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first-time user follow the steps given below:

| | |
|---|--|
| PAN | <p style="text-align: center;">For Preference shareholders holding shares in Demat Form and Physical Form</p> <p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Preference shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details or Date of Birth | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Preference shareholders holding shares in physical form will then directly reach the Company selection screen. However, Preference shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Preference shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non – Individual Preference shareholders and Custodians
- Non-Individual Preference shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD**

COMPANY APPLICATION (CAA) NO. 2 of 2018

**In the matter of the Companies Act, 2013;
And
In the matter of Sections 230-232 read with other
relevant provisions of the Companies Act, 2013
And
In the matter of Scheme of Merger (By Absorption) of
Lyka Healthcare Limited (“Transferor Company”) with
Lyka Labs Limited (“The Transferee Company”) and
their respective Shareholders**

LYKA LABS LIMITED,

A Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }
India. } - Applicant / Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE
COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES,
ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE
NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE PREFERENCE
SHAREHOLDERS OF LYKA LABS LIMITED**

- 1) Pursuant to the order passed by the Hon’ble National Company Law Tribunal (NCLT) Bench at Ahmedabad, in the Company Application No. 2 of 2018 referred to hereinabove, a meeting of Preference Shareholders of Lyka Labs Limited, The Transferee Company is being convened on Tuesday, 27th March 2018, at 1.00 P.M. at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393002, Gujarat, India for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Merger (By Absorption) under Section 232 read with section 230, of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders.
- 2) Notice of the said meetings together with the copy of the Scheme of Merger (By Absorption) is sent herewith. This statement explaining the terms of the scheme of Merger (By Absorption) is being furnished as required under section 230(3) of the Companies Act, 2013.

- 3) A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been approved by the Board of Directors of the Transferee Company is enclosed herewith.
- 4) Details of the scheme of Merger (By Absorption) as required under Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:

4.1. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting:-

(a) Date of the Order: 6th February, 2018,

(b) Date, time and venue of the meeting.

- Date: Tuesday, 27th March 2018
- Time:- 1.00 P.M.
- Venue: 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India

4.2. Details of the company:

4.2.1. Details of the Transferor Company

4.2.1.1. Corporate Identification Number (CIN): U85190MH2013PLC244062

4.2.1.2. Permanent Account Number (PAN): AACCL5426A

4.2.1.3. Name of the Company: LYKA HEALTHCARE LIMITED

4.2.1.4. Date of incorporation: 05/06/2013

4.2.1.5. Type of the company (whether public or private or one-person company)
Unlisted Public Limited Company

4.2.1.6. Registered office address and e-mail address: 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059, Maharashtra.

4.2.1.7. Email ID: pkhinduja@lykalabs.com

4.2.1.8. Summary of main object as per the memorandum of association; and main business carried on by the Company

1. To carry on all or any of the business of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal preparation, chemist, druggist and chemical manufactures.
2. To import, export, purchase and sell patent medicines, pharmaceutical products, chemicals, surgical and medicinal instruments, apparatus, appliances and to acquire, transfer, license, sub-license, assign Trademarks,

Patents and any other Intellectual Property Rights, technical know-how of the medicinal products.

4.2.1.9. Details of change of name, registered office and objects of the company during the last five years: NIL

4.2.1.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: NOT LISTED

4.2.1.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017; and

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

4.2.1.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Lyka Labs Limited | 4801/B & 4802/A GIDC Industrial Estate Ankleshwar GJ 393002 |
| 2. | Mr. Narendra I. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mrs. Nehal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Mr. Kunal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | Mr. Rajendra V. Pawar (Nominee of Lyka Labs Ltd.) | Sanskar / A/ 306, Neelam Nagar, Phase – II, Mulund East, Mumbai – 400081 |
| 6. | Mr. Yogesh B. Shah | A/403, Madhav Kung, M.G. Road, Kandivali(w), Mumbai – 400067 |

| | | |
|----|--|---|
| | (Nominee of Lyka Labs Ltd.) | |
| 7. | Mr. Vinod S. Shanbhag (Nominee of Lyka Labs Ltd.) | 3, Mehta Nivas, Mahant Rd. Vile Parle (E), Mumbai-400057 |

4.2.1.13. Names of the directors along with their addresses

| Sr. No. | Names of the Directors | Address |
|---------|--------------------------|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mr. Kunal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Manish Shirishkant Mehta | B 10 Raghukul Lallubhai Park Andheri West Mumbai 400058 |
| 4. | Dhaval Mahendra Desai | B-1010, Twin Tower Manish Park, Pump House, Andheri East Mumbai 400093 |

Company Secretary:

Pooja Kumar Hinduja:

Address: Satguru Palace, Flat No. 204, Section 28 Ulhasnagar Mumbai 421004.

4.2.1.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on 29th May, 2017.

4.2.2.Details of the Transferee Company

4.2.2.1. Corporate Identification Number (CIN): L24230GJ1976PLC008738

4.2.2.2. Permanent Account Number (PAN): AAACL0820G

4.2.2.3. Name of the company: LYKA LABS LIMITED

4.2.2.4. Date of incorporation: 29/12/1976

4.2.2.5. Type of the company (whether public or private or one-person company)Public Limited Company (Listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'))

4.2.2.6. Registered office address and e-mail address:

4801/B & 4802/A GIDC INDUSTRIAL ESTATE ANKLESHWAR 393002,
Gujarat, India

4.2.2.7. Email ID: companysecretary@lykalabs.com

4.2.2.8. Summary of main object as per the memorandum of association; and main business carried on by the Company

- To purchase associate with or otherwise acquire the running business as a whole with all the assets including all attendant rights and benefits thereof used and exploited by and in the name of Messers. Lyka Laboratories also known as “LYKA LABS” as a going concern together with the benefit of Tenancy Rights of the said firm’s business premises, goodwill, plant, machinery, stock-in-trade, trade marks, trade names, patents designs, import and export quotas, entitlements and licences, and allocations of any nature whatsoever in connection with the said business.
- To carry on the business of wholesale and retail pharmaceutical chemists and druggists and of the dispensing of medicines.
- To carry on the business of manufacturing, wholesale and retail chemists and manufacturers and refiners of and dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, salts, alkalis, antibiotics, pharmaceutical, medicinal and chemical preparations.
- To carry on all or any of the business of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal, preparation, chemists, druggists and chemical manufacturers.
- To import, export and sell patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
- To purchase and sell as agents, patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
- To carry on business as buyers, sellers, importers, exporters, distributors, stockists and dealers of all kinds of articles, things and goods, fabrics, textiles, including decorative and machine made readymade garments, carpets, mats, rugs, blankets, shawls, tweeds, linens, flannels, bedspreads, quilts, scarf’s, belts and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed blended products, nylon, polyester, fabric yarn, hosiery and mixed fabrics, natural silk fabrics and garments and engineering goods, building materials cement machine tools, hand tools, small tools, metals, alloys, iron pipe fittings, nuts and bolts, bicycle and accessories, automobile parts, steel and stainless and iron products ores and scrape metallurgical residues, hides, skins, leather goods, furs, bristles, tobacco (raw and manufactured), hemp, seeds, oil and cakes, vanaspati, and waste coir and jute and products thereof, wood and timber, bones crushed and uncrushed industrial diamonds, coal and charcoal, flue gums and resins, ivory, shellac, manures, pulp or woods, latex, rubber, tanning substances, wax, quartz, crystal, plastic and linoleum articles, glassware, handicrafts, handloom, toys, precious stones, ornaments, jewelleryes, pearls, soaps paints, instruments, apparatus and appliances, machinery and mill work and parts thereof, paper and stationery, sports goods, cosmetics, wigs, belting, cinematograph films exposed, gramophone records, rubber, plastic goods, starch, umbrellas, cork, batteries, musical instruments, marble, hardware items, traditional calendars, all kinds of books, and manuscripts, electric and electronic cellulosic products, mixed blended products, fish and fish products, fodder bran, fruits, nuts, cashew nuts, kernels, grains, pulses, flour, confectionery, provisions, alcohol,

beverages, perfumes, spirits, spices, tea, coffee, sugar and molasses, vegetables and vegetable products, processed foods and packed food products.

4.2.2.9. Details of change of name, registered office and objects of the company during the last five years: NIL

4.2.2.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')

4.2.2.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017; and

| Particulars | Amount in Rs. |
|---|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 200,000 Redeemable Pref. Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Equity, Issued, Subscribed and Paid up: | |
| 22040000 Equity Share of Rs.10/- each | 220400000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 231257000 |

4.2.2.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---------------------------------|---|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Kunal N Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Narendra I Gandhi HUF | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | M/s Enai Trading and Investment | Gate No. 3, Unit No. 151, shiv shakti, Industrial Estate, opposite Mittal Estate, Andheri kurla Road, |

| | | |
|--|-----------------|-------------------------------|
| | Private Limited | Andheri (East), Mumbai 400059 |
|--|-----------------|-------------------------------|

4.2.2.13. Names of the directors along with their addresses:

| Sr. No. | Name of Promoter / Shareholder | Address |
|---------|----------------------------------|---|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Yatin N Shah | 407/B, Pushpak Apt., Garton Para, W.E. Highway, Dahisar (East), Mumbai 400068 |
| 4. | Mr. Ajit Kumar Shantilal Bagadia | A 502 Winsway Complex, Old Police Lane Opp. Vaibhav Hotel, Andheri East Mumbai 400069 |
| 5. | Mr. Atit Nitin Shukla | 5 Uma Smruti ,Mamlatdar Wadi 3rd Road, Malad West Mumbai 400064 |

COMPANY SECRETARY: PIYUSH GIRISHCHANDRA HINDIA
CFO(KMP): YOGESH BABULAL SHAH
CEO(KMP): KUNAL NARENDRA GANDHI

4.2.2.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on Monday 29th May 2017.

4.3. Parties involved in such compromise or Merger (By Absorption) –

| Sr. No. | Name of Party/Company | Particulars |
|---------|-------------------------|--------------------|
| 1. | Lyka Healthcare Limited | Transferor Company |
| 3. | Lyka Labs Limited | Transferee Company |

4.4. Relationship subsisting between such companies who are parties to such scheme of Merger (By Absorption): Lyka Healthcare Limited, the Transferor Company is a Wholly Owned Subsidiary Company of Lyka Labs Limited, the Transferee Company.

4.5. In case of Merger (By Absorption), appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any;

4.5.1.Appointed Date: 1st April, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal

4.5.2.Effective Date: means the Appointed Date as defined in section 232 (6) of the Companies Act, 2013 Reference in this Scheme to the date of “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Appointed Date subject to fulfillment of conditions under Clause Scheme Conditional Upon Sanctions, Etc. of the Scheme of Merger (By Absorption).

4.5.3.Consideration: Since Lyka Healthcare Limited, the Transferor Company is a wholly owned subsidiary company of Lyka Labs Limited, the Transferee Company , the shares of the Transferor Company held by the Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of the Transferor Company.

4.5.4.Summary of valuation report (if applicable) including basis of valuation and the declaration that the valuation report is available for inspection at the registered office of the company;
Not Applicable

4.5.5.Details of capital or debt restructuring, if any; Not Applicable

4.5.6.Rationale for the Merger (By Absorption):

- a. The Merger (By Absorption) would provide greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- b. The Merger (By Absorption) would provide greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- c. The Merger (By Absorption) will enable improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- d. The Merger (By Absorption) will result in greater access by the amalgamated company to different market segments in the conduct of its business.
- e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses. The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- f. The Merger (By Absorption) will result in simplified group and business structure.

4.5.7. Benefits of the Merger (By Absorption) as perceived by the Board of directors to the company, members, creditors and others (as applicable):

- a. All the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company. The Merger (By Absorption) would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
- b. The Merger (By Absorption) will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger business and financial base for execution of the larger business activities.
- c. The Merger (By Absorption) will result in economy of scale and reduction in overheads, administrative, managerial and other expenditure and optimal utilization of resources.
- d. The Merger (By Absorption) will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
- e. The Scheme of Merger (By Absorption) will result in cost saving for all the companies as they are capitalizing on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company

4.5.8. Amount due to unsecured creditors –

4.5.8.1. Amount due to unsecured creditors by Transferor Company:

As on August 31st, 2017, Rupees 27,24,26,922.00/- (Rupees Twenty Seven Crores Twenty Four Lacs Twenty Six Thousand Nine Hundred Twenty Two Only).

4.5.8.2. Amount due to unsecured creditors by Transferee Company:

As on October 31st, 2017, Rupees 49,73,43,538.00/- (Rupees Forty Nine Crores Seventy Three Lakhs Forty Three Thousand Five Hundred & Thirty Eight Only.)

4.6. Disclosure about the effect of the Merger (By Absorption) on:

(a) key managerial personnel; (b) directors; (c) promoters; (d) non-promoter members; (e) depositors; (f) creditors; (g) debenture holders; (h) deposit trustee and debenture trustee; (i) employees of the company:

None of the aforesaid parties are impacted in any way post sanctioning of the Scheme and reference to the same has been made at the respective places in the Scheme of Merger (By Absorption) attached herewith.

4.7. Disclosure about effect of Merger (By Absorption) on material interests of directors, Key Managerial Personnel - The Scheme of Merger (By Absorption) has no impact on the material interests of directors, Key Managerial Personnel of the Company.

4.8. Investigation or proceedings, if any, pending against the company under the Act- NIL

4.9. Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely:

Inspection of the following documents may be had at the Registered Office of Lyka Labs Limited, the Transferee Company up to one day prior to the date of the meeting between 11.00 am and 5.00 pm on all working days (except Saturdays and Sundays and Public Holidays):

- (a) Latest audited financial statements of the Transferee Company,
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with,
- (c) Copy of scheme of Merger (By Absorption),
- (d) Contracts or agreements material to the scheme of Merger (By Absorption), if any,
- (e) The certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme of Merger (By Absorption) is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
- (f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme

4.10. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of Merger (By Absorption):

The Copies of the Scheme of Merger (By Absorption) is being filed simultaneously along with the dispatch of this notice with the following regulatory and governmental authorities:

- 1. Income Tax Department, Government of India
 - 2. Registrar of Companies, Ahmedabad, Gujarat
 - 3. Regional Director, North Western Region
 - 4. Central Government through Regional Director, North Western Region
 - 5. Official Liquidator in respect of Transferor Companies,
 - 6. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')
- Approvals, sanctions or representations, if any, are pending from these authorities.

5) Documents under Section 232(2) of the Companies Act, 2013:

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- a. Scheme of Merger (By Absorption);
- b. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- c. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of un-Audited Financial Statements of Transferor Company for period ended on December 31, 2017

- e. Copy of Un-Audited Financial Statements of Transferee Company for period ended on October 31, 2017
 - f. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
 - g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.
- Note:** The Scheme of Merger (By Absorption) is simultaneously being filed with the Registrar of Companies, Ahmedabad, Gujarat.

**SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANY ACT, 2013
OF
LYKA HEALTHCARE LIMITED (THE "TRANSFEROR COMPANY")
AND
LYKA LABS LIMITED (THE "TRANSFEE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

GENERAL

A. Description of Company and Background

- I. Lyka Healthcare Limited, Transferor Company (CIN: U85190MH2013PLC244062) is a unlisted public limited company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059 (hereinafter referred to as the “**Transferor Company**”).
The Transferor Company is engaged in the business of pharmaceutical sector. The Transferor Company is 100% subsidiary of the Transferee Company.
- II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the “**Transferee Company**”). The Transferee Company is engaged in the business of wholesale and retail chemists and manufacturers and refiners of and dealers in all kinds of drugs, in pharmaceutical sector.
- III. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Company Act, 1956 and other applicable provisions of the Company Act, 2013.

B. Rationale for the Scheme

The Transferee Company is holding take directly in the Transferor Company and as the Transferor Company and Transferee Company's business activities are similar and complement each other, and to achieve *inter-alia* economies of scale and efficiency, the merger of the Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- (b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cashflow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- (c) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

(d) Greater access by the amalgamated company to different market segments in the conduct of its business.

(e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

(f) Achieving economies of scale.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

C. Parts of the Scheme:

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Companies, as applicable;
- (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.

D. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof.

PART I DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. **"Act"** means the Company Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. **"Appointed Date"** For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means the open of business hours on 1st April 2017 ;

- 1.3. **"Board of Directors" or "Board"** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof
- 1.4. **"Effective Date"** means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Company by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- 1.5. **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India, National Company Law Tribunal (to be constituted under Company Act, 2013), and the NCLT ;
- 1.6. **"NCLT "** means the National Company Law Tribunal , Ahmedabad Bench having jurisdiction in relation to the Transferee Company and the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor as the context may admit ;
- 1.7. **"Registrar of Companies"** means the Registrar of Companies, Mumbai and /or Ahmedabad
- 1.8. **"Scheme"** means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT Mumbai Bench and Ahmedabad Bench ;
- 1.9. **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.10. **"Transferor Company"** means Lyka Healthcare Limited (CIN: U85190MH2013PLC244062) , a company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate , Andheri Kurla road, Andheri (East), Mumbai 400059 ;
- 1.11. **"Transferee Company"** means Lyka Labs Limited (CIN: L24230GJ1976PLC008738) a company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002;
- 1.12. **"Undertaking"** means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):

- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
- V. All permanent employees engaged by the Transferor Company as on the Effective Date.
- VI. all quotas, rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to

use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;

- VII. all brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to ANDAs (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
- VIII. all intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;
- IX. all benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including CENVAT credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

- 1.2. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|------------|
| Authorised Share Capital: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 75,50,000 equity shares of Rs. 10/- each | 75,500,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company. Transferor Company is 100% subsidiary of Transferee Company.

Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

2.2 Transferee Company:

The Authorised, Issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|-------------|
| Authorised Share Capital: | |
| 30,000,000 Equity Shares of Rs. 10/-each. | 300,000,000 |
| 200,000 Redeemable Preference Shares of Rs. 100/- each | 20,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 22,040,000 Equity Shares of Rs. 10/- each | 220,400,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs 100/- each | 10,857,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferee Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

The equity shares of Transferee Company are, at present, listed on the National Stock Exchange of India Limited and the BSE Limited.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking(s) of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor

Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, manufacturing facilities, laboratories receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals, recognitions and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, trade secrets, know-how, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations, and all other interests exclusively relating to the goods or services, GMP Certificates, ANDAs approved by the U.S. Food and Drug Administration, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the orders of the NCLT, Mumbai Bench and Ahmedabad Bench sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking(s) of the Transferee Company.

4.3 Transfer of Assets:

4.3.1 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

4.3.1.1 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.

4.3.1.2 Without prejudice to the provisions of Clause 4.3.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.

4.3.1.3 In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to

be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.

4.3.1.4 All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.

4.3.1.5 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.3.2 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Mumbai Bench and Ahmedabad Bench under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.

4.3.3 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

4.4 Transfer of Liabilities:

- 4.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- 4.4.2 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.5 Encumbrances

- 4.5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.33 of this Scheme shall be subject to

the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.

- 4.5.2 All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4 Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Company to give formal effect to the above provisions, if required.
- 4.5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 4.5.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.5.7 The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

4.6 Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1 to 4.555, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

6.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might

have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

7. CONDUCT OF BUSINESS

7.1 With effect from the Appointed Date and up to and including the Effective Date:

- 7.1.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
- 7.1.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.
- 7.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

7.2 With effect from the first of the date of filing of this Scheme with the High Courts and up to and including the Effective Date:

- 7.2.1 The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:
 - 7.2.1.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or
 - 7.2.1.2 if the same is permitted by this Scheme; or
 - 7.2.1.3 if consent of the Board of Directors of the Transferee Company has been obtained.
- 7.2.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective

Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities.:(iv) such other matters as the Transferee Company may notify from time to timesave and except in each case in the following circumstances:

7.2.2.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.2.2 if the same is permitted by this Scheme; or

7.2.2.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.3 Treatment of Taxes

7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956 , any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "**Tax Laws**") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

7.3.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

7.3.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. STAFF WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

- 8.1.1 All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.
- 8.1.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the "**Funds**") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

10. CANCELLATION OF SHARES

The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees. Upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Paid up share capital of the Transferor Company shall stand cancelled

10.1 **Increase in authorized share capital of Transferee Company**

10.1.1 Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs.8,00,00,000(Rupees Eight Crores), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Company Act 2013 , would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

“The Authorised Share Capital of the Company is Rs.40,00,00,000(Rupees Forty Crores Only) divided into 3,80,00,000 equity shares of Rs. 10 each and 2,00,000 Redeemable Preference shares of Rs.100 each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Company Act, 1956, for the time being in force.”

PART IV

ACCOUNTING TREATMENT AND DIVIDENDS

11. ACCOUNTING TREATMENT

- 11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded by the Transferee Company at their Fair Value
- 11.2 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this Scheme becoming effective.
- 11.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Transferor Company shall be carried as the balances in the accounts of the Transferee Company.
- 11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "Net Book Value" of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act,1961.
- 11.8 Inter Company balances shall be cancelled;

12. DECLARATION OF DIVIDEND

- 12.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 12.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its

equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

13. POWER TO GIVE EFFECT TO THIS PART

13.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

13.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), ANDAs, manufacturing licenses, product permissions, certificates, CoPPs, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives and subsidies. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as “Transitory Period”. During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered medicines for export purposes.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF TRANSFEROR COMPANY

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

16. MODIFICATION OF SCHEME

16.1 Subject to approval of Jurisdictional NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "**Delegate**") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which Jurisdictional NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

17. FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

18. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

19. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

19.1 This Scheme is conditional upon and subject to:

19.1.1 The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the Jurisdictional NCLT being obtained; and

19.1.2 The certified copies of the orders of the Jurisdictional NCLT sanctioning this Scheme being filed with the Registrar of Companies, Ahmedabad and the Registrar of Companies, Maharashtra, Mumbai.

20. COSTS, CHARGES, EXPENSES AND STAMP DUTY

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LYKA HEALTHCARE LIMITED

Report adopted by the Board of Directors Lyka Healthcare Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Healthcare Limited (‘the Transferor Company’ or ‘LLL’) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (‘the Transferor Company’ or ‘LHL’) with Lyka Labs Limited (‘the Transferee Company’ or ‘LLL’) and their respective shareholders (‘the Scheme’) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts as on 31st March, 2017,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LHL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LLL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.

- b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - c) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - d) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - f) Achieving economies of scale
- iv. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable to the Transferor Company since it an Unlisted Company.
 - v. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group to any additional shares or any special benefits.
 - vi. The effect of the proposed Scheme of Amalgamation on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|---------------------------------|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |

| | |
|--|-----------|
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- vii. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LHL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
Lyka Healthcare Limited**

**Place: Mumbai
Date: 29th May, 2017**

**Sd/-
Mr. Kunal Narendra Gandhi
Director**

Report adopted by the Board of Directors of Lyka Labs Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Labs Limited (‘the Transferee Company’ or ‘LLL’) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (‘the Transferor Company’ or ‘LHL’) with Lyka Labs Limited (‘the Transferee Company’ or ‘LLL’) and their respective shareholders (‘the Scheme’) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts of Companies as on 31st March, 2017,
 - d) Report from the Audit Committee recommending the draft scheme,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LLL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LHL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - g) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.

- h) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - i) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - j) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - k) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - l) Achieving economies of scale
- iv. Since, the shareholders and the shareholding pattern of LLL remains the same, it is treated as no change in shareholding pattern
- v. Further as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. However the aforesaid circular requires that such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.
- vi. Further as per amendment to regulation 37, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified as on 15th February, 2017, nothing contained in the aforesaid regulation shall apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company and that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures In view of the above , the Company shall file Draft Scheme of Merger (By Absorption)of LHL with LLL and their respective shareholders.
- vii. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares or any special benefits.
- viii. The effect of the proposed Scheme of Merger (By Absorption) on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|---------------------------------|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |

| | |
|--|-----------|
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- ix. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LLL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
LYKA LABS LIMITED**

Place: Mumbai
Date: 29th May 2017

**Sd/-
Narendra Ishwarlal Gandhi
Managing Director**

LYKA HEALTHCARE LIMITED

Balance Sheet as at 31st Dec, 2017

(Amount In Rs.)

| Particulars | Note No. | As at 31.12.2017 | As at 31.03.2017 |
|--|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 1 | 7,55,00,000 | 7,55,00,000 |
| (b) Reserves and Surplus | 2 | 5,83,13,248 | 8,33,72,846 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 23,69,562 | 50,50,243 |
| (b) Other Long-Term Liabilities | 4 | 7,35,61,867 | 8,06,89,037 |
| (c) Long-Term Provisions | 5 | 41,92,811 | 41,92,811 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 28,99,319 | 2,951 |
| (b) Trade Payables | | | |
| - Total outstanding dues of micro & small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro & small enterprises | | 11,50,18,825 | 9,27,84,793 |
| (c) Other Current Liabilities | 7 | 9,98,09,968 | 10,14,77,626 |
| (d) Short term provisions | 8 | 4,32,052 | 4,32,052 |
| | | 43,20,97,652 | 44,35,02,360 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 54,71,283 | 63,05,453 |
| (ii) Intangible Assets | 9 | 30,45,60,929 | 31,83,47,636 |
| 2 Deferred Tax Assets | 10 | 1,57,71,137 | 1,57,71,137 |
| 3 Current Assets | | | |
| (a) Inventories | 11 | 2,44,19,134 | 3,48,54,670 |
| (b) Trade Receivables | 12 | 7,66,00,028 | 6,26,95,923 |
| (c) Cash and Cash Equivalents | 13 | 5,45,681 | 15,97,405 |
| (d) Short-Term Loans and Advances | 14 | 47,29,459 | 39,30,135 |
| | | 43,20,97,652 | 44,35,02,360 |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Statement of Profit and Loss for the period ended 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | Period ended 31.12.2017 | Year ended 31.03.2017 |
|---|----------|-------------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | 15 | 10,41,38,871 | 14,14,86,241 |
| Other Income | | 8,27,565 | 2,46,603 |
| | | 10,49,66,436 | 14,17,32,844 |
| EXPENSES | | | |
| (a) Purchases | 16 | 4,85,98,654 | 9,00,72,751 |
| (b) Changes in Inventories | 17 | 1,04,35,536 | (47,99,692) |
| (c) Employee Benefits Expense | 18 | 2,88,68,495 | 4,29,00,147 |
| (d) Finance Costs | 19 | 8,66,806 | 13,15,063 |
| (e) Depreciation and Amortization Expense | 9 | 1,46,48,876 | 3,50,18,010 |
| (f) Other Expenses | 20 | 2,66,07,667 | 3,65,63,470 |
| | | 13,00,26,034 | 20,10,69,749 |
| Profit / (Loss) before tax expenses | | (2,50,59,598) | (5,93,36,905) |
| Provision for Deferred Tax | | - | (2,85,02,623) |
| Profit/(Loss) after tax | | (2,50,59,598) | (3,08,34,282) |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|--------------------|--------------------|
| 1 | Share Capital Authorised 80,00,000 (PY 80,00,000) Equity Shares of Rs 10 each | 8,00,00,000 | 8,00,00,000 |
| | | 8,00,00,000 | 8,00,00,000 |
| | Issued , Subscribed & Paid-Up Equity Share Capital 75,50,000 Equity Share of Rs 10/- each (PY 75,50,000 Equity Share of Rs 10/- each) | 7,55,00,000 | 7,55,00,000 |
| | TOTAL | 7,55,00,000 | 7,55,00,000 |

1.2 Rights, Preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period

| | 31.12.2017 | |
|---|------------------|--------------------|
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |
| | 31.03.2017 | |
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |

1.4 Wholly owned subsidiary of Lyka Labs Ltd

| | | | |
|---|--|-----------------------|-----------------------|
| 2 | Reserves & Surplus | | |
| | Surplus in the Statement of Profit & Loss | | |
| | -Balance as per Last Financial Statement | (14,16,27,154) | (10,85,63,834) |
| | -Profit/(Loss) for the year | (2,50,59,598) | (3,30,63,320) |
| | Net Balance in the Statement of Profit & Loss | (16,66,86,752) | (14,16,27,154) |
| | Share Premium Account | 22,50,00,000 | 22,50,00,000 |
| | | 5,83,13,248 | 8,33,72,846 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|--------------------|---------------------|
| 3 | Long term Borrowings | | |
| | Secured | | |
| | Car Loan (Secured against Vehicle) | 23,69,562 | 29,07,920 |
| | Unsecured Loan | | |
| | Loan from Director | - | 21,42,323 |
| | | 23,69,562 | 50,50,243 |
| 4 | Other Long Term Liabilities | | |
| | Slump Sale Consideration Payable to Lyka Labs Ltd | 6,50,00,000 | 6,50,00,000 |
| | Security Deposits | 85,61,867 | 1,56,89,037 |
| | | 7,35,61,867 | 8,06,89,037 |
| 5 | Long Term Provisions | | |
| | Provisions for Employee Benefits : | | |
| | Provision for Gratuity | 10,55,444 | 10,55,444 |
| | Provision for Leave Encashment | 23,97,367 | 23,97,367 |
| | Provision for Superannuation | 7,40,000 | 7,40,000 |
| | | 41,92,811 | 41,92,811 |
| 6 | Short-Term Borrowings | | |
| | Unsecured | | |
| | Loans Borrowed from Associates | - | 2,951 |
| | Loan From Director | 2,00,000 | |
| | Inter-Corporate deposit | 26,99,319 | - |
| | | 28,99,319 | 2,951 |
| 7 | Other Current liabilities | | |
| | Current maturities of Long Term Debt | 7,08,479 | 6,54,182 |
| | Interest Accrued and due on Borrowings | 15,49,741 | 19,35,253 |
| | Statutory remittances | 15,93,121 | 26,19,410 |
| | Payable for Fixed Assets | 6,09,50,000 | 6,09,50,000 |
| | Advance for Brands | 2,85,87,951 | 2,91,85,000 |
| | Other Laibilities | 64,20,676 | 61,33,781 |
| | | 9,98,09,968 | 10,14,77,626 |
| 8 | Short Term Provision | | |
| | Short Term Provision for Gratuity | 6,132 | 6,132 |
| | Short Term Provision for Leave Encashment | 4,25,920 | 4,25,920 |
| | | 4,32,052 | 4,32,052 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

Note No : 9 - Fixed Assets

| Name of the Asset | Deprn Rate | Gross Block | | | Depreciation | | | Net block | | |
|--|------------|---------------------|-----------------------------|---------------------|--------------------|-----------------------------|---------------------------|---------------------|---------------------|---------------------|
| | | As on 01/04/2017 | Additions during the period | As on 31/12/2017 | Till 31/03/2017 | Additions during the period | Deletions during the year | As on 31/12/2017 | As on 31/12/2017 | As on 31/03/17 |
| TANGIBLE ASSETS : | | | | | | | | | | |
| VEHICLES | 11.88% | 60,04,802 | - | 60,04,802 | 8,87,621 | 5,37,471 | - | 14,25,092 | 45,79,710 | 51,17,181 |
| OFFICE EQUIPMENTS | 19.00% | 5,48,446 | - | 5,48,446 | 2,63,978 | 78,510 | - | 3,42,488 | 2,05,958 | 2,84,468 |
| FURNITURE & FIXTURES | 9.50% | 7,99,190 | 28,000 | 8,26,190 | 1,95,022 | 57,335 | - | 2,52,357 | 5,73,833 | 6,03,168 |
| COMPUTERS | 31.67% | 7,91,478 | - | 7,91,478 | 4,90,842 | 1,88,854 | - | 6,79,696 | 1,11,782 | 3,00,636 |
| TOTAL TANGIBLE ASSETS | | 81,42,916 | 28,000 | 81,70,916 | 18,37,463 | 8,62,170 | - | 26,99,633 | 54,71,283 | 63,05,453 |
| INTANGIBLE ASSETS : | | | | | | | | | | |
| COMPUTER SOFTWARE | 15.83% | 4,82,170 | - | 4,82,170 | 2,01,204 | 57,507 | - | 2,58,711 | 2,23,459 | 2,80,966 |
| TECHNICAL & MARKETING KNOW-H | 5.00% | 6,09,50,000 | - | 6,09,50,000 | 7,64,144 | 22,96,062 | - | 30,60,205 | 5,78,89,795 | 6,01,85,856 |
| BRANDS | | 34,50,00,000 | - | 34,50,00,000 | 8,71,19,186 | 1,14,33,140 | - | 9,85,52,326 | 24,64,47,674 | 25,78,80,814 |
| TOTAL INTANGIBLE ASSETS | | 40,64,32,170 | - | 40,64,32,170 | 8,80,84,534 | 1,37,86,708 | - | 10,18,71,242 | 30,45,60,929 | 31,83,47,636 |
| TOTAL TANGIBLE & INTANGIBLE | | 41,45,75,086 | 28,000 | 41,46,03,086 | 8,99,21,997 | 1,46,48,879 | - | 10,45,70,875 | 31,00,32,211 | 32,46,53,089 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|--|---------------------|---------------------|
| 10 | Deferred Atx Assets | | |
| | Deferred Tax Liability | | |
| | on account of depreciation difference | (1,85,592) | (1,85,592) |
| | Deferred Tax Assets | | |
| | on account of brought forward losses & unabsorbed depreciation | 1,44,27,610 | 1,44,27,610 |
| | on account of Sec 43B disallowances | 15,29,118 | 15,29,118 |
| | | 1,57,71,137 | 1,57,71,137 |
| 11 | Inventories | | |
| | (taken as valued, verified & certified by management) | | |
| | Closing Stock of Finished Goods | 2,44,19,134 | 3,48,54,670 |
| | | 2,44,19,134 | 3,48,54,670 |
| 12 | Trade Receivables | | |
| | (Unsecured and considered good) | | |
| | | 7,66,00,028 | 6,26,95,923 |
| | | 7,66,00,028 | 6,26,95,923 |
| 13 | Cash and Cash equivalents | | |
| | Cash in Hand | 7,103 | 5,414 |
| | Balances with bank | 5,38,577 | 15,91,991 |
| | | 5,45,680 | 15,97,405 |
| 14 | Short term loans and advances | | |
| | Advance to Employees | 12,36,411 | 2,18,796 |
| | Recoverables from revenue authorities | 28,72,663 | 31,70,587 |
| | Prepaid Expenses | 1,23,003 | 68,045 |
| | Other Advances | 4,97,382 | 4,72,708 |
| | | 47,29,459 | 39,30,135 |



LYKA HEALTHCARE LIMITED
Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | For the period ended 31.12.2017 | For the period ended 31.03.2017 |
|----------|---|------------------------------------|------------------------------------|
| 15 | Revenue from operations | | |
| | Sale of Products | 10,41,38,871 | 14,14,86,241 |
| | | 10,41,38,871 | 14,14,86,241 |
| 16 | Purchase | | |
| | Finished Goods | 4,85,98,654 | 9,00,72,751 |
| | | 4,85,98,654 | 9,00,72,751 |
| 17 | Change in inventories of Finished Goods (Taken as valued, verified & certified by management) | | |
| | Opening stock | 3,48,54,670 | 3,00,54,978 |
| | Closing Stock | 2,44,19,134 | 3,48,54,670 |
| | | 1,04,35,536 | (47,99,692) |
| 18 | Employee benefits expense | | |
| | Salary & Incentives | 2,74,97,145 | 4,07,04,689 |
| | Employer's Contribution to Provident Fund | 13,71,350 | 21,95,458 |
| | | 2,88,68,495 | 4,29,00,147 |
| 19 | Finance Costs | | |
| | Interest on Secured Loans | 2,68,313 | 29,706 |
| | Interest on Unsecured Loans | - | 91,990 |
| | Bill Discounting Charges | - | 1,46,839 |
| | Interest on Security Deposit | 4,61,208 | 10,46,528 |
| | Interest on Intercorporate Loan | 1,37,285 | - |
| | | 8,66,806 | 13,15,063 |
| 20 | Other Expenses | | |
| | Payment to Auditors | | |
| | Statutory Audit Fees | - | 2,30,000 |
| | For representative | - | 20,850 |
| | For certificate | - | - |
| | Others | | |
| | Rent including lease rentals | 7,25,616 | 9,53,151 |
| | Commision and brokerage | 40,92,178 | 65,36,591 |
| | Conference and seminar | 5,27,472 | 10,47,236 |
| | Travelling and Conveyance | 66,72,322 | 94,50,747 |
| | Advertisement and Sales Promotion | 57,18,600 | 94,28,952 |
| | Legal and Professional Charges | 21,17,799 | 8,37,412 |
| | Freight Expenses - Inwards and Outwards | 27,20,126 | 38,70,652 |
| | Communication Expenses | 5,45,256 | 11,32,983 |
| | Assets Leasing Charges | 8,69,584 | - |
| | Insurance | - | - |
| | Miscellaneous Expenses | 26,18,715 | 30,54,896 |
| | | 2,66,07,667 | 3,65,63,470 |



Lyka Labs Limited
Provisional Balance Sheet as at 31st October, 2017

[Amount in Rs.]

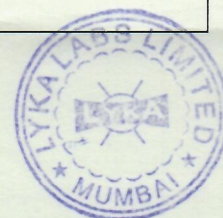
| Particulars | Note No. | As at 31st October, 2017 | As at 31st March, 2017 |
|---|----------|--------------------------|------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 28,14,00,000 | 23,12,57,000 |
| (b) Reserves and Surplus | 4 | 74,43,02,023 | 43,94,62,342 |
| | | 1,02,57,02,023 | 67,07,19,342 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 27,04,63,999 | 34,73,44,608 |
| (b) Other Long-Term Liabilities | 6 | 37,59,962 | 13,95,000 |
| (c) Long-Term Provisions | 7 | 2,27,26,895 | 2,19,52,386 |
| | | 29,69,50,856 | 37,06,91,994 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 8 | 37,84,83,961 | 37,72,05,332 |
| (b) Trade Payables | 9 | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 34,01,24,174 | 34,98,90,555 |
| (c) Other Current Liabilities | 10 | 63,48,64,578 | 56,82,21,646 |
| (d) Short-Term Provisions | 11 | 1,07,54,008 | 1,12,73,658 |
| | | 1,37,18,60,696 | 1,31,42,25,168 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 80,22,61,822 | 54,36,29,484 |
| (ii) Intangible Assets | | 4,67,58,848 | 4,60,50,014 |
| (iii) Capital Work-in-Progress | | 16,60,17,648 | 17,81,30,353 |
| (iv) Intangible Assets under Development | | 15,59,42,566 | 14,65,06,534 |
| | | 1,17,09,80,884 | 91,43,16,385 |
| (b) Non-Current Investments | 13 | 62,94,31,461 | 62,45,30,394 |
| (c) Long-Term Loans and Advances | 14 | 15,34,95,000 | 15,98,54,219 |
| | | 1,95,39,07,345 | 1,69,87,00,998 |
| 2 Current Assets | | | |
| (a) Inventories | 15 | 10,24,81,020 | 9,25,16,212 |
| (b) Trade Receivables | 16 | 38,95,88,100 | 31,42,08,761 |
| (c) Cash and Cash Equivalents | 17 | 1,07,30,983 | 1,45,74,164 |
| (d) Short-Term Loans and Advances | 18 | 22,39,82,143 | 22,18,12,383 |
| (e) Other Current Assets | 19 | 1,38,23,986 | 1,38,23,986 |
| | | 74,06,06,231 | 65,69,35,506 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| See accompanying notes to the financial statements | 1 to 60 | | |

For Lyka Labs Limited

Y. B. Sha
Y. B. Sha Chief Financial Officer

Place : Mumbai

Date :



Lyka Labs Limited

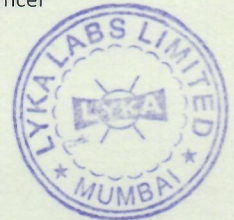
Provisional Statement of Profit and Loss for the year ended 31st October, 2017

[Amount in Rs.]

| Particulars | Note No. | For the period ended 31st October, 2017 | For the year ended 31st March, 2017 |
|---|-----------|---|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Less: Excise Duty | | - | - |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Other Income | 21 | 72,24,789 | 1,70,23,449 |
| Total Revenue | | 21,09,01,922 | 86,34,20,166 |
| EXPENSES | | | |
| Cost of Materials Consumed | | 10,01,40,464 | 35,36,66,810 |
| Purchases of Stock-in-Trade | | 85,40,825 | 2,73,05,655 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | (34,19,391) | (1,78,71,137) |
| Excise Duty Paid | | 81,00,270 | 6,63,25,164 |
| Employee Benefits Expense | 23 | 6,25,02,115 | 10,04,84,606 |
| Finance Costs | 24 | 9,84,68,082 | 14,88,77,717 |
| Depreciation and Amortization Expense | 12 | 3,21,58,676 | 4,28,89,441 |
| Other Expenses | 25 | 7,53,15,397 | 11,41,57,307 |
| Total Expenses | | 38,18,06,436 | 83,58,35,563 |
| Profit before Exceptional Items and Extra Ordinary Item and Tax | | (17,09,04,513) | 2,75,84,603 |
| Exceptional Items (Net) | 48 | 92,37,445 | 1,96,31,809 |
| <i>Deffered Tax (P & L) IND AS</i> | | -35,08,483 | |
| Prior Period Adjustments (Net) | 49 | 19,86,355 | 4,41,110 |
| Profit before Extra Ordinary Items and Tax | | (17,86,19,830) | 75,11,684 |
| Extra Ordinary Items | 39 | 0 | 18,21,996 |
| Profit for the Year / Period | | (17,86,19,830) | 56,89,688 |
| Earnings per equity share | | | |
| Basic / Diluted | 47 | (8.30) | 2.17 |
| See accompanying notes to the financial statements | (1 to 60) | | |

For Lyka Labs Limited

Y. B. Sh: Chief Financial Officer



Place : Mumbai
Date :

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

3 - Share Capital

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|---|--------------------------|---------------------|------------------------|---------------------|
| | Number of shares | Amount (In Rs.) | Number of shares | Amount (In Rs.) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| Redeemable Preference Shares of Rs. 100/- each | 2,00,000 | 2,00,00,000 | 2,00,000 | 2,00,00,000 |
| | 3,02,00,000 | 32,00,00,000 | 3,02,00,000 | 32,00,00,000 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of Rs. 10/- each | 2,81,40,000 | 28,14,00,000 | 2,20,40,000 | 22,04,00,000 |
| 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,570 | - | 1,08,570 | 1,08,57,000 |
| Total | 2,82,48,570 | 28,14,00,000 | 2,21,48,570 | 23,12,57,000 |

3.1 Reconciliation of number of shares outstanding as at the beginning and end of the year / period

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the Year / Period | 2,20,40,000 | 1,08,570 | 2,15,80,000 | 1,08,570 |
| Add : Issued during the Year / Period | 61,00,000 | - | 4,60,000 | - |
| Balance as at the end of the Year / Period | 2,81,40,000 | 1,08,570 | 2,20,40,000 | 1,08,570 |

3.2 Rights, preferences and restriction attached to equity shares :

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

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

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

| Name of the shareholders | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of Rs. 10/- each | | | | |
| Narendra I Gandhi (HUF) | 15,00,776 | 5.33% | 15,00,776 | 6.81% |
| Kunal Narendra Gandhi | 11,16,642 | 3.97% | 11,51,642 | 5.23% |
| Nehal Narendra Gandhi | 11,69,803 | 4.16% | 13,69,803 | 6.22% |
| | | | | |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

3.4 4,000,000 Equity shares of Rs.10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

3.5 108,570 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.

3.6 The Company has allotted 460,000 convertible warrants at Rs. 28/- per warrant to Promotors / Promotors Group on preferential basis pursuant to the Special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on January 23,2015. These warrants were converted (in the ratio of 1 share for 1 warrant) into equity shares of Rs.10/- each at a premium of Rs.18/- per share during the previous period.

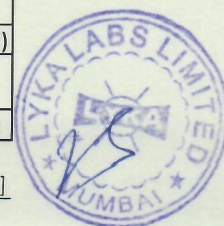
4 - Reserves and Surplus

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Reserve | | |
| Balance as at the beginning and end of the Year / Period | 50,68,404 | 50,68,404 |
| Securities Premium Account | | |
| Balance as at the beginning of the Year / Period | 67,51,46,662 | 67,51,46,662 |
| Add : On Issue of Equity Shares | 27,45,00,000 | - |
| Balance as at the end of the Year / Period | 94,96,46,662 | 67,51,46,662 |
| Revaluation Reserve | | |
| Balance as at the beginning of the Year / Period | 2,61,72,074 | 2,61,72,073 |
| Less: Refer note 30(iii) | 28,53,44,568 | 1 |
| Balance as at the end of the Year / Period | 31,15,16,642 | 2,61,72,074 |
| General Reserve | | |
| Balance as at the beginning and end of the Year / Period | 9,52,45,599 | 9,52,57,370 |
| Surplus | | |
| Balance as at the beginning of the Year / Period | (36,21,82,167) | (36,78,71,855) |
| Add: Profit for the Year / Period | (17,86,19,830) | 56,89,688 |
| Retained Earnings-IND AS | (7,63,73,287) | |
| Balance as at the end of the Year / Period | (61,71,75,284) | (36,21,82,167) |
| Total | 74,43,02,023 | 43,94,62,343 |

5 - Long Term Borrowings

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Secured Loans | | |
| Term Loans from Banks (Refer Note No. 5.1 below) | 26,69,98,097 | 34,21,91,866 |
| Finance Lease Obligations (Refer Note No. 5.2 below) | 34,65,902 | 51,52,742 |
| Total | 27,04,63,999 | 34,73,44,608 |

5.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 10)

(a) Term Loan (Expansion) from Dena Bank repayable in 8 quarterly installments of Rs. 18.09 Lacs each. Interest rate is MCLR + 1.10 % ##

(b) Term Loan (R&D) from Dena Bank repayable in 8 quarterly installments of Rs. 6.77 Lacs each. Interest rate is MCLR + 1.10 % ##

(c) Term Loan from Dena Bank repayable in 6 quarterly installments of Rs. 16.40 Lacs each. Interest rate is MCLR + 1.65 % ##

(d) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 40 Lacs each. Interest rate is MCLR + 1.10 % ##

(e) Term Loan (Lypholisation II) from Dena Bank repayable in 8 quarterly installments of Rs. 7.81 Lacs each. Interest rate is MCLR + 1.10 % ##

(f) Term Loan (New Expansion) from Dena Bank repayable in 11 quarterly installments of Rs. 90.90 lacs each. Interest rate is MCLR + 1.10 % ##

(g) Term Loan (Schedule - M Requirement) from Dena Bank repayable in 10 quarterly installments of Rs. 15.50 lacs each. Interest rate is MCLR + 1.10 % ##

(h) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 60 Lacs each. Interest rate is MCLR + 1.15% ##

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly installments of Rs. 100 Lacs each and subsequently 10 quarterly installments of Rs.140 Lacs commencing after 1 year of moratorium period from the date of disbursement. Interest rate is MCLR + 1.65% , ##

The above Term Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar and Valsad.

(j) Term Loan from Bank of Maharashtra repayable in 16 quarterly installments of Rs. 30 Lacs each. Interest rate is MCLR + 3.5 % + 1 % . *

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly installment of Rs.50 lacs each. Interest rate is MCLR + 1.25 % . *

* Above Term Loans are Secured by extension of equitable mortgage of property situated at Shiv Shakti industrial Estate, Andheri - East, Mumbai - 400059

(l) Term Loan from Kapol Co-Operative Bank Ltd. repayable in 62 equal monthly installments of Rs. 12.16 lacs each. Interest rate is @15%. **

**Above Term Loan are Secured by extension of equitable mortgage of property and machinery situated at Ankleshwar.

5.2 8 Lease obligations repayable in equated monthly installments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

6 - Other Long-Term Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------|--------------------------|------------------------|
| Security Deposit | 37,59,962 | 13,95,000 |
| Total | 37,59,962 | 13,95,000 |

7 - Long-Term Provisions

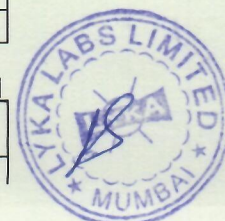
[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 58,06,345 | 57,20,815 |
| Provision for Gratuity | 1,74,24,946 | 1,62,31,571 |
| Total | 2,27,26,895 | 2,19,52,386 |

8 - Short Term Borrowings

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------|--------------------------|------------------------|
| Secured Loans | | |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| From Bank | | |
|--|---------------------|---------------------|
| Loans repayable on demand (Refer Note (8.1) below) | 26,22,81,691 | 26,15,44,118 |
| Term Loan (Refer Note (8.1) below) | - | - |
| | 26,22,81,691 | 26,15,44,118 |
| Unsecured | | |
| Loans and Advances from related parties (Refer Note (8.2) below) | 9,52,40,145 | 5,63,01,597 |
| Inter Corporate Deposits (Refer Note (8.3) below) | 1,50,00,000 | 2,20,50,000 |
| Short Term Loans (Refer Note (8.4) below) | 59,62,124 | 3,73,09,617 |
| | 11,62,02,269 | 11,56,61,214 |
| Total | 37,84,83,961 | 37,72,05,331 |

8.1 Details of terms of repayment and securities provided in respect of Short -Term Borrowings:

(a) Interest on Dena Bank Cash Credit Loan is MCLR +1.10 % p.a. # #

(b) Interest on Dena Bank Buyers Credit Loan ranges from LIBOR + 0.75% to LIBOR + 2.00% # #

The above Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the Directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar , Valsad and Mumbai.

8.2 Interest on Loans from related parties ranges between 10.25 % and 12% (simple Interest) payable on yearly basis.

8.3 Interest on Inter Corporate Deposits ranges between 16% and 25% (simple interest) and repayable at quarterly / half yearly / yearly basis.

8.4 Interest on Short Term Loans ranges between 12% and 21%

9 - Trade Payables

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Trade Payables (Refer Note No.51) | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 34,01,24,174 | 34,98,90,555 |
| Total | 34,77,58,151 | 35,75,24,532 |

10 - Other Current Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| (A) Current Maturities of Long-Term Debt | | |
| (i) Debentures - Privately Placed Non Convertible (Refer Note No.29) | 3,23,75,000 | 7,24,00,000 |
| (ii) Term Loan from Banks (Refer Note No.5.1) | 38,54,30,363 | 31,37,57,363 |
| (iii) Finance Lease Obligations (Refer Note No.5.2) | 30,44,993 | 33,28,907 |
| (iv) Fixed Deposits (Refer Note No.28) | 52,97,000 | 67,37,000 |
| (B) Interest Accrued but not due | - | - |
| (C) Interest Accrued and due | 10,13,38,963 | 4,65,16,488 |
| (D) Other Payables | | |
| (i) Statutory dues | 2,10,72,286 | 4,55,04,341 |
| (ii) Unclaimed Preference Share Dues | - | - |
| (iii) Book Overdraft | 1,70,20,497 | 2,03,94,025 |
| (iv) Employee dues | 1,88,01,593 | 2,31,34,806 |
| (v) Advance from Customers | 50,00,000 | 5,43,903 |
| (vi) Retention Money Payable | 2,052 | 4,78,939 |
| (vii) Creditors for : | | |
| Expenses | 1,25,53,500 | 1,09,29,302 |
| Capital Expenditure | - | 70,74,262 |
| (viii) Other Outstanding Liabilities | 2,79,13,884 | 1,24,07,863 |
| (ix) Sales Tax Deferment Scheme | 50,14,447 | 50,14,447 |
| Total | 63,48,64,578 | 56,82,21,647 |

10.1 - Details of continuous default in repayment of Secured Loans and Interest thereon as on 31st March, 2017

| Period of Default | Principal Amount | Interest Amount |
|-------------------|------------------|-----------------|
| February, 2016 | - | 15,17,959 |
| March, 2016 | - | 16,29,613 |
| April, 2016 | - | 15,50,830 |
| May, 2016 | - | 16,13,883 |
| June, 2016 | 30,00,000 | 15,72,259 |
| July, 2016 | 40,00,000 | 13,08,754 |
| August, 2016 | - | 13,08,754 |
| September, 2016 | 30,00,000 | 13,08,754 |
| October, 2016 | 50,00,000 | 13,08,754 |
| November, 2016 | - | 13,08,754 |
| December, 2016 | 4,80,00,000 | 13,08,754 |
| January, 2017 | 50,00,000 | 62,43,119 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|----------------|---------------------|--------------------|
| February, 2017 | 10,01,15,876 | 62,43,119 |
| March, 2017 | 2,92,06,878 | 62,43,119 |
| Total | 19,73,22,754 | 3,44,66,425 |

11. Short Term Provisions

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 17,41,858 | 22,61,508 |
| Provision for Gratuity | 84,64,511 | 84,64,511 |
| Provision for Superannuation | 5,47,639 | 5,47,639 |
| Total | 1,07,54,008 | 1,12,73,658 |

14 - Long Term Loans and Advances (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Advances | - | 63,59,219 |
| Security Deposit (Refer Note No.31) | 5,02,50,000 | 5,02,50,000 |
| Others - Deposit with Drug Price Equalisation Account (Refer Note No.27(i)) | 10,32,45,000 | 10,32,45,000 |
| Total | 15,34,95,000 | 15,98,54,219 |

15 - Inventories (At Lower of Cost and Net Realizable Value)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|-------------------------------------|--------------------------|------------------------|
| Raw Materials (Refer Note No.38) | 2,20,36,868 | 1,69,19,938 |
| Packing Material (Refer Note No.38) | 3,59,91,787 | 3,45,63,299 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Total | 10,24,81,020 | 9,25,16,212 |

16 - Trade Receivables (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Outstanding for a period exceeding six months (Refer Note No.33) | 24,48,15,310 | 10,45,84,973 |
| Others | 14,47,72,790 | 20,96,23,788 |
| Total | 38,95,88,100 | 31,42,08,761 |

17 - Cash and Cash Equivalents

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Balances with Banks | 22,25,268 | 65,98,534 |
| Cash on hand (Refer Note No. 58) | 18,42,779 | 45,081 |
| Other Bank Balance | | |
| Deposits with Banks held as margin money | 66,62,936 | 79,30,549 |
| Total | 1,07,30,983 | 1,45,74,164 |

18 - Short Term Loans and Advances (Unsecured considered good)

[Amount in Rs.]

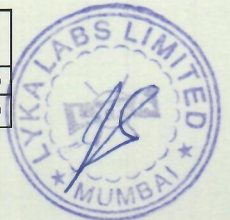
| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Related Parties (Refer Note No.18.1 below) | 6,50,00,000 | 6,50,00,000 |
| Employees | 2,10,300 | 2,83,000 |
| Prepaid Expenses | 59,49,511 | 1,57,01,844 |
| Balances with Government Authorities-CENVAT Credit Receivable | 66,89,568 | 67,14,384 |
| Income Tax Payments | 3,58,69,414 | 3,33,20,176 |
| Other Advances | 11,02,63,350 | 10,07,92,979 |
| Total | 22,39,82,143 | 22,18,12,383 |

18.1 Short-Term Loans and Advances include amounts due from

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------------|--------------------------|------------------------|
| Lyka Healthcare Ltd | 6,50,00,000 | 6,50,00,000 |
| Total | 6,50,00,000 | 6,50,00,000 |

19 - Other Current Assets

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|-----------------------------|---------------------------|
| Foreign Currency Monetary item Translation Difference Account | 1,38,23,986 | 1,38,23,986 |
| Others | - | - |
| Total | 1,38,23,986 | 1,39,51,273 |

20 - Revenue From Operations

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Sale of products | 19,17,10,380 | 74,22,73,643 |
| Other operating revenue (Refer Note No.20.1 below) | 1,23,47,864 | 10,99,98,257 |
| | 20,40,58,244 | 85,22,71,900 |
| Less: Excise Duty | 81,00,270 | 6,63,25,164 |
| Add : Excise Duty (To be shown Separately) | -81,00,270 | -6,63,25,164 |
| Cash Discount | - | 23,71,543 |
| Sales Commission | 1,65,748 | 31,35,716 |
| Freight and Forwarding | 2,15,363 | 3,67,924 |
| Total | 19,55,76,863 | 78,00,71,553 |

20.1 Other Operating Revenue

| | | |
|-----------------------------|--------------------|---------------------|
| Processing charges received | 1,21,10,229 | 2,70,10,825 |
| Sale of Dossiers | - | 5,75,00,000 |
| Sale of Trade Marks | - | 2,25,00,000 |
| Export Incentives | - | 30,736 |
| Royalty | 2,37,635 | 29,56,696 |
| Total | 1,23,47,864 | 10,99,98,257 |

21 - Other Income

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| Interest Income (Refer Note 21.1 below) | 4,03,017 | 8,17,411 |
| Insurance Claim | - | 3,855 |
| Rent Received | 19,42,500 | 33,30,000 |
| Excess Provision for Diminution in value of Investment written back | - | 3,89,400 |
| Foreign Exchange Fluctuation | - | 5,50,339 |
| Sundry Credit Balances/Excess Provision Written Back (net) | 40,57,948 | 1,00,59,478 |
| Miscellaneous Income | 8,21,325 | 18,72,966 |
| Total | 72,24,789 | 1,70,23,449 |

21.1 Interest Income

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|-------------------------------------|---|---|
| (i) Interest from banks on deposits | - | 7,92,309 |
| (ii) Other interest | 4,03,017 | 25,102 |
| Total | 4,03,017 | 8,17,411 |

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

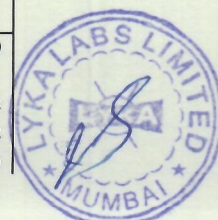
[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| <u>As at the beginning of the year / period :</u> | | |
| Finished Goods | 38,19,414 | 74,86,738 |
| Work-in-Progress | 3,72,13,560 | 1,56,75,100 |
| Total | 4,10,32,974 | 2,31,61,838 |
| <u>As at the end of the year / period :</u> | | |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Total | 4,44,52,365 | 4,10,32,975 |
| Net (increase)/decrease | (34,19,391) | (1,78,71,137) |

23 - Employee Benefit Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Salaries and Wages | 5,05,11,281 | 8,19,05,190 |
| Contribution to Provident and Other Funds | | |
| a) Provident / ESI Fund | 36,49,074 | 67,99,113 |
| b) Superannuation Fund | 3,02,699 | 5,39,258 |
| Provision for Gratuity | 19,76,736 | 33,88,689 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|--------------------------------|--------------------|---------------------|
| Provision for Leave Encashment | 11,79,230 | 8,04,721 |
| Staff Welfare Expenses | 48,83,094 | 70,47,635 |
| Total | 6,25,02,115 | 10,04,84,605 |

24 - Finance Costs

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|--------------------------------------|--|
| Interest Expenses on : | | |
| (i) Borrowings From Banks | | |
| Term Loans | 4,80,79,880 | 6,52,25,753 |
| Working Capital (Net of capitalised of Rs. 7,960,325, Previous Period Rs. 6,206,184) | 1,14,40,163 | 2,20,64,074 |
| (ii) Debentures | 37,40,409 | 90,82,221 |
| (iii) Borrowing Others | | |
| Bill Discounting charges | 1,53,83,940 | 2,73,58,010 |
| Bank Charges | 39,17,490 | 98,29,366 |
| Others | 1,59,06,200 | 1,53,18,293 |
| Total | 9,84,68,082 | 14,88,77,717 |

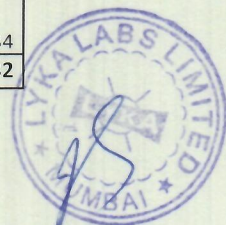
25 - Other Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|--------------------------------------|--|
| Consumption of Stores and Spare Parts | 7,76,259 | 8,68,559 |
| Power and Fuel | 1,09,80,272 | 1,83,93,200 |
| Processing Charges | 11,60,743 | 49,16,968 |
| Rent including Lease Rentals | 10,24,438 | 15,18,932 |
| Repairs and Maintenance - Buildings | 5,74,711 | 16,48,669 |
| Repairs and Maintenance - Machinery | 15,14,099 | 25,43,149 |
| Repairs and Maintenance - Others | 8,04,803 | 19,74,237 |
| Insurance | 12,58,913 | 20,44,298 |
| Rates and Taxes | 8,26,663 | 12,24,979 |
| Commission for L/C | 1,46,43,606 | 1,42,79,668 |
| Communication Expenses | 6,60,304 | 13,69,660 |
| Travelling and Conveyance | 67,39,456 | 1,14,57,364 |
| Sales Commission | - | - |
| Bank Charges | - | - |
| Telephone Expenses | - | - |
| Sales Discount | - | - |
| Advertisement and Sales Promotion | 5,80,228 | 36,40,186 |
| Legal and Professional Charges | 72,70,433 | 92,60,106 |
| Payments to Auditors (Refer Note No.52) | 16,80,035 | 38,07,000 |
| CWIP Written Off | - | - |
| Irrecoverable Advances written off | - | - |
| Excise Duty | - | - |
| Miscellaneous Expenses | 2,48,20,434 | 3,52,10,332 |
| Penalty on delayed payment of Statutory dues | - | - |
| Penalty on delayed Return | - | - |
| Total | 7,53,15,397 | 11,41,57,308 |

25 (i) Miscellaneous Expenses

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---------------------------------|--------------------------------------|--|
| Directors Fees | 11,43,000 | 15,90,000 |
| Factory Expenses | 18,65,061 | 54,60,740 |
| Fees & Subscription | 10,89,661 | 10,04,164 |
| Brokerage | 13,01,203 | 15,08,566 |
| Office Expense | 4,74,433 | 8,77,310 |
| Exchange Rate Fluctuation | 48,460 | 3,126 |
| Security Service Expenses | 17,05,608 | 29,90,159 |
| Laboratory Chemicals & Expenses | 17,42,169 | 21,93,896 |
| Printing and Stationery | 7,94,651 | 17,00,237 |
| Freight and Forwarding | - | - |
| Others | 1,46,56,187 | 1,78,82,134 |
| | 2,48,20,434 | 3,52,10,332 |



PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

| Particulars | Amount in Rs. |
|--|----------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
|----------------------|---|-------------------------------|-------------------------------|-------------------|
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 6 | 6 | 0.012 |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 7549994 | 99.988 |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 7 | 7550000 | 100 |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 7 | 7550000 | 100 |
| (B) | Public Shareholding | - | - | - |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

Since Transferor Company is a wholly owned subsidiary of Transferee Company and the entire paid up share capital of Transferor Company is held by the Transferee Company and its nominee, as a result of the proposed Merger (By Absorption), the shares of Transferor Company held by Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of Transferor Company.

PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|--|----------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 2,00,000 Redeemable Preference Shares of Rs. 100/-each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 2,81,40,000 Equity Share of Rs.10/- each | 28,14,00,000 |
| 1,08,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 29,22,57,000 |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|-------------------------------|-------------------------------|-------------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | 5 | 52,62,265 | 18.70.% |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 4 | 48,29,850 | 17.16% |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 4,32,415 | 1.54% |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 5 | 52,62,265 | 18.70% |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 5 | 52,62,265 | 18.70% |
| (B) | Public Shareholding | 19,870 | 2,28,77,735 | 81.30% |
| | Grand Total (A) + (B) | 19,875 | 2,81,40,000 | 100.00% |
| Shareholding Pattern of Preference Shareholders | | | | |
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |

| | | | | |
|------------|---|----------|---------------|-------------|
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | - | - | - |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | - | - | - |
| (B) | Public Shareholding | 1 | 108570 | 100% |
| | Grand Total (A) + (B) | 1 | 108570 | 100% |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|---|----------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 380000000 |
| 200,000 Redeemable Preference Share of Rs. 100/-each | 200,00,000 |
| Total | 400000000 |
| Issued, Subscribed and Paid up: | |
| 28140000 Equity Share of Rs.10/- each | 281400000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 292257000 |

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD**

COMPANY APPLICATION (CAA) NO.2 of 2018

**In the matter of the Companies Act, 2013;
And
In the matter of Sections 230-232 read with other
relevant provisions of the Companies Act, 2013
And
In the matter of Scheme of Merger (By Absorption) of
Lyka Healthcare Limited (“Transferor Company”) with
Lyka Labs Limited (“The Transferee Company”) and
their respective Shareholders**

LYKA LABS LIMITED,

a Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }
India. }

}

} - Applicant / Transferee Company

**FORM NO. MGT-11
PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]**

CIN:

Name of the Company: LYKA LABS LIMITED

Registered office: 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India

Name of the Preference shareholder(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/ We being the Preference shareholder of Lyka Labs Limited, holding.....shares, hereby
appoint

1. Name:

Address:

E-mail Id:

Signature: or failing him

2. Name:

Address:

E-mail Id:

Signature: or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the National Company Law Tribunal Convened Meeting of the Preference Shareholders of Transferee Company, to be held on Tuesday, 27th March 2018, at 1.00 P.M. at 4801/B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar – 393002, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution | Description |
|-------------------|--|
| 01 | Approval of the proposed Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) |

Signed this _____ day of _____ 2018

Signature of Preference shareholder:

Signature of Proxy Holder:

Affix Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialed
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be Preference shareholder of Lyka Labs Limited
6. No person shall be appointed as a proxy who is a minor.

PREFERENCE SHAREHOLDERS ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

MEETING OF PREFERENCE SHAREHOLDERS ON TUESDAY THE 27TH DAY OF MARCH 2018 AT 1.00 P.M.

I/We hereby record my/our presence at the meeting of the Preference Shareholders of Lyka Labs Limited, convened pursuant to the order dated 6th day of February, 2018, of the NCLT at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 1.00 P.M.

Name and address of Preference Shareholder
(IN BLOCK LETTERS): _____

Signature of Preference Shareholder: _____

Name of the Proxy*: _____
(IN BLOCK LETTERS)

Signature of Proxy: _____
*(To be filled in by the Proxy in case he/she attends instead of the Preference Shareholder)

Notes:

1. Preference Shareholders attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Preference Shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them.

POSTAL BALLOT FORM

| | | |
|----|---|--|
| 1. | Name & Registered Address of the Sole/ Named Preference shareholder | |
| 2. | Name(s) of the Joint Preference shareholder (s), if any | |
| 3. | Registered folio Number or DPID No. & Client ID No.* | |
| 4. | Number of Shares held | |

* Applicable in case shares are held in electronic form.

I / We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the notice dated 12th February, 2018, of Lyka Labs Limited (the “Notice”) by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick mark (√) at the appropriate column below.

| Description of Resolution | No. of Shares held | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|--|--------------------|-------------------------------------|--|
| Resolution pursuant to provisions of Section 230 to 232 of the Companies, Act 2013 read with relevant Rules and under relevant provisions of applicable law for approval of the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders | | | |

Date:

Place:

Signature of Preference shareholder

Note: Kindly read the instructions printed before filling the form. Only valid Postal ballot forms received by the scrutinizer by 5:00 PM on Monday, 26th March 2018 shall be considered.

NOTES AND INSTRUCTIONS FOR POSTAL BALLOT:

1. The voting period for Postal Ballot commences on Sunday, 25th February, 2018 at 9.00 a.m. and ends on Monday, 26th March, 2018 at 5.00 p.m. Responses received after this date and time will be treated as invalid.
2. In case of shares held by Companies, institutional members (FPIs/ Foreign Institutional Investors / Trust / Mutual Funds / Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified true copy of the Board Resolution/ Other Authority Letter together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.

3. Preference shareholders are requested to communicate their assent or dissent by carefully reading the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed through Courier / Registered Post / Speed Post on or before 5.00 P.M. on Monday, 26th March, 2018. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such Preference shareholder has not been received.
4. All the relevant documents referred to in the Explanatory Statement are open for inspection at the Registered Office of the Transferee Company between 11.00 a.m. to 5.00 p.m. on any working day (except Saturdays, Sundays and Public Holidays) upto one day prior to the date of the meeting.
5. The Preference shareholder(s) can opt for only one mode of voting, i.e. either by postal ballot or by polling paper at the venue of the meeting of the shareholders of applicant company or by e-voting using facility offered by CDSL. However, in case Preference shareholders cast their vote by postal ballot and e-voting, then e-voting shall prevail over voting through postal ballot and voting done through postal ballot shall be treated as invalid. The Preference shareholders who have cast their vote by remote e-voting or postal ballot prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
6. The vote on postal ballot cannot be exercised through proxy.
7. A Preference shareholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, in the enclosed self-addressed postage prepaid envelope. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the Preference shareholder will also be accepted.
8. The self-addressed postage prepaid envelope bears the address of the Scrutinizer appointed by the NCLT.
9. Postal Ballot Form should be completed and signed by the Preference Shareholder (as per the specimen signature registered with the Transferee Company). In case of joint holding, this Form should be completed and signed by the first named Preference Shareholder and in his/her absence, by the next named Preference Shareholder.
10. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (√) in the appropriate column.
11. There will be only one Postal Ballot Form for every Folio/ Client ID irrespective of the number of joint Preference shareholder(s).
12. A Preference Shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on Monday, 26th March 2018.
13. Preference Shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the Scrutinizer and any extraneous paper found would be destroyed by the Scrutinizer.

14. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
15. Any queries/grievances in relation to the voting by postal ballot may be addressed to Mr. Piyush Girishchandra Hindia, Company Secretary of the Applicant Company through email to companysecretary@lykalabs.com
16. A Postal Ballot Form shall be considered invalid if:
- (l) A form other than one issued by the Transferee Company has been used; (b) It has not been signed by or on behalf of the Preference shareholder; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company; (d) It is not possible to determine without any doubt the assent or dissent of the Preference shareholder; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the Preference shareholder; (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. Monday, 26th March 2018, 5.00PM; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified true copy of the relevant specific authority; (i) It is received from a Preference shareholder who is in arrears of payment of calls; (j) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (k) Preference shareholder has made any amendment to the resolution or imposed any condition while exercising his vote
- Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.

Road Map to meeting venue

Meeting venue: 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India



NOTICE TO SECURED CREDITORS
MEETING OF THE SECURED CREDITORS
OF
LYKA LABS LIMITED

(convened pursuant to the order dated 6th day of February, 2018 passed by the National Company
Law Tribunal, Bench at Ahmedabad)

MEETING

| | |
|-------|--|
| Day | Tuesday |
| Date | 27 th March, 2018 |
| Time | 2: 00 P.M. |
| Venue | 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India. |

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, AT AHMEDABAD

COMPANY APPLICATION (CAA) NO 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }

India. }

} - Applicant / Transferee Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,

The Secured creditors of LYKA LABS LIMITED (the “Applicant Company” or “Transferee Company”)
NOTICE is hereby given that by an order made on February 6, 2018 in the abovementioned Company Application No 2 of 2018 (the “Order”), the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (“NCLT”) has directed that a meeting of the secured creditors of the Applicant Company, be convened and held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 2.00 PM for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited with Lyka Labs Limited (“Scheme”).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the secured creditors of the Applicant Company, will be held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India on Tuesday, the 27th day of March 2018 at 2.00 PM, at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT *pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, if and when applicable, and subject to such other approvals, permissions and sanctions of*

regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble National Company Law Tribunal, if and when applicable or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited ("Transferor Company") with Lyka Labs Limited ("The Transferee Company") and their respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Merger (By Absorption) embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, if and when applicable while sanctioning the Merger (By Absorption) embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, not later than 48 hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, the Applicant Company has provided the facility of voting by ballot/polling paper at the venue of the meeting to be held on Tuesday, the 27th day of March, 2018.

Copies of the Scheme and of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India.

NCLT has appointed Mr. Manish Shah, Chartered Accountant and, in his absence, Mr. Ragnesh Desai, Chartered Accountant to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

For Lyka Labs Limited

**Mr. Manish Shah,
Chairman appointed for the Meeting**

Place: Mumbai

Date: 12th February, 2018

Regd. Office:

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

Notes:

1. NCLT by its said Order has directed that a meeting of the secured creditors of the Applicant Company shall be convened and held at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March, 2018 at 2.00 P.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme. Secured creditors would be entitled to vote in the said meeting either in person or through proxy.
2. Only secured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be a secured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the secured creditors of the Applicant Company. The authorized representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the meeting of the secured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the secured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the secured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialed.
4. The quorum of the meeting of the secured creditors of the Applicant Company shall be 2 (Two) secured creditors of the Applicant Company.
5. Secured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors at the registered office of the Applicant Company between 11.00 AM and 5.00 PM on all days (except Saturdays, Sundays and public holidays) upto one day prior to the date of the meeting.
7. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting.
8. As directed by NCLT, Mr. Kaushal Doshi, Practicing Company Secretary and failing him Mr. D.P. Shah, Practicing Chartered Accountant has been appointed as the scrutinizer to conduct the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.
9. The scrutinizer will submit his report to the Chairperson of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company through poll paper at the venue of the meeting.
10. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through poll paper at the venue of the meeting will be announced within 48 hours from the conclusion of the meeting at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.lykalabs.com besides being communicated to BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').
11. NCLT by its said Order has directed that Secured creditors appearing in the records of the applicant Company as on October 31, 2017 will be entitled to exercise their right to vote on the above meeting.
12. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. In accordance with the provisions of Sections 230 - 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the secured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
13. The Notice, together with the documents accompanying the same, is being sent to the secured creditors either by registered post or speed post or by courier service. The Notice will be displayed on the website of the Applicant Company www.lykalabs.com
14. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Indian Express" (Ahmedabad Edition) in English language; and (ii) translation thereof in "Sandesh" (Ahmedabad Edition) in Gujarati language.

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD
COMPANY APPLICATION (CAA) NO. 2 of 2018**

**In the matter of the Companies Act, 2013;
And
In the matter of Sections 230-232 read with other relevant
provisions of the Companies Act, 2013
And
In the matter of Scheme of Merger (By Absorption) of Lyka
Healthcare Limited (“Transferor Company”) with Lyka
Labs Limited (“The Transferee Company”) and their
respective Shareholders**

LYKA LABS LIMITED,

a Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }
India. } - Applicant / Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES
ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATION) RULES, 2016**

- 1) Pursuant to the Order dated February 6, 2018, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (the “NCLT”), in CA (CAA) NO. 2 /NCLT/AHM/2018 (“Order”), a meeting of the secured creditors of Lyka Labs Limited (hereinafter referred to as the “Applicant Company” or the “Transferee Company” as the context may admit) is being convened at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India, on Tuesday, March 27, 2018 at 2.00P.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (hereinafter referred to as the “Transferor Company”) with Lyka Labs Limited (hereinafter referred to as the “Transferee Company”) under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 (the “Scheme”). Transferor Company and the Transferee Company are together referred to as the “Companies”. A copy of the Scheme, which has been approved by the Board of Directors of the Applicant Company at its meeting held on May 29, 2017, is enclosed herewith.
- 2) In terms of the said Order, the quorum for the said meeting shall be 2 (Two) secured creditors present in person. Further in terms of the said Order, NCLT, has appointed Mr. Manish Shah, Chartered Accountant and in his absence, Mr. Ragnesh Desai, Chartered Accountant to be the Chairman of the said meeting including for any adjournment or adjournments thereof.
- 3) (a): This statement is being furnished as required under Section 230(3) and Section 102 of the Companies Act, 2013 (the “Act”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “Rules”).
(b): In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the secured creditors, or class of secured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.

(c):In terms of the Order dated February 6, 2018, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (the “NCLT”), in CA (CAA) NO. 2 /NCLT/AHM/2018 (“Order”), if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the secured creditors are disputed, the Chairperson of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting, subject to the order of NCLT in the petition seeking sanction of the Scheme.

4) Details of the scheme of Merger (By Absorption) as required under Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

4.1. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting: -

- (a) Date of the Order: 6th February, 2018,
 (b) Date, time and venue of the meeting.
- Date: Tuesday, 27th March 2018,
 - Time:- 2.00 P.M.
 - Venue: 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India.

4.2. Details of the company:

4.2.1 Details of the Transferor Company

- 4.2.1.1. Corporate Identification Number (CIN): U85190MH2013PLC244062
 4.2.1.2. Permanent Account Number (PAN): AACCL5426A
 4.2.1.3. Name of the Company: **LYKA HEALTHCARE LIMITED**
 4.2.1.4. Date of incorporation: 05/06/2013
 4.2.1.5. Type of the company (whether public or private or one-person company)
 Unlisted Public Limited Company
 4.2.1.6. Registered office address and e-mail address: 101, Shiv Shakti Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra.
 4.2.1.7. Email ID: pkhinduja@lykalabs.com
 4.2.1.8. Summary of main object as per the memorandum of association; and main business carried on by the Company
1. To carry on all or any of the business of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal preparation, chemist, druggist and chemical manufactures.
 2. To import, export, purchase and sell patent medicines, pharmaceutical products, chemicals, surgical and medicinal instruments, apparatus, appliances and to acquire, transfer, license, sub-license, assign Trademarks, Patents and any other Intellectual Property Rights, technical know-how of the medicinal products.
- 4.2.1.9. Details of change of name, registered office and objects of the company during the last five years: NIL
 4.2.1.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: NOT LISTED
 4.2.1.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017;

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |

| | |
|--------------|-------------------|
| Total | 75,500,000 |
|--------------|-------------------|

4.2.1.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|----------------|---|--|
| 1. | Lyka Labs Limited | 4801/B & 4802/A GIDC Industrial Estate Ankleshwar GJ 393002 |
| 2. | Mr. Narendra I. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mrs. Nehal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Mr. Kunal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | Mr. Rajendra V. Pawar (Nominee of Lyka Labs Ltd.) | Sanskar / A/ 306, Neelam Nagar, Phase – II, Mulund East, Mumbai – 400081 |
| 6. | Mr. Yogesh B. Shah (Nominee of Lyka Labs Ltd.) | A/403, Madhav Kung, M.G. Road, Kandivali(w), Mumbai – 400067 |
| 7. | Mr. Vinod S. Shanbhag (Nominee of Lyka Labs Ltd.) | 3, Mehta Nivas, Mahant Rd. Vile Parle (E), Mumbai-400057 |

4.2.1.13. Names of the directors along with their addresses

| Sr. No. | Names of the Directors | Address |
|----------------|-------------------------------|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mr. Kunal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Manish Shirishkant Mehta | B 10 Raghukul Lallubhai Park Andheri West Mumbai 400058 |
| 4. | Dhaval Mahendra Desai | B-1010, Twin Tower Manish Park, Pump House, Andheri East Mumbai 400093 |

Company Secretary:

Pooja Kumar Hinduja:

Address: Satguru Palace, Flat No. 204, Section 28 Ulhasnagar Mumbai 421004.

4.2.1.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29thMay, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on 29thMay, 2017.

4.2.2.Details of the Transferee Company

- 4.2.2.1. Corporate Identification Number (CIN): L24230GJ1976PLC008738
- 4.2.2.2. Permanent Account Number (PAN): AAACL0820G
- 4.2.2.3. Name of the company: LYKA LABS LIMITED
- 4.2.2.4. Date of incorporation: 29/12/1976
- 4.2.2.5. Type of the company (whether public or private or one-person

company)

Public Limited Company (Listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'))

- 4.2.2.6. Registered office address and e-mail address:
4801/B & 4802/A GIDC INDUSTRIAL ESTATE ANKLESHWAR, 393002,
GUJARAT, INDIA
- 4.2.2.7. Email ID: companysecretary@lykalabs.com
- 4.2.2.8. Summary of main object as per the memorandum of association; and main business carried on by the Company
- To purchase associate with or otherwise acquire the running business as a whole with all the assets including all attendant rights and benefits thereof used and exploited by and in the name of Messers. Lyka Laboratories also known as “LYKA LABS” as a going concern together with the benefit of Tenancy Rights of the said firm’s business premises, goodwill, plant, machinery, stock-in-trade, trademarks, trade names, patents designs, import and export quotas, entitlements and licences, and allocations of any nature whatsoever in connection with the said business.
 - To carry on the business of wholesale and retail pharmaceutical chemists and druggists and of the dispensing of medicines.
 - To carry on the business of manufacturing, wholesale and retail chemists and manufacturers and refiners of and dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, salts, alkalis, antibiotics, pharmaceutical, medicinal and chemical preparations.
 - To carry on all or any of the business of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal, preparation, chemists, druggists and chemical manufacturers.
 - To import, export and sell patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
 - To purchase and sell as agents, patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
 - To carry on business as buyers, sellers, importers, exporters, distributors, stock lists and dealers of all kinds of articles, things and goods, fabrics, textiles, including decorative and machine made readymade garments, carpets, mats, rugs, blankets, shawls, tweeds, linens, flannels, bedspreads, quilts, scarf’s, belts and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed blended products, nylon, polyester, fabric yarn, hosiery and mixed fabrics, natural silk fabrics and garments and engineering goods, building materials cement machine tools, hand tools, small tools, metals, alloys, iron pipe fittings, nuts and bolts, bicycle and accessories, automobile parts, steel and stainless and iron products ores and scrape metallurgical residues, hides, skins, leather goods, furs, bristles, tobacco (raw and manufactured), hemp, seeds, oil and cakes, vanaspati, and waste coir and jute and products thereof, wood and timber, bones crushed and uncrushed industrial diamonds, coal and charcoal, flue gums and resins, ivory, shellac, manures, pulp or woods, latex, rubber, tanning substances, wax, quartz, crystal, plastic and linoleum articles, glassware, handicrafts, handloom, toys, precious stones, ornaments, jewelleryes, pearls, soaps paints, instruments, apparatus and appliances, machinery and mill work and parts thereof, paper and stationery, sports goods, cosmetics, wigs, belting, cinematograph films exposed, gramophone records, rubber, plastic goods, starch, umbrellas, cork, batteries, musical instruments, marble, hardware items, traditional calendars, all kinds of books, and manuscripts, electric and electronic cellulosic products, mixed blended products, fish and fish products, fodder bran, fruits, nuts, cashew nuts, kernels, grains, pulses, flour, confectionery, provisions, alcohol, beverages, perfumes, spirits, spices, tea, coffee, sugar and molasses, vegetables and vegetable products, processed foods and packed food products.
- 4.2.2.9. Details of change of name, registered office and objects of the company during the last five years: NIL

4.2.2.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')

4.2.2.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017;

| Particulars | Amount in Rs. |
|---|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 200,000 Redeemable Pref. Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Equity, Issued, Subscribed and Paid up: | |
| 22040000 Equity Share of Rs.10/- each | 22,04,00,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 23,12,57,000 |

4.2.2.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Kunal N Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Narendra I Gandhi HUF | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | M/s Enai Trading and Investment Private Limited | Gate No. 3, Unit No. 151, shiv shakti Industrial Estate, opposite Mittal Estate, Andheri kurla Road, Andheri (East), Mumbai 400059 |

4.2.2.13. Names of the directors along with their addresses:

| Sr. No. | Name of Directors | Address |
|---------|----------------------------------|---|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai - 400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai - 400006. |
| 3. | Mr. Yatin N Shah | 407/B, Pushpak Apt., Garton Para, W.E. Highway, Dahisar (East), Mumbai 400068 |
| 4. | Mr. Ajit Kumar Shantilal Bagadia | A 502 Winsway Complex, Old Police Lane Opp. Vaibhav Hotel, Andheri East Mumbai 400069 |
| 5. | Mr. Atit Nitin Shukla | 5-Uma Smruti, Mamlatdar Wadi 3rd Road, Malad West Mumbai 400064 |

COMPANY SECRETARY:PIYUSH GIRISHCHANDRA HINDIA

CFO(KMP): YOGESH BABULAL SHAH

CEO(KMP): KUNAL NARENDRA GANDHI

4.2.2.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on Monday 29th May 2017.

4.3. Parties involved –

| Sr. No. | Name of Party/Company | Particulars |
|----------------|------------------------------|--------------------|
| 1. | Lyka Healthcare Limited | Transferor Company |
| 2. | Lyka Labs Limited | Transferee Company |

4.4. Relationship subsisting between such companies who are parties to such scheme of Merger (By Absorption): Lyka Healthcare Limited, the Transferor Company is a Wholly Owned Subsidiary Company of Lyka Labs Limited, the Transferee Company.

4.5. Appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any;

4.5.1 Appointed Date: 1st April, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal

4.5.2 Effective Date: means the Appointed Date as defined in section 232 (6) of the Companies Act, 2013. Reference in this Scheme to the date of “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Appointed Date subject to fulfillment of conditions under Clause Scheme Conditional Upon Sanctions, Etc ~~Clause 19~~ of the Scheme of Merger (By Absorption).

4.5.3 Consideration: Since Lyka Healthcare Limited, the Transferor Company is a wholly owned subsidiary company of Lyka Labs Limited, the Transferee Company, the shares of the Transferor Company held by the Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of the Transferor Company.

4.5.4 Summary of valuation report (if applicable) including basis of valuation and the declaration that the valuation report is available for inspection at the registered office of the company; Not Applicable

4.5.5 Details of capital or debt restructuring, if any; Not Applicable

4.5.6 Rationale for the Merger (By Absorption):

- a. The Merger (By Absorption) would provide greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- b. The Merger (By Absorption) would provide greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- c. The Merger (By Absorption) will enable improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- d. The Merger (By Absorption) will result in greater access by the amalgamated company to different market segments in the conduct of its business.

- e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses. The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- f. The Merger (By Absorption) will result in simplified group and business structure.

4.5.7 Benefits of the Merger (By Absorption) as perceived by the Board of directors to the company, members, creditors and others (as applicable):

- a. All the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company. The Merger (By Absorption) would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
- b. The Merger (By Absorption) will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger business and financial base for execution of the larger business activities.
- c. The Merger (By Absorption) will result in economy of scale and reduction in overheads, administrative, managerial and other expenditure and optimal utilization of resources.
- d. The Merger (By Absorption) will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
- e. The Scheme of Merger (By Absorption) will result in cost saving for all the companies as they are capitalizing on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company

4.5.8 Amount due to unsecured creditors –

4.5.8.1 Amount due to unsecured creditors by Transferor Company:

As on August 31st, 2017, Rupees 27,24,26,922.00/- (Rupees Twenty Seven Crores Twenty Four Lakhs Twenty Six Thousand Nine Hundred Twenty Two Only).

4.5.8.2 Amount due to unsecured creditors by Transferee Company:

As on October 31st, 2017, Rupees 49,73,43,538.00/- (Rupees Forty Nine Crores Seventy Three Lakhs Forty Three Thousand Five Hundred & Thirty Eight Only.)

Disclosure about the effect of the Merger (By Absorption) on:

(a) key managerial personnel; (b) directors; (c) promoters; (d) non-promoter members; (e) depositors; (f) creditors; (g) debenture holders; (h) deposit trustee and debenture trustee; (i) employees of the company:

None of the aforesaid parties are impacted in any way post sanctioning of the Scheme and reference to the same has been made at the respective places in the Scheme of Merger (By Absorption) attached herewith.

Disclosure about effect of Merger (By Absorption) on material interests of directors, Key Managerial Personnel - The Scheme of Merger (By Absorption) has no impact on the material interests of directors, Key Managerial Personnel of the Company.

Investigation or proceedings, if any, pending against the company under the Act- NIL

Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the secured creditors, namely:

Inspection of the following documents may be had at the Registered Office of Lyka Labs Limited, the Transferee Company up to one day prior to the date of the meeting between 11.00 am and 5.00 pm on all working days (except Saturdays and Sundays and Public Holidays):

- (a) Latest audited financial statements of the Transferee Company,
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with,
- (c) Copy of scheme of Merger (By Absorption),
- (d) Contracts or agreements material to the scheme of Merger (By Absorption), if any,
- (e) The certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme of Merger (By Absorption) is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
- (f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme

Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of Merger (By Absorption):

The Copies of the Scheme of Merger (By Absorption) is being filed simultaneously along with the dispatch of this notice with the following regulatory and governmental authorities:

1. Income Tax Department, Government of India
2. Registrar of Companies, Ahmedabad, Gujarat
3. Regional Director, North Western Region
4. Central Government through Regional Director, North Western Region
5. Official Liquidator in respect of Transferor Companies,
6. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')

Approvals, sanctions or representations, if any, are pending from these authorities.

5) Documents under Section 232(2) of the Companies Act, 2013:

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- a. Scheme of Merger (By Absorption);
- b. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- c. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of Un-Audited provisional Financial Statements of Lyka Healthcare Limited for period ended on December 31, 2017
- e. Copy of Un- Audited provisional Financial Statements of Lyka Labs Limited for period ended on October 31,2017
- f. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
- g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.

Note: The Scheme of Merger (By Absorption) is simultaneously being filed with the Registrar of Companies, Ahmedabad, Gujarat.

**SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANY ACT, 2013
OF
LYKA HEALTHCARE LIMITED (THE "TRANSFEROR COMPANY")
AND
LYKA LABS LIMITED (THE "TRANSFEE COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

GENERAL

A. Description of Company and Background

- I. Lyka Healthcare Limited, Transferor Company (CIN: U85190MH2013PLC244062) is a unlisted public limited company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059 (**hereinafter** referred to as the “Transferor Company”).
The Transferor Company is engaged in the business of pharmaceutical sector. The Transferor Company is 100% subsidiary of the Transferee Company.
- II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the “Transferee Company”). The Transferee Company is engaged in the business of wholesale and retail chemists and manufacturers and refiners of and dealers in all kinds of drugs, in pharmaceutical sector.
- III. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company’s equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Company Act, 1956 and other applicable provisions of the Company Act, 2013.

B. Rationale for the Scheme

The Transferee Company is holding stake directly in the Transferor Company and as the Transferor Company and Transferee Company’s business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency, the merger of the Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

- (a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- (b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- (c) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- (d) Greater access by the amalgamated company to different market segments in the conduct of its business.
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

- (f) Achieving economies of scale.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

C. Parts of the Scheme:

This Scheme of Amalgamation is divided into the following parts:

- (i) Part I deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
- (ii) Part II deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
- (iii) Part III deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Companies, as applicable;
- (iv) Part IV deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
- (v) Part V deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.
- (vi) The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. "**Act**" means the Company Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. "**Appointed Date**" For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means the open of business hours on 1st April 2017 ;
- 1.3. "**Board of Directors**" or "**Board**" means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof
- 1.4. "**Effective Date**" means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Company by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**Scheme taking effect**" shall mean the Effective Date;
- 1.5. "**Governmental Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or

instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India

including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India, National Company Law Tribunal (to be constituted under Company Act, 2013), and the NCLT ;

- 1.6. "NCLT " means the National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferee Company and the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor as the context may admit;
- 1.7. "Registrar of Companies" means the Registrar of Companies, Mumbai and /or Ahmedabad
- 1.8. "Scheme" means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT Mumbai Bench and Ahmedabad Bench;
- 1.9. "Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.10. "Transferor Company" means Lyka Healthcare Limited (CIN: U85190MH2013PLC244062), a company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate , Andheri Kurla road, Andheri (East), Mumbai 400059 ;
- 1.11. "Transferee Company" means Lyka Labs Limited (CIN: L24230GJ1976PLC008738) a company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002;
- 1.12. "Undertaking" means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
 - I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted

in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
- V. All permanent employees engaged by the Transferor Company as on the Effective Date.
- VI. All quotas, rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;
- VII. All brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to ANDAs (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
- VIII. All intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

IX. All benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including CENVAT credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.2 All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

1.2. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|------------|
| Authorised Share Capital: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 75,50,000 equity shares of Rs. 10/- each | 75,500,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

1.3. Transferee Company:

The Authorised, Issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|-------------|
| Authorised Share Capital: | |
| 30,000,000 Equity Shares of Rs. 10/- each. | 300,000,000 |
| 200,000 Redeemable Preference Shares of Rs. 100/- each | 20,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 22,040,000 Equity Shares of Rs. 10/- each | 220,400,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs 100/- each | 10,857,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferee Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

The equity shares of Transferee Company are, at present, listed on the National Stock Exchange of India Limited and the BSE Limited.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

- 4.1** Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2** Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking(s) of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, manufacturing facilities, laboratories receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals, recognitions and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial

designs, trade secrets, know-how, data, formulations, technology, methodology, manufacturing

procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations, and all other interests exclusively relating to the goods or services, GMP Certificates, ANDAs approved by the U.S. Food and Drug Administration, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the orders of the NCLT, Mumbai Bench and Ahmedabad Bench sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking(s) of the Transferee Company.

4.3 Transfer of Assets:

4.3.1 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

4.3.1.1 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.

4.3.1.2 Without prejudice to the provisions of Clause 4.3.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.

4.3.1.3 In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.

4.3.1.4 All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.

4.3.1.5 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall,

under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.3.2 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Mumbai Bench and Ahmedabad Bench under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.

4.3.3 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

4.4 *Transfer of Liabilities:*

4.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "**Liabilities**"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.

- 4.4.2 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.5 *Encumbrances*

- 4.5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.33 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2 All the existing securities, mortgages, charges, encumbrances or liens (the "**Encumbrances**"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4 Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a

reference to the Transferee Company and the assets and properties of the Transferor Company

transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Company to give formal effect to the above provisions, if required.

4.5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.

4.5.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

4.5.7 The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

4.6 *Inter - se Transactions:*

Without prejudice to the provisions of Clauses 4.1 to 4.555, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to

above on the part of the Transferor Company.

5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

6.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not be made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

7. CONDUCT OF BUSINESS

7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.1.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

7.1.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

7.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and

exercised by or available to the Transferor Company shall be deemed to have been exercised

by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

7.2 With effect from the first of the date of filing of this Scheme with the High Courts and up to and including the Effective Date:

7.2.1 The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

7.2.1.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.1.2 if the same is permitted by this Scheme; or

7.2.1.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.2.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities.:(iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:

7.2.2.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.2.2 if the same is permitted by this Scheme; or

7.2.2.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.3 Treatment of Taxes

7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax,

luxury tax, VAT, etc.) paid or payable by the Transferor Company in respect of the

operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

7.3.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

7.3.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. STAFF WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

8.1.1 All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.

8.1.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the

Transferor Company (collectively referred to as the "**Funds**") and the investments made out

of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

10. CANCELLATION OF SHARES

The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees. Upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Paid up share capital of the Transferor Company shall stand cancelled

10.1 Increase in authorized share capital of Transferee Company

10.1.1 Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs.8,00,00,000 (Rupees Eight Crores), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Company Act 2013 , would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the

Transferee Company on such combined authorised share capital and accordingly, the

Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

“The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty Crores Only) divided into 3,80,00,000 equity shares of Rs. 10 each and 2,00,000 Redeemable Preference shares of Rs.100 each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Company Act, 1956, for the time being in force.”

PART IV

ACCOUNTING TREATMENT AND DIVIDENDS

11. ACCOUNTING TREATMENT

- 11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, **all assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded by the Transferee Company at their Fair Value.**
- 11.2 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this Scheme becoming effective.
- 11.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Transferor Company shall be carried as the balances in the accounts of the Transferee Company.
- 11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 The difference between the value of respective investments carried in the books of the Transferee

Company and the “Net Book Value” of the assets of the respective Transferor Company, shall

be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.

- 11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- 11.8 Inter Company balances shall be cancelled;

12. DECLARATION OF DIVIDEND

- 12.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 12.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

13. POWER TO GIVE EFFECT TO THIS PART

- 13.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 13.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), ANDAs, manufacturing licenses, product permissions, certificates, CoPPs, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives and subsidies. The period between the Effective

Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period".

During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered medicines for export purposes.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF TRANSFEROR COMPANY

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

16. MODIFICATION OF SCHEME

16.1 Subject to approval of Jurisdictional NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "**Delegate**") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which Jurisdictional NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be

required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the

Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

17. FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

18. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

19. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

19.1 This Scheme is conditional upon and subject to:

19.1.1 The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the Jurisdictional NCLT being obtained; and

19.1.2 The certified copies of the orders of the Jurisdictional NCLT sanctioning this Scheme being filed with the Registrar of Companies, Ahmedabad and the Registrar of Companies, Maharashtra, Mumbai.

20. COSTS, CHARGES, EXPENSES AND STAMP DUTY

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme

and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LYKA HEALTHCARE LIMITED Report adopted by the Board of Directors Lyka Healthcare Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Healthcare Limited (“the Transferor Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts as on 31st March, 2017,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above-mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LHL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LLL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - c) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - d) Greater access by the amalgamated company to different market segments in the conduct of its business.

- e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
- f) Achieving economies of scale
- iv. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable to the Transferor Company since it an Unlisted Company.
- v. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group to any additional shares or any special benefits.
- vi. The effect of the proposed Scheme of Amalgamation on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- vii. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LHL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
Lyka Healthcare Limited**

Place: Mumbai
Date: 29thMay, 2017

**Mr. Kunal Narendra Gandhi
Director**

Report adopted by the Board of Directors of Lyka Labs Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Labs Limited (“the Transferee Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts of Companies as on 31st March, 2017,
 - d) Report from the Audit Committee recommending the draft scheme,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LLL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LHL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - g) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - h) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - i) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - j) Greater access by the amalgamated company to different market segments in the conduct of its business.

- k) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
- l) Achieving economies of scale
- iv. Since, the shareholders and the shareholding pattern of LLL remains the same, it is treated as no change in shareholding pattern.
- v. Further as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. However the aforesaid circular requires that such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.
- vi. Further as per amendment to regulation 37, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified as on 15th February, 2017, nothing contained in the aforesaid regulation shall apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company and that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures In view of the above , the Company shall file Draft Scheme of Merger (By Absorption)of LHL with LLL and their respective shareholders.
- vii. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares or any special benefits.
- viii. The effect of the proposed Scheme of Merger (By Absorption) on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- ix. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LLL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
LYKA LABS LIMITED**

**Place: Mumbai
Date: 29th May 2017**

**Mr. Narendra Ishwarlal Gandhi
Director**

LYKA HEALTHCARE LIMITED

Balance Sheet as at 31st Dec, 2017

(Amount In Rs.)

| Particulars | Note No. | As at 31.12.2017 | As at 31.03.2017 |
|--|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 1 | 7,55,00,000 | 7,55,00,000 |
| (b) Reserves and Surplus | 2 | 5,83,13,248 | 8,33,72,846 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 23,69,562 | 50,50,243 |
| (b) Other Long-Term Liabilities | 4 | 7,35,61,867 | 8,06,89,037 |
| (c) Long-Term Provisions | 5 | 41,92,811 | 41,92,811 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 28,99,319 | 2,951 |
| (b) Trade Payables | | | |
| - Total outstanding dues of micro & small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro & small enterprises | | 11,50,18,825 | 9,27,84,793 |
| (c) Other Current Liabilities | 7 | 9,98,09,968 | 10,14,77,626 |
| (d) Short term provisions | 8 | 4,32,052 | 4,32,052 |
| | | 43,20,97,652 | 44,35,02,360 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 54,71,283 | 63,05,453 |
| (ii) Intangible Assets | 9 | 30,45,60,929 | 31,83,47,636 |
| 2 Deferred Tax Assets | 10 | 1,57,71,137 | 1,57,71,137 |
| 3 Current Assets | | | |
| (a) Inventories | 11 | 2,44,19,134 | 3,48,54,670 |
| (b) Trade Receivables | 12 | 7,66,00,028 | 6,26,95,923 |
| (c) Cash and Cash Equivalents | 13 | 5,45,681 | 15,97,405 |
| (d) Short-Term Loans and Advances | 14 | 47,29,459 | 39,30,135 |
| | | 43,20,97,652 | 44,35,02,360 |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Statement of Profit and Loss for the period ended 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | Period ended 31.12.2017 | Year ended 31.03.2017 |
|---|----------|-------------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | 15 | 10,41,38,871 | 14,14,86,241 |
| Other Income | | 8,27,565 | 2,46,603 |
| | | 10,49,66,436 | 14,17,32,844 |
| EXPENSES | | | |
| (a) Purchases | 16 | 4,85,98,654 | 9,00,72,751 |
| (b) Changes in Inventories | 17 | 1,04,35,536 | (47,99,692) |
| (c) Employee Benefits Expense | 18 | 2,88,68,495 | 4,29,00,147 |
| (d) Finance Costs | 19 | 8,66,806 | 13,15,063 |
| (e) Depreciation and Amortization Expense | 9 | 1,46,48,876 | 3,50,18,010 |
| (f) Other Expenses | 20 | 2,66,07,667 | 3,65,63,470 |
| | | 13,00,26,034 | 20,10,69,749 |
| Profit / (Loss) before tax expenses | | (2,50,59,598) | (5,93,36,905) |
| Provision for Deferred Tax | | - | (2,85,02,623) |
| Profit/(Loss) after tax | | (2,50,59,598) | (3,08,34,282) |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|--------------------|--------------------|
| 1 | Share Capital Authorised 80,00,000 (PY 80,00,000) Equity Shares of Rs 10 each | 8,00,00,000 | 8,00,00,000 |
| | | 8,00,00,000 | 8,00,00,000 |
| | Issued , Subscribed & Paid-Up Equity Share Capital 75,50,000 Equity Share of Rs 10/- each (PY 75,50,000 Equity Share of Rs 10/- each) | 7,55,00,000 | 7,55,00,000 |
| | TOTAL | 7,55,00,000 | 7,55,00,000 |

1.2 Rights, Preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period

| | 31.12.2017 | |
|---|------------------|--------------------|
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |
| | 31.03.2017 | |
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |

1.4 Wholly owned subsidiary of Lyka Labs Ltd

| | | | |
|---|--|-----------------------|-----------------------|
| 2 | Reserves & Surplus | | |
| | Surplus in the Statement of Profit & Loss | | |
| | -Balance as per Last Financial Statement | (14,16,27,154) | (10,85,63,834) |
| | -Profit/(Loss) for the year | (2,50,59,598) | (3,30,63,320) |
| | Net Balance in the Statement of Profit & Loss | (16,66,86,752) | (14,16,27,154) |
| | Share Premium Account | 22,50,00,000 | 22,50,00,000 |
| | | 5,83,13,248 | 8,33,72,846 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|--------------------|---------------------|
| 3 | Long term Borrowings | | |
| | Secured | | |
| | Car Loan (Secured against Vehicle) | 23,69,562 | 29,07,920 |
| | Unsecured Loan | | |
| | Loan from Director | - | 21,42,323 |
| | | 23,69,562 | 50,50,243 |
| 4 | Other Long Term Liabilities | | |
| | Slump Sale Consideration Payable to Lyka Labs Ltd | 6,50,00,000 | 6,50,00,000 |
| | Security Deposits | 85,61,867 | 1,56,89,037 |
| | | 7,35,61,867 | 8,06,89,037 |
| 5 | Long Term Provisions | | |
| | Provisions for Employee Benefits : | | |
| | Provision for Gratuity | 10,55,444 | 10,55,444 |
| | Provision for Leave Encashment | 23,97,367 | 23,97,367 |
| | Provision for Superannuation | 7,40,000 | 7,40,000 |
| | | 41,92,811 | 41,92,811 |
| 6 | Short-Term Borrowings | | |
| | Unsecured | | |
| | Loans Borrowed from Associates | - | 2,951 |
| | Loan From Director | 2,00,000 | |
| | Inter-Corporate deposit | 26,99,319 | - |
| | | 28,99,319 | 2,951 |
| 7 | Other Current liabilities | | |
| | Current maturities of Long Term Debt | 7,08,479 | 6,54,182 |
| | Interest Accrued and due on Borrowings | 15,49,741 | 19,35,253 |
| | Statutory remittances | 15,93,121 | 26,19,410 |
| | Payable for Fixed Assets | 6,09,50,000 | 6,09,50,000 |
| | Advance for Brands | 2,85,87,951 | 2,91,85,000 |
| | Other Laibilities | 64,20,676 | 61,33,781 |
| | | 9,98,09,968 | 10,14,77,626 |
| 8 | Short Term Provision | | |
| | Short Term Provision for Gratuity | 6,132 | 6,132 |
| | Short Term Provision for Leave Encashment | 4,25,920 | 4,25,920 |
| | | 4,32,052 | 4,32,052 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

Note No : 9 - Fixed Assets

| Name of the Asset | Deprn Rate | Gross Block | | | Depreciation | | | Net block | | |
|--|------------|---------------------|-----------------------------------|---------------------|--------------------|-----------------------------------|---------------------------------|---------------------|---------------------|---------------------|
| | | As on 01/04/2017 | Additions during the period | As on 31/12/2017 | Till 31/03/2017 | Additions during the period | Deletions during the year | As on 31/12/2017 | As on 31/12/2017 | As on 31/03/17 |
| TANGIBLE ASSETS : | | | | | | | | | | |
| VEHICLES | 11.88% | 60,04,802 | - | 60,04,802 | 8,87,621 | 5,37,471 | - | 14,25,092 | 45,79,710 | 51,17,181 |
| OFFICE EQUIPMENTS | 19.00% | 5,48,446 | - | 5,48,446 | 2,63,978 | 78,510 | - | 3,42,488 | 2,05,958 | 2,84,468 |
| FURNITURE & FIXTURES | 9.50% | 7,99,190 | 28,000 | 8,26,190 | 1,95,022 | 57,335 | - | 2,52,357 | 5,73,833 | 6,03,168 |
| COMPUTERS | 31.67% | 7,91,478 | - | 7,91,478 | 4,90,842 | 1,88,854 | - | 6,79,696 | 1,11,782 | 3,00,636 |
| TOTAL TANGIBLE ASSETS | | 81,42,916 | 28,000 | 81,70,916 | 18,37,463 | 8,62,170 | - | 26,99,633 | 54,71,283 | 63,05,453 |
| INTANGIBLE ASSETS : | | | | | | | | | | |
| COMPUTER SOFTWARE | 15.83% | 4,82,170 | - | 4,82,170 | 2,01,204 | 57,507 | - | 2,58,711 | 2,23,459 | 2,80,966 |
| TECHNICAL & MARKETING KNOW-H | 5.00% | 6,09,50,000 | - | 6,09,50,000 | 7,64,144 | 22,96,062 | - | 30,60,205 | 5,78,89,795 | 6,01,85,856 |
| BRANDS | | 34,50,00,000 | - | 34,50,00,000 | 8,71,19,186 | 1,14,33,140 | - | 9,85,52,326 | 24,64,47,674 | 25,78,80,814 |
| TOTAL INTANGIBLE ASSETS | | 40,64,32,170 | - | 40,64,32,170 | 8,80,84,534 | 1,37,86,708 | - | 10,18,71,242 | 30,45,60,929 | 31,83,47,636 |
| TOTAL TANGIBLE & INTANGIBLE | | 41,45,75,086 | 28,000 | 41,46,03,086 | 8,99,21,997 | 1,46,48,879 | - | 10,45,70,875 | 31,00,32,211 | 32,46,53,089 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|--|---|
| 10 | Deferred Atx Assets Deferred Tax Liability on account of depreciation difference | (1,85,592) | (1,85,592) |
| | Deferred Tax Assets on account of brought forward losses & unabsorbed depreciation on account of Sec 43B disallowances | 1,44,27,610 15,29,118 | 1,44,27,610 15,29,118 |
| | | 1,57,71,137 | 1,57,71,137 |
| 11 | Inventories (taken as valued, verified & certified by management) Closing Stock of Finished Goods | 2,44,19,134 | 3,48,54,670 |
| | | 2,44,19,134 | 3,48,54,670 |
| 12 | Trade Receivables (Unsecured and considered good) | 7,66,00,028 | 6,26,95,923 |
| | | 7,66,00,028 | 6,26,95,923 |
| 13 | Cash and Cash equivalents Cash in Hand Balances with bank | 7,103 5,38,577 | 5,414 15,91,991 |
| | | 5,45,680 | 15,97,405 |
| 14 | Short term loans and advances Advance to Employees Recoverables from revenue authorities Prepaid Expenses Other Advances | 12,36,411 28,72,663 1,23,003 4,97,382 | 2,18,796 31,70,587 68,045 4,72,708 |
| | | 47,29,459 | 39,30,135 |



LYKA HEALTHCARE LIMITED
Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | For the period ended 31.12.2017 | For the period ended 31.03.2017 |
|----------|---|------------------------------------|------------------------------------|
| 15 | Revenue from operations | | |
| | Sale of Products | 10,41,38,871 | 14,14,86,241 |
| | | 10,41,38,871 | 14,14,86,241 |
| 16 | Purchase | | |
| | Finished Goods | 4,85,98,654 | 9,00,72,751 |
| | | 4,85,98,654 | 9,00,72,751 |
| 17 | Change in inventories of Finished Goods (Taken as valued, verified & certified by management) | | |
| | Opening stock | 3,48,54,670 | 3,00,54,978 |
| | Closing Stock | 2,44,19,134 | 3,48,54,670 |
| | | 1,04,35,536 | (47,99,692) |
| 18 | Employee benefits expense | | |
| | Salary & Incentives | 2,74,97,145 | 4,07,04,689 |
| | Employer's Contribution to Provident Fund | 13,71,350 | 21,95,458 |
| | | 2,88,68,495 | 4,29,00,147 |
| 19 | Finance Costs | | |
| | Interest on Secured Loans | 2,68,313 | 29,706 |
| | Interest on Unsecured Loans | - | 91,990 |
| | Bill Discounting Charges | - | 1,46,839 |
| | Interest on Security Deposit | 4,61,208 | 10,46,528 |
| | Interest on Intercorporate Loan | 1,37,285 | - |
| | | 8,66,806 | 13,15,063 |
| 20 | Other Expenses | | |
| | Payment to Auditors | | |
| | Statutory Audit Fees | - | 2,30,000 |
| | For representative | - | 20,850 |
| | For certificate | - | - |
| | Others | | |
| | Rent including lease rentals | 7,25,616 | 9,53,151 |
| | Commision and brokerage | 40,92,178 | 65,36,591 |
| | Conference and seminar | 5,27,472 | 10,47,236 |
| | Travelling and Conveyance | 66,72,322 | 94,50,747 |
| | Advertisement and Sales Promotion | 57,18,600 | 94,28,952 |
| | Legal and Professional Charges | 21,17,799 | 8,37,412 |
| | Freight Expenses - Inwards and Outwards | 27,20,126 | 38,70,652 |
| | Communication Expenses | 5,45,256 | 11,32,983 |
| | Assets Leasing Charges | 8,69,584 | - |
| | Insurance | - | - |
| | Miscellaneous Expenses | 26,18,715 | 30,54,896 |
| | | 2,66,07,667 | 3,65,63,470 |



Lyka Labs Limited
Provisional Balance Sheet as at 31st October, 2017

[Amount in Rs.]

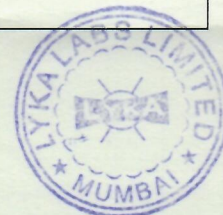
| Particulars | Note No. | As at 31st October, 2017 | As at 31st March, 2017 |
|---|----------|--------------------------|------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 28,14,00,000 | 23,12,57,000 |
| (b) Reserves and Surplus | 4 | 74,43,02,023 | 43,94,62,342 |
| | | 1,02,57,02,023 | 67,07,19,342 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 27,04,63,999 | 34,73,44,608 |
| (b) Other Long-Term Liabilities | 6 | 37,59,962 | 13,95,000 |
| (c) Long-Term Provisions | 7 | 2,27,26,895 | 2,19,52,386 |
| | | 29,69,50,856 | 37,06,91,994 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 8 | 37,84,83,961 | 37,72,05,332 |
| (b) Trade Payables | 9 | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 34,01,24,174 | 34,98,90,555 |
| (c) Other Current Liabilities | 10 | 63,48,64,578 | 56,82,21,646 |
| (d) Short-Term Provisions | 11 | 1,07,54,008 | 1,12,73,658 |
| | | 1,37,18,60,696 | 1,31,42,25,168 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 80,22,61,822 | 54,36,29,484 |
| (ii) Intangible Assets | | 4,67,58,848 | 4,60,50,014 |
| (iii) Capital Work-in-Progress | | 16,60,17,648 | 17,81,30,353 |
| (iv) Intangible Assets under Development | | 15,59,42,566 | 14,65,06,534 |
| | | 1,17,09,80,884 | 91,43,16,385 |
| (b) Non-Current Investments | 13 | 62,94,31,461 | 62,45,30,394 |
| (c) Long-Term Loans and Advances | 14 | 15,34,95,000 | 15,98,54,219 |
| | | 1,95,39,07,345 | 1,69,87,00,998 |
| 2 Current Assets | | | |
| (a) Inventories | 15 | 10,24,81,020 | 9,25,16,212 |
| (b) Trade Receivables | 16 | 38,95,88,100 | 31,42,08,761 |
| (c) Cash and Cash Equivalents | 17 | 1,07,30,983 | 1,45,74,164 |
| (d) Short-Term Loans and Advances | 18 | 22,39,82,143 | 22,18,12,383 |
| (e) Other Current Assets | 19 | 1,38,23,986 | 1,38,23,986 |
| | | 74,06,06,231 | 65,69,35,506 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| See accompanying notes to the financial statements | 1 to 60 | | |

For Lyka Labs Limited

Y. B. Sha
Y. B. Sha Chief Financial Officer

Place : Mumbai

Date :



Lyka Labs Limited

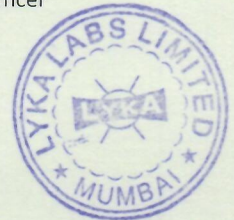
Provisional Statement of Profit and Loss for the year ended 31st October, 2017

[Amount in Rs.]

| Particulars | Note No. | For the period ended 31st October, 2017 | For the year ended 31st March, 2017 |
|---|-----------|---|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Less: Excise Duty | | - | - |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Other Income | 21 | 72,24,789 | 1,70,23,449 |
| Total Revenue | | 21,09,01,922 | 86,34,20,166 |
| EXPENSES | | | |
| Cost of Materials Consumed | | 10,01,40,464 | 35,36,66,810 |
| Purchases of Stock-in-Trade | | 85,40,825 | 2,73,05,655 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | (34,19,391) | (1,78,71,137) |
| Excise Duty Paid | | 81,00,270 | 6,63,25,164 |
| Employee Benefits Expense | 23 | 6,25,02,115 | 10,04,84,606 |
| Finance Costs | 24 | 9,84,68,082 | 14,88,77,717 |
| Depreciation and Amortization Expense | 12 | 3,21,58,676 | 4,28,89,441 |
| Other Expenses | 25 | 7,53,15,397 | 11,41,57,307 |
| Total Expenses | | 38,18,06,436 | 83,58,35,563 |
| Profit before Exceptional Items and Extra Ordinary Item and Tax | | (17,09,04,513) | 2,75,84,603 |
| Exceptional Items (Net) | 48 | 92,37,445 | 1,96,31,809 |
| <i>Deffered Tax (P & L) IND AS</i> | | -35,08,483 | |
| Prior Period Adjustments (Net) | 49 | 19,86,355 | 4,41,110 |
| Profit before Extra Ordinary Items and Tax | | (17,86,19,830) | 75,11,684 |
| Extra Ordinary Items | 39 | 0 | 18,21,996 |
| Profit for the Year / Period | | (17,86,19,830) | 56,89,688 |
| Earnings per equity share | | | |
| Basic / Diluted | 47 | (8.30) | 2.17 |
| See accompanying notes to the financial statements | (1 to 60) | | |

For Lyka Labs Limited

Y. B. Sh: Chief Financial Officer



Place : Mumbai
Date :

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

3 - Share Capital

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|---|--------------------------|---------------------|------------------------|---------------------|
| | Number of shares | Amount (In Rs.) | Number of shares | Amount (In Rs.) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| Redeemable Preference Shares of Rs. 100/- each | 2,00,000 | 2,00,00,000 | 2,00,000 | 2,00,00,000 |
| | 3,02,00,000 | 32,00,00,000 | 3,02,00,000 | 32,00,00,000 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of Rs. 10/- each | 2,81,40,000 | 28,14,00,000 | 2,20,40,000 | 22,04,00,000 |
| 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,570 | - | 1,08,570 | 1,08,57,000 |
| Total | 2,82,48,570 | 28,14,00,000 | 2,21,48,570 | 23,12,57,000 |

3.1 Reconciliation of number of shares outstanding as at the beginning and end of the year / period

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the Year / Period | 2,20,40,000 | 1,08,570 | 2,15,80,000 | 1,08,570 |
| Add : Issued during the Year / Period | 61,00,000 | - | 4,60,000 | - |
| Balance as at the end of the Year / Period | 2,81,40,000 | 1,08,570 | 2,20,40,000 | 1,08,570 |

3.2 Rights, preferences and restriction attached to equity shares :

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

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

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

| Name of the shareholders | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of Rs. 10/- each | | | | |
| Narendra I Gandhi (HUF) | 15,00,776 | 5.33% | 15,00,776 | 6.81% |
| Kunal Narendra Gandhi | 11,16,642 | 3.97% | 11,51,642 | 5.23% |
| Nehal Narendra Gandhi | 11,69,803 | 4.16% | 13,69,803 | 6.22% |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

3.4 4,000,000 Equity shares of Rs.10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

3.5 108,570 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.

3.6 The Company has allotted 460,000 convertible warrants at Rs. 28/- per warrant to Promotors / Promotors Group on preferential basis pursuant to the Special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on January 23,2015. These warrants were converted (in the ratio of 1 share for 1 warrant) into equity shares of Rs.10/- each at a premium of Rs.18/- per share during the previous period.

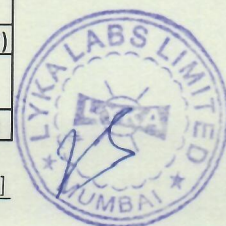
4 - Reserves and Surplus

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Reserve | | |
| Balance as at the beginning and end of the Year / Period | 50,68,404 | 50,68,404 |
| Securities Premium Account | | |
| Balance as at the beginning of the Year / Period | 67,51,46,662 | 67,51,46,662 |
| Add : On Issue of Equity Shares | 27,45,00,000 | - |
| Balance as at the end of the Year / Period | 94,96,46,662 | 67,51,46,662 |
| Revaluation Reserve | | |
| Balance as at the beginning of the Year / Period | 2,61,72,074 | 2,61,72,073 |
| Less: Refer note 30(iii) | 28,53,44,568 | 1 |
| Balance as at the end of the Year / Period | 31,15,16,642 | 2,61,72,074 |
| General Reserve | | |
| Balance as at the beginning and end of the Year / Period | 9,52,45,599 | 9,52,57,370 |
| Surplus | | |
| Balance as at the beginning of the Year / Period | (36,21,82,167) | (36,78,71,855) |
| Add: Profit for the Year / Period | (17,86,19,830) | 56,89,688 |
| Retained Earnings-IND AS | (7,63,73,287) | |
| Balance as at the end of the Year / Period | (61,71,75,284) | (36,21,82,167) |
| Total | 74,43,02,023 | 43,94,62,343 |

5 - Long Term Borrowings

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Secured Loans | | |
| Term Loans from Banks (Refer Note No. 5.1 below) | 26,69,98,097 | 34,21,91,866 |
| Finance Lease Obligations (Refer Note No. 5.2 below) | 34,65,902 | 51,52,742 |
| Total | 27,04,63,999 | 34,73,44,608 |

5.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 10)

(a) Term Loan (Expansion) from Dena Bank repayable in 8 quarterly installments of Rs. 18.09 Lacs each. Interest rate is MCLR + 1.10 % ##

(b) Term Loan (R&D) from Dena Bank repayable in 8 quarterly installments of Rs. 6.77 Lacs each. Interest rate is MCLR + 1.10 % ##

(c) Term Loan from Dena Bank repayable in 6 quarterly installments of Rs. 16.40 Lacs each. Interest rate is MCLR + 1.65 % ##

(d) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 40 Lacs each. Interest rate is MCLR + 1.10 % ##

(e) Term Loan (Lypholisation II) from Dena Bank repayable in 8 quarterly installments of Rs. 7.81 Lacs each. Interest rate is MCLR + 1.10 % ##

(f) Term Loan (New Expansion) from Dena Bank repayable in 11 quarterly installments of Rs. 90.90 lacs each. Interest rate is MCLR + 1.10 % ##

(g) Term Loan (Schedule - M Requirement) from Dena Bank repayable in 10 quarterly installments of Rs. 15.50 lacs each. Interest rate is MCLR + 1.10 % ##

(h) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 60 Lacs each. Interest rate is MCLR + 1.15% ##

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly installments of Rs. 100 Lacs each and subsequently 10 quarterly installments of Rs.140 Lacs commencing after 1 year of moratorium period from the date of disbursement. Interest rate is MCLR + 1.65% , ##

The above Term Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar and Valsad.

(j) Term Loan from Bank of Maharashtra repayable in 16 quarterly installments of Rs. 30 Lacs each. Interest rate is MCLR + 3.5 % + 1 % . *

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly installment of Rs.50 lacs each. Interest rate is MCLR + 1.25 % . *

* Above Term Loans are Secured by extension of equitable mortgage of property situated at Shiv Shakti industrial Estate, Andheri - East, Mumbai - 400059

(l) Term Loan from Kapol Co-Operative Bank Ltd. repayable in 62 equal monthly installments of Rs. 12.16 lacs each. Interest rate is @15%. **

**Above Term Loan are Secured by extension of equitable mortgage of property and machinery situated at Ankleshwar.

5.2 8 Lease obligations repayable in equated monthly installments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

6 - Other Long-Term Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------|--------------------------|------------------------|
| Security Deposit | 37,59,962 | 13,95,000 |
| Total | 37,59,962 | 13,95,000 |

7 - Long-Term Provisions

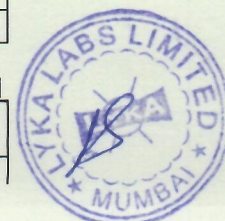
[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 58,06,345 | 57,20,815 |
| Provision for Gratuity | 1,74,24,946 | 1,62,31,571 |
| Total | 2,27,26,895 | 2,19,52,386 |

8 - Short Term Borrowings

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------|--------------------------|------------------------|
| Secured Loans | | |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| From Bank | | |
|--|---------------------|---------------------|
| Loans repayable on demand (Refer Note (8.1) below) | 26,22,81,691 | 26,15,44,118 |
| Term Loan (Refer Note (8.1) below) | - | - |
| | 26,22,81,691 | 26,15,44,118 |
| Unsecured | | |
| Loans and Advances from related parties (Refer Note (8.2) below) | 9,52,40,145 | 5,63,01,597 |
| Inter Corporate Deposits (Refer Note (8.3) below) | 1,50,00,000 | 2,20,50,000 |
| Short Term Loans (Refer Note (8.4) below) | 59,62,124 | 3,73,09,617 |
| | 11,62,02,269 | 11,56,61,214 |
| Total | 37,84,83,961 | 37,72,05,331 |

8.1 Details of terms of repayment and securities provided in respect of Short -Term Borrowings:

(a) Interest on Dena Bank Cash Credit Loan is MCLR +1.10 % p.a. # #

(b) Interest on Dena Bank Buyers Credit Loan ranges from LIBOR + 0.75% to LIBOR + 2.00% # #

The above Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the Directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar , Valsad and Mumbai.

8.2 Interest on Loans from related parties ranges between 10.25 % and 12% (simple Interest) payable on yearly basis.

8.3 Interest on Inter Corporate Deposits ranges between 16% and 25% (simple interest) and repayable at quarterly / half yearly / yearly basis.

8.4 Interest on Short Term Loans ranges between 12% and 21%

9 - Trade Payables

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Trade Payables (Refer Note No.51) | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 34,01,24,174 | 34,98,90,555 |
| Total | 34,77,58,151 | 35,75,24,532 |

10 - Other Current Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| (A) Current Maturities of Long-Term Debt | | |
| (i) Debentures - Privately Placed Non Convertible (Refer Note No.29) | 3,23,75,000 | 7,24,00,000 |
| (ii) Term Loan from Banks (Refer Note No.5.1) | 38,54,30,363 | 31,37,57,363 |
| (iii) Finance Lease Obligations (Refer Note No.5.2) | 30,44,993 | 33,28,907 |
| (iv) Fixed Deposits (Refer Note No.28) | 52,97,000 | 67,37,000 |
| (B) Interest Accrued but not due | - | - |
| (C) Interest Accrued and due | 10,13,38,963 | 4,65,16,488 |
| (D) Other Payables | | |
| (i) Statutory dues | 2,10,72,286 | 4,55,04,341 |
| (ii) Unclaimed Preference Share Dues | - | - |
| (iii) Book Overdraft | 1,70,20,497 | 2,03,94,025 |
| (iv) Employee dues | 1,88,01,593 | 2,31,34,806 |
| (v) Advance from Customers | 50,00,000 | 5,43,903 |
| (vi) Retention Money Payable | 2,052 | 4,78,939 |
| (vii) Creditors for : | | |
| Expenses | 1,25,53,500 | 1,09,29,302 |
| Capital Expenditure | - | 70,74,262 |
| (viii) Other Outstanding Liabilities | 2,79,13,884 | 1,24,07,863 |
| (ix) Sales Tax Deferment Scheme | 50,14,447 | 50,14,447 |
| Total | 63,48,64,578 | 56,82,21,647 |

10.1 - Details of continuous default in repayment of Secured Loans and Interest thereon as on 31st March, 2017

| Period of Default | Principal Amount | Interest Amount |
|-------------------|------------------|-----------------|
| February, 2016 | - | 15,17,959 |
| March, 2016 | - | 16,29,613 |
| April, 2016 | - | 15,50,830 |
| May, 2016 | - | 16,13,883 |
| June, 2016 | 30,00,000 | 15,72,259 |
| July, 2016 | 40,00,000 | 13,08,754 |
| August, 2016 | - | 13,08,754 |
| September, 2016 | 30,00,000 | 13,08,754 |
| October, 2016 | 50,00,000 | 13,08,754 |
| November, 2016 | - | 13,08,754 |
| December, 2016 | 4,80,00,000 | 13,08,754 |
| January, 2017 | 50,00,000 | 62,43,119 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|----------------|---------------------|--------------------|
| February, 2017 | 10,01,15,876 | 62,43,119 |
| March, 2017 | 2,92,06,878 | 62,43,119 |
| Total | 19,73,22,754 | 3,44,66,425 |

11. Short Term Provisions

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 17,41,858 | 22,61,508 |
| Provision for Gratuity | 84,64,511 | 84,64,511 |
| Provision for Superannuation | 5,47,639 | 5,47,639 |
| Total | 1,07,54,008 | 1,12,73,658 |

14 - Long Term Loans and Advances (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Capital Advances | - | 63,59,219 |
| Security Deposit (Refer Note No.31) | 5,02,50,000 | 5,02,50,000 |
| Others - Deposit with Drug Price Equalisation Account (Refer Note No.27(i)) | 10,32,45,000 | 10,32,45,000 |
| Total | 15,34,95,000 | 15,98,54,219 |

15 - Inventories (At Lower of Cost and Net Realizable Value)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|-------------------------------------|--------------------------|------------------------|
| Raw Materials (Refer Note No.38) | 2,20,36,868 | 1,69,19,938 |
| Packing Material (Refer Note No.38) | 3,59,91,787 | 3,45,63,299 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Total | 10,24,81,020 | 9,25,16,212 |

16 - Trade Receivables (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Outstanding for a period exceeding six months (Refer Note No.33) | 24,48,15,310 | 10,45,84,973 |
| Others | 14,47,72,790 | 20,96,23,788 |
| Total | 38,95,88,100 | 31,42,08,761 |

17 - Cash and Cash Equivalents

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Balances with Banks | 22,25,268 | 65,98,534 |
| Cash on hand (Refer Note No. 58) | 18,42,779 | 45,081 |
| Other Bank Balance | | |
| Deposits with Banks held as margin money | 66,62,936 | 79,30,549 |
| Total | 1,07,30,983 | 1,45,74,164 |

18 - Short Term Loans and Advances (Unsecured considered good)

[Amount in Rs.]

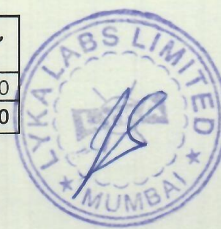
| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Related Parties (Refer Note No.18.1 below) | 6,50,00,000 | 6,50,00,000 |
| Employees | 2,10,300 | 2,83,000 |
| Prepaid Expenses | 59,49,511 | 1,57,01,844 |
| Balances with Government Authorities-CENVAT Credit Receivable | 66,89,568 | 67,14,384 |
| Income Tax Payments | 3,58,69,414 | 3,33,20,176 |
| Other Advances | 11,02,63,350 | 10,07,92,979 |
| Total | 22,39,82,143 | 22,18,12,383 |

18.1 Short-Term Loans and Advances include amounts due from

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------------|--------------------------|------------------------|
| Lyka Healthcare Ltd | 6,50,00,000 | 6,50,00,000 |
| Total | 6,50,00,000 | 6,50,00,000 |

19 - Other Current Assets

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|-----------------------------|---------------------------|
| Foreign Currency Monetary item Translation Difference Account | 1,38,23,986 | 1,38,23,986 |
| Others | - | - |
| Total | 1,38,23,986 | 1,39,51,273 |

20 - Revenue From Operations

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Sale of products | 19,17,10,380 | 74,22,73,643 |
| Other operating revenue (Refer Note No.20.1 below) | 1,23,47,864 | 10,99,98,257 |
| | 20,40,58,244 | 85,22,71,900 |
| Less: Excise Duty | 81,00,270 | 6,63,25,164 |
| Add : Excise Duty (To be shown Separately) | -81,00,270 | -6,63,25,164 |
| Cash Discount | - | 23,71,543 |
| Sales Commission | 1,65,748 | 31,35,716 |
| Freight and Forwarding | 2,15,363 | 3,67,924 |
| Total | 19,55,76,863 | 78,00,71,553 |

20.1 Other Operating Revenue

| | | |
|-----------------------------|--------------------|---------------------|
| Processing charges received | 1,21,10,229 | 2,70,10,825 |
| Sale of Dossiers | - | 5,75,00,000 |
| Sale of Trade Marks | - | 2,25,00,000 |
| Export Incentives | - | 30,736 |
| Royalty | 2,37,635 | 29,56,696 |
| Total | 1,23,47,864 | 10,99,98,257 |

21 - Other Income

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| Interest Income (Refer Note 21.1 below) | 4,03,017 | 8,17,411 |
| Insurance Claim | - | 3,855 |
| Rent Received | 19,42,500 | 33,30,000 |
| Excess Provision for Diminution in value of Investment written back | - | 3,89,400 |
| Foreign Exchange Fluctuation | - | 5,50,339 |
| Sundry Credit Balances/Excess Provision Written Back (net) | 40,57,948 | 1,00,59,478 |
| Miscellaneous Income | 8,21,325 | 18,72,966 |
| Total | 72,24,789 | 1,70,23,449 |

21.1 Interest Income

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|-------------------------------------|---|---|
| (i) Interest from banks on deposits | - | 7,92,309 |
| (ii) Other interest | 4,03,017 | 25,102 |
| Total | 4,03,017 | 8,17,411 |

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

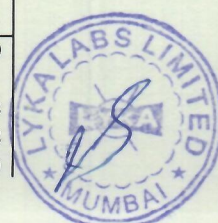
[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| <u>As at the beginning of the year / period :</u> | | |
| Finished Goods | 38,19,414 | 74,86,738 |
| Work-in-Progress | 3,72,13,560 | 1,56,75,100 |
| Total | 4,10,32,974 | 2,31,61,838 |
| <u>As at the end of the year / period :</u> | | |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Total | 4,44,52,365 | 4,10,32,975 |
| Net (increase)/decrease | (34,19,391) | (1,78,71,137) |

23 - Employee Benefit Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Salaries and Wages | 5,05,11,281 | 8,19,05,190 |
| Contribution to Provident and Other Funds | | |
| a) Provident / ESI Fund | 36,49,074 | 67,99,113 |
| b) Superannuation Fund | 3,02,699 | 5,39,258 |
| Provision for Gratuity | 19,76,736 | 33,88,689 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|--------------------------------|--------------------|---------------------|
| Provision for Leave Encashment | 11,79,230 | 8,04,721 |
| Staff Welfare Expenses | 48,83,094 | 70,47,635 |
| Total | 6,25,02,115 | 10,04,84,605 |

24 - Finance Costs

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|--------------------------------------|--|
| Interest Expenses on : | | |
| (i) Borrowings From Banks | | |
| Term Loans | 4,80,79,880 | 6,52,25,753 |
| Working Capital (Net of capitalised of Rs. 7,960,325, Previous Period Rs. 6,206,184) | 1,14,40,163 | 2,20,64,074 |
| (ii) Debentures | 37,40,409 | 90,82,221 |
| (iii) Borrowing Others | | |
| Bill Discounting charges | 1,53,83,940 | 2,73,58,010 |
| Bank Charges | 39,17,490 | 98,29,366 |
| Others | 1,59,06,200 | 1,53,18,293 |
| Total | 9,84,68,082 | 14,88,77,717 |

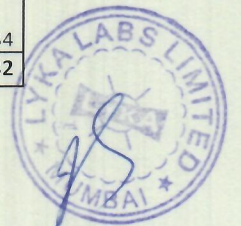
25 - Other Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|--------------------------------------|--|
| Consumption of Stores and Spare Parts | 7,76,259 | 8,68,559 |
| Power and Fuel | 1,09,80,272 | 1,83,93,200 |
| Processing Charges | 11,60,743 | 49,16,968 |
| Rent including Lease Rentals | 10,24,438 | 15,18,932 |
| Repairs and Maintenance - Buildings | 5,74,711 | 16,48,669 |
| Repairs and Maintenance - Machinery | 15,14,099 | 25,43,149 |
| Repairs and Maintenance - Others | 8,04,803 | 19,74,237 |
| Insurance | 12,58,913 | 20,44,298 |
| Rates and Taxes | 8,26,663 | 12,24,979 |
| Commission for L/C | 1,46,43,606 | 1,42,79,668 |
| Communication Expenses | 6,60,304 | 13,69,660 |
| Travelling and Conveyance | 67,39,456 | 1,14,57,364 |
| Sales Commission | - | - |
| Bank Charges | - | - |
| Telephone Expenses | - | - |
| Sales Discount | - | - |
| Advertisement and Sales Promotion | 5,80,228 | 36,40,186 |
| Legal and Professional Charges | 72,70,433 | 92,60,106 |
| Payments to Auditors (Refer Note No.52) | 16,80,035 | 38,07,000 |
| CWIP Written Off | - | - |
| Irrecoverable Advances written off | - | - |
| Excise Duty | - | - |
| Miscellaneous Expenses | 2,48,20,434 | 3,52,10,332 |
| Penalty on delayed payment of Statutory dues | - | - |
| Penalty on delayed Return | - | - |
| Total | 7,53,15,397 | 11,41,57,308 |

25 (i) Miscellaneous Expenses

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---------------------------------|--------------------------------------|--|
| Directors Fees | 11,43,000 | 15,90,000 |
| Factory Expenses | 18,65,061 | 54,60,740 |
| Fees & Subscription | 10,89,661 | 10,04,164 |
| Brokerage | 13,01,203 | 15,08,566 |
| Office Expense | 4,74,433 | 8,77,310 |
| Exchange Rate Fluctuation | 48,460 | 3,126 |
| Security Service Expenses | 17,05,608 | 29,90,159 |
| Laboratory Chemicals & Expenses | 17,42,169 | 21,93,896 |
| Printing and Stationery | 7,94,651 | 17,00,237 |
| Freight and Forwarding | - | - |
| Others | 1,46,56,187 | 1,78,82,134 |
| | 2,48,20,434 | 3,52,10,332 |



PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

| Particulars | | Amount in Rs. | | |
|--|---|-------------------------------|-------------------------------|-------------------|
| Authorised: | | | | |
| 80,00,000 Equity Shares of Rs. 10/- each | | 80,000,000 | | |
| Total | | 80,000,000 | | |
| Issued, Subscribed and Paid up: | | | | |
| 75,50,000 Equity shares of Rs. 10/- each | | 75,500,000 | | |
| Total | | 75,500,000 | | |
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 6 | 6 | 0.012 |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 7549994 | 99.988 |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 7 | 7550000 | 100 |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 7 | 7550000 | 100 |
| (B) | Public Shareholding | - | - | - |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

Since Transferor Company is a wholly owned subsidiary of Transferee Company and the entire paid up share capital of Transferor Company is held by the Transferee Company and its nominee, as a result of the proposed Merger (By Absorption), the shares of Transferor Company held by Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of Transferor Company.

PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|--|----------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 2,00,000 Redeemable Preference Shares of Rs. 100/-each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 2,81,40,000 Equity Share of Rs.10/- each | 28,14,00,000 |
| 1,08,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 29,22,57,000 |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|-------------------------------|-------------------------------|-------------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | 5 | 52,62,265 | 18.70% |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 4 | 48,29,850 | 17.16% |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 4,32,415 | 1.54% |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 5 | 52,62,265 | 18.70% |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 5 | 52,62,265 | 18.70% |
| (B) | Public Shareholding | 19,870 | 2,28,77,735 | 81.30% |
| | Grand Total (A) + (B) | 19,875 | 2,81,40,000 | 100.00% |
| Shareholding Pattern of Preference Shareholders | | | | |
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |

| | | | | |
|-----|---|----------|---------------|-------------|
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | - | - | - |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | - | - | - |
| (B) | Public Shareholding | 1 | 108570 | 100% |
| | Grand Total (A) + (B) | 1 | 108570 | 100% |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|---|---------------------|
| Authorised: | |
| 3,80,00,000 Equity Shares of Rs. 10/- each | 380000000 |
| 200,000 Redeemable Preference Share of Rs. 100/-each | 200,00,000 |
| Total | 40,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 22,040,000 Equity Share of Rs.10/- each | 22,04,00,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 29,22,57,000 |

PROXY FORM
COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013
And
In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions }
of the Companies Act, 1956 and having its }
Registered Office at 4801/B & 4802/A GIDC }
Industrial Estate, Ankleshwar 393002, Gujarat, }
India. } **- Applicant / Transferee Company**

PROXY FORM

Name of the Secured Creditor:

Registered address:

E-mail Id:

I/ We _____ being undersigned Secured Creditor of LYKA LABS LIMITED, being the Applicant Company abovenamed, do hereby appoint

1. Name:

Address:.....

E-mail Id:.....

Signature: or failing him

2 Name:

Address:.....

E-mail Id:.....

Signature: or failing him

3. Name:

Address:.....

E-mail Id:.....

Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of the Secured Creditor(s) of the Applicant Company to be held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 2.00 p.m. in respect of such resolution as are indicated below:

| Resolution | Description |
|-------------------|--|
| 01 | Approval of the proposed Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) |

Signed this _____ day of _____ 2018

Signature of Secured Creditor:

Signature of Proxy Holder(s):

| |
|--------------------------------|
| <p>Affix Revenue Stamp</p> |
|--------------------------------|

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialed
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a secured creditor of Lyka Labs Limited
6. No person shall be appointed as a proxy who is a minor.

SECURED CREDITORS ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

**MEETING OF
THE SECURED CREDITORS
ON TUESDAY THE 27TH DAY OF MARCH 2018 AT 2.00 PM**

I/We hereby record my/our presence at the meeting of the Secured creditors of Lyka Labs Limited, convened pursuant to the order dated 6th day of February, 2018, of the NCLT at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 2.00 PM

Name and address of secured creditor
(IN BLOCK LETTERS): _____

Signature of Secured creditor: _____

Name of the Proxy*: _____
(IN BLOCK LETTERS)

Signature of Proxy: _____

*(To be filled in by the Proxy in case he/she attends instead of the secured creditor)

Notes:

- 1. Secured creditors attending the meeting in person or by proxy or through authorized representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
- 2. Secured creditors who come to attend the meeting are requested to bring their copy of the Scheme with them.

Road Map to meeting venue

Meeting venue: 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India



NOTICE TO UNSECURED CREDITORS

MEETING OF THE UNSECURED CREDITORS

OF

LYKA LABS LIMITED

(convened pursuant to the order dated 6th day of February, 2018 passed by the National Company
Law Tribunal, Bench at Ahmedabad)

MEETING

| | |
|-------|--|
| Day | Tuesday |
| Date | 27 th March, 2018 |
| Time | 2. 30 P.M. |
| Venue | 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India. |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT AHMEDABAD
COMPANY APPLICATION (CAA) NO. 2 of 2018**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant/Transferee Company**

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

The Unsecured creditors of LYKA LABS LIMITED (the “Applicant Company” or “Transferee Company”)

NOTICE is hereby given that by an order made on February 6, 2018 in the above mentioned Company Application No. 2 of 2018 (the “Order”), the Hon’ble National Company Law Tribunal, Bench at Ahmedabad (“NCLT”) has directed that a meeting of the unsecured creditors of the Applicant Company, be convened and held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 2.30 PM for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited with Lyka Labs Limited (“Scheme”).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the unsecured creditors of the Applicant Company, will be held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India on Tuesday, the 27th day of March 2018 at 2.30 PM, at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, if and when applicable, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble National Company Law Tribunal, if and when applicable or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Merger (By Absorption) embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal, if and when applicable while sanctioning the Merger (By Absorption) embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, not later than 48 hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, the Applicant Company has provided the facility of voting by ballot/polling paper at the venue of the meeting to be held on Tuesday, the 27th day of March, 2018.

Copies of the Scheme and of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India.

NCLT has appointed Mr. Manish Shah, Chartered Accountant and, in his absence, Mr. Ragnesh Desai, Chartered Accountant to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Section 230(3) and Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

For Lyka Labs Limited

**Mr. Manish Shah,
Chairman appointed for the Meeting**

Place: Mumbai

Date: 12th February, 2018

Regd. Office:

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

Notes:

1. NCLT by its said Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March, 2018 at 2.30 P.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the Merger (By Absorption) embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
2. Only unsecured creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an unsecured creditor of the Applicant Company) or in the case of a body corporate, by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorized representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialed.
4. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 3 (Three) unsecured creditors of the Applicant Company.
5. Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 11.00 AM and 5.00 PM on all days (except Saturdays, Sundays and public holidays) upto one day prior to the date of the meeting.
7. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting.
8. As directed by NCLT, Mr. Kaushal Doshi, Practicing Company Secretary and failing him Mr. D.P. Shah, Practicing Chartered Accountant has been appointed as the scrutinizer to conduct the voting process through ballot/poll paper at the venue of the meeting in a fair and transparent manner.

9. The scrutinizer will submit his report to the Chairperson of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through poll paper at the venue of the meeting.
10. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through poll paper at the venue of the meeting will be announced within 48 hours from the conclusion of the meeting at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company www.lykalabs.com besides being communicated to BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').
11. NCLT by its said Order has directed that unsecured creditors appearing in the records of the applicant Company as on October 31, 2017 will be entitled to exercise their right to vote on the above meeting.
12. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. In accordance with the provisions of Sections 230 - 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
13. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors either by registered post or speed post or by courier service. The Notice will be displayed on the website of the Applicant Company www.lykalabs.com.
14. The notice convening the said meeting, indicating the day, date, place and time, as aforesaid will be published through advertisement in the following newspapers, namely, (i) "Indian Express"(Ahmedabad Edition) in English language; and (ii) translation thereof in "Sandesh" (Ahmedabad Edition) in Gujarati language.

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, AT AHMEDABAD

COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant / Transferee Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016

- 1) Pursuant to the Order dated February 6, 2018, passed by the Hon’ble National Company Law Tribunal, Bench at Ahmedabad (the “NCLT”), in CA (CAA) NO. 2/NCLT/AHM/2018 (“Order”), a meeting of the unsecured creditors of Lyka Labs Limited (hereinafter referred to as the “Applicant Company” or the “Transferee Company” as the context may admit) is being convened at 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India, on Tuesday, March 27, 2018 at 2.30 P.M., for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (hereinafter referred to as the “Transferor Company”) with Lyka Labs Limited (hereinafter referred to as the “Transferee Company”) under Section 230 read with Section 232 and other applicable provisions of the Companies Act, 2013 (the “Scheme”). Transferor Company and the Transferee Company are together referred to as the “Companies”. A copy of the Scheme, which has been approved by the Board of Directors of the Applicant Company at its meeting held on May 29, 2017, is enclosed herewith.
- 2) In terms of the said Order, the quorum for the said meeting shall be 3 (Three) unsecured creditors present in person. Further in terms of the said Order, NCLT, has appointed Mr. Manish Shah, Chartered Accountant and in his absence, Mr. Ragnesh Desai, Chartered Accountant to be the Chairman of the said meeting including for any adjournment or adjournments thereof.
- 3) (a): This statement is being furnished as required under Section 230(3) and Section 102 of the Companies Act, 2013 (the “Act”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “Rules”).
(b): In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the unsecured creditors, or class of unsecured creditors, of the Applicant Company, as the case may be, voting in person or by proxy agree to the Scheme.
(c): In terms of the Order dated February 6, 2018, passed by the Hon’ble National Company Law Tribunal, Bench at Ahmedabad (the “NCLT”), in CA (CAA) NO. 2/NCLT/AHM/2018 (“Order”), if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the unsecured creditors are disputed, the Chairperson of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting, subject to the order of NCLT in the petition seeking sanction of the Scheme.
- 4) **Details of the scheme of Merger (By Absorption) as required under Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.**
 - 4.1 **Details of the order of the Tribunal directing the calling, convening and conducting of the meeting: -**
 - (a) Date of the Order: 6th February, 2018,
 - (b) Date, time and venue of the meeting.

- Date: Tuesday, 27th March 2018,
- Time:- 2.30 P.M.
- Venue: 4801/B & 4802/A GIDC Industrial Estate Ankleshwar 393002, Gujarat, India.

4.2 Details of the company:

4.2.1 Details of the Transferor Company

4.2.1.1. Corporate Identification Number (CIN): U85190MH2013PLC244062

4.2.1.2. Permanent Account Number (PAN): AACCL5426A

4.2.1.3. Name of the Company: **LYKA HEALTHCARE LIMITED**

4.2.1.4. Date of incorporation: 05/06/2013

4.2.1.5. Type of the company (whether public or private or one-person company)

Unlisted Public Limited Company

4.2.1.6. Registered office address and e-mail address: 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059, Maharashtra.

4.2.1.7. Email ID: pkhinduja@lykalabs.com

4.2.1.8. Summary of main object as per the memorandum of association; and main business carried on by the Company

1. To carry on all or any of the business of manufacturers, buyers, sellers and distributing agents and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal preparation, chemist, druggist and chemical manufactures.
2. To import, export, purchase and sell patent medicines, pharmaceutical products, chemicals, surgical and medicinal instruments, apparatus, appliances and to acquire, transfer, license, sub-license, assign Trademarks, Patents and any other Intellectual Property Rights, technical know-how of the medicinal products.

4.2.1.9. Details of change of name, registered office and objects of the company during the last five years: NIL

4.2.1.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: NOT LISTED

4.2.1.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017;

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

4.2.1.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Lyka Labs Limited | 4801/B & 4802/A GIDC Industrial Estate Ankleshwar GJ 393002 |
| 2. | Mr. Narendra I. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mrs. Nehal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Mr. Kunal N. Gandhi (Nominee of Lyka Labs Ltd.) | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | Mr. Rajendra V. Pawar (Nominee of Lyka Labs Ltd.) | Sanskar / A/ 306, Neelam Nagar, Phase – II, Mulund East, Mumbai – 400081 |
| 6. | Mr. Yogesh B. Shah (Nominee of Lyka Labs Ltd.) | A/403, Madhav Kung, M.G. Road, Kandivali(w), Mumbai – 400067 |
| 7. | Mr. Vinod S. Shanbagh (Nominee of Lyka Labs Ltd.) | 3, Mehta Nivas, Mahant Rd. Vile Parle (E), Mumbai-400057 |

4.2.1.13. Names of the directors along with their addresses

| Sr. No. | Names of Directors | Address |
|---------|--------------------------|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mr. Kunal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Manish Shirishkant Mehta | B 10 Raghukul Lallubhai Park Andheri West Mumbai 400058 |
| 4. | Dhaval Mahendra Desai | B-1010, Twin Tower Manish Park, Pump House, Andheri East Mumbai 400093 |

Company Secretary:

Pooja Kumar Hinduja:

Address:

Satguru Palace, Flat No. 204, Section 28 Ulhasnagar Mumbai 421004.

4.2.1.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on 29th May, 2017.

4.2.2 Details of the Transferee Company

4.2.2.1. Corporate Identification Number (CIN): L24230GJ1976PLC008738

4.2.2.2. Permanent Account Number (PAN): AAACL0820G

4.2.2.3. Name of the company: LYKA LABS LIMITED

4.2.2.4. Date of incorporation: 29/12/1976

4.2.2.5. Type of the company (whether public or private or one-person company)

Public Limited Company (Listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'))

4.2.2.6. Registered office address and e-mail address:

4801/B & 4802/A GIDC INDUSTRIAL ESTATE ANKLESHWAR, 393002, GUJARAT, INDIA

4.2.2.7. Email ID: companysecretary@lykalabs.com

4.2.2.8. Summary of main object as per the memorandum of association; and main business carried on by the Company

- To purchase associate with or otherwise acquire the running business as a whole with all the assets including all attendant rights and benefits thereof used and exploited by and in the name of Messers. Lyka Laboratories also known as "LYKA LABS" as a going concern together with the benefit of Tenancy Rights of the said firm's business premises, goodwill, plant, machinery, stock-in-trade, trade marks, trade names, patents designs, import and export quotas, entitlements and licences, and allocations of any nature whatsoever in connection with the said business.
- To carry on the business of wholesale and retail pharmaceutical chemists and druggists and of the dispensing of medicines.
- To carry on the business of manufacturing, wholesale and retail chemists and manufacturers and refiners of and dealers (whether by wholesale or retail) in all kinds of drugs, chemicals, acids, salts, alkalis, antibiotics, pharmaceutical, medicinal and chemical preparations.
- To carry on all or any of the business of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal and medicated preparations, patent medicines, drugs and pharmaceutical, medicinal, preparation, chemists, druggists and chemical manufacturers.
- To import, export and sell patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
- To purchase and sell as agents, patent medicines, pharmaceutical products, chemicals, surgical and medical instruments, apparatus and appliances.
- To carry on business as buyers, sellers, importers, exporters, distributors, stockists and dealers of all kinds of articles, things and goods, fabrics, textiles, including decorative and machine made readymade garments, carpets, mats, rugs, blankets, shawls, tweeds, linens, flannels, bedspreads, quilts, scarf's, belts and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed blended products, nylon, polyester, fabric yarn, hosiery and mixed fabrics, natural silk fabrics and garments and engineering goods, building materials cement machine tools, hand tools, small tools, metals, alloys, iron pipe fittings, nuts and bolts, bicycle and

accessories, automobile parts, steel and stainless and iron products ores and scrape metallurgical residues, hides, skins, leather goods, furs, bristles, tobacco (raw and manufactured), hemp, seeds, oil and cakes, vanaspati, and waste coir and jute and products thereof, wood and timber, bones crushed and uncrushed industrial diamonds, coal and charcoal, flue gums and resins, ivory, shellac, manures, pulp or woods, rage, rubber, tanning substances, wax, quarts, crystal, plastic and linoleum articles, glassware, handicrafts, handloom, toys, precious stones, ornaments, jewelleryes, pearls, soaps paints, instruments, apparatus and appliances, machinery and mill work and parts thereof, paper and stationery, sports goods, cosmetics, wigs, belting, cinematograph films exposed, gramophone records, rubber, plastic goods, starch, umbrellas, cork, batteries, musical instruments, marble, hardware items, traditional calendars, all kinds of books, and manuscripts, electric and electronic cellulosic products, mixed blended products, fish and fish products, fodder bran, fruits, nuts, cashew nuts, kernels, grains, pulses, flour, confectionery, provisions, alcohol, beverages, perfumes, spirits, spices, tea, coffee, sugar and molasses, vegetables and vegetable products, processed foods and packed food products.

4.2.2.9. Details of change of name, registered office and objects of the company during the last five years: NIL

4.2.2.10. Name of the stock exchange (s) where securities of the company are listed, if applicable: BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')

4.2.2.11. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital as on 31st March, 2017;

| Particulars | Amount in Rs. |
|---|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 200,000 Redeemable Pref. Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Equity, Issued, Subscribed and Paid up: | |
| 22040000 Equity Share of Rs.10/- each | 22,04,00,000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 23,12,57,000 |

4.2.2.12. Names of the promoters along with their addresses

| Sr. No. | Names of Promoters | Address |
|---------|---|--|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Kunal N Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 4. | Narendra I Gandhi HUF | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 5. | M/s Enai Trading and Investment Private Limited | Gate No. 3, Unit No. 151, shiv shakti Industrial Estate, opposite Mittal Estate, Andheri kurla Road, Andheri (East), Mumbai 400059 |

4.2.2.13. Names of the directors along with their addresses:

| Sr. No. | Names of Promoters | Address |
|---------|----------------------------------|---|
| 1. | Mr. Narendra I. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 2. | Mrs. Nehal N. Gandhi | 3-C, Ridge Apt., B.G. kher Marg, Malabar Hill, Mumbai -400006. |
| 3. | Mr. Yatin N Shah | 407/B, Pushpak Apt., Garton Para, W.E. Highway, Dahisar (East), Mumbai 400068 |
| 4. | Mr. Ajit Kumar Shantilal Bagadia | A 502 Winsway Complex, Old Police Lane Opp. Vaibhav Hotel, Andheri East Mumbai 400069 |
| 5. | Mr. Atit Nitin Shukla | 5-Uma Smruti, Mamlatdar Wadi 3rd Road, Malad West Mumbai 400064 |

COMPANY SECRETARY: PIYUSH GIRISHCHANDRA HINDIA

CFO(KMP): YOGESH BABULAL SHAH

CEO(KMP): KUNAL NARENDRA GANDHI

4.2.2.14. The date of the board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution: The scheme was approved by the board in their meeting held on 29th May, 2017. The meeting was attended by all the Directors and the resolution was passed unanimously on Monday 29th May 2017.

4.3 Parties involved –

| Sr. No. | Name of Party/Company | Particulars |
|---------|-------------------------|--------------------|
| 1. | Lyka Healthcare Limited | Transferor Company |
| 2. | Lyka Labs Limited | Transferee Company |

4.4 **Relationship subsisting between such companies who are parties to such scheme of Merger (By Absorption): Lyka Healthcare Limited, the Transferor Company is a Wholly Owned Subsidiary Company of Lyka Labs Limited, the Transferee Company.**

4.5 **Appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any;**

4.5.1 **Appointed Date:** 1st April, 2017 or such other date as may be fixed or approved by the National Company Law Tribunal

4.5.2 **Effective Date:** means the Appointed Date as defined in section 232 (6) of the Companies Act, 2013. Reference in this Scheme to the date of “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Appointed Date subject to fulfillment of conditions under Clause Scheme Conditional Upon Sanctions, Etc. of the Scheme of Merger (By Absorption).

4.5.3 **Consideration:** Since Lyka Healthcare Limited, the Transferor Company is a wholly owned subsidiary company of Lyka Labs Limited, the Transferee Company, the shares of the Transferor Company held by the Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of the Transferor Company.

4.5.4 **Summary of valuation report (if applicable) including basis of valuation and the declaration that the valuation report is available for inspection at the registered office of the company;** Not Applicable

4.5.5 **Details of capital or debt restructuring, if any;** Not Applicable

4.5.6 **Rationale for the Merger (By Absorption):**

- a. The Merger (By Absorption) would provide greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- b. The Merger (By Absorption) would provide greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- c. The Merger (By Absorption) will enable improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- d. The Merger (By Absorption) will result in greater access by the amalgamated company to different market segments in the conduct of its business.
- e. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses. The amalgamated company will have the benefit of synergy, optimum use of human relations, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.
- f. The Merger (By Absorption) will result in simplified group and business structure.

4.5.7 **Benefits of the Merger (By Absorption) as perceived by the Board of directors to the company, members, creditors and others (as applicable):**

- a. All the Companies are under same Management and it would be advantageous to combine the activities and operations in a single Company. The Merger (By Absorption) would provide synergistic linkages besides economies in costs by combining the total business functions and the related activities and operations and thus contribute to the profitability of the amalgamated Company.
- b. The Merger (By Absorption) will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger business and financial base for execution of the larger business activities.

- c. The Merger (By Absorption) will result in economy of scale and reduction in overheads, administrative, managerial and other expenditure and optimal utilization of resources.
- d. The Merger (By Absorption) will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies and the Transferee Company.
- e. The Scheme of Merger (By Absorption) will result in cost saving for all the companies as they are capitalizing on each other's core competency and resources which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company

4.5.8 Amount due to unsecured creditors –

4.5.8.1. Amount due to unsecured creditors by Transferor Company:

As on August 31st, 2017, Rupees 27,24,26,922.00/- (Rupees Twenty Seven Crores Twenty Four Lakhs Twenty Six Thousand Nine Hundred Twenty Two Only).

4.5.8.2. Amount due to unsecured creditors by Transferee Company:

As on October 31st, 2017, Rupees 49,73,43,538.00/- (Rupees Forty Nine Crores Seventy Three Lakhs Forty Three Thousand Five Hundred & Thirty Eight Only.)

Disclosure about the effect of the Merger (By Absorption) on:

(a) key managerial personnel; (b) directors; (c) promoters; (d) non-promoter members; (e) depositors; (f) creditors; (g) debenture holders; (h) deposit trustee and debenture trustee; (i) employees of the company:

None of the aforesaid parties are impacted in any way post sanctioning of the Scheme and reference to the same has been made at the respective places in the Scheme of Merger (By Absorption) attached herewith.

Disclosure about effect of Merger (By Absorption) on material interests of directors, Key Managerial Personnel -
The Scheme of Merger (By Absorption) has no impact on the material interests of directors, Key Managerial Personnel of the Company.

Investigation or proceedings, if any, pending against the company under the Act- NIL

Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the unsecured creditors, namely:

Inspection of the following documents may be had at the Registered Office of Lyka Labs Limited, the Transferee Company up to one day prior to the date of the meeting between 11.00 am and 5.00 pm on all working days (except Saturdays and Sundays and Public Holidays):

- (a) Latest audited financial statements of the Transferee Company,
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with,
- (c) Copy of scheme of Merger (By Absorption),
- (d) Contracts or agreements material to the scheme of Merger (By Absorption), if any,
- (e) The certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment, if any, proposed in the Scheme of Merger (By Absorption) is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
- (f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme

Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of Merger (By Absorption):

The Copies of the Scheme of Merger (By Absorption) is being filed simultaneously along with the dispatch of this notice with the following regulatory and governmental authorities:

1. Income Tax Department, Government of India
2. Registrar of Companies, Ahmedabad, Gujarat
3. Regional Director, North Western Region
4. Central Government through Regional Director, North Western Region
5. Official Liquidator in respect of Transferor Companies,
6. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE')

Approvals, sanctions or representations, if any, are pending from these authorities.

5) Documents under Section 232(2) of the Companies Act, 2013:

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- a. Scheme of Merger (By Absorption);
- b. Copy of Report adopted by Board of Directors of the Transferor Company pursuant to the provisions of Section 232(2)(c) of the Act;
- c. Copy of Report adopted by Board of Directors of the Transferee Company pursuant to the provisions of Section 232(2)(c) of the Act;
- d. Copy of Un-Audited provisional Financial Statements of Lyka Healthcare Limited for period ended on December 31, 2017
- e. Copy of Un- Audited provisional Financial Statements of Lyka Labs Limited for period ended on October 31,2017
- f. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferor Company;
- g. Pre and Post Merger (By Absorption) Shareholding Pattern of the Transferee Company.

Note: The Scheme of Merger (By Absorption) is simultaneously being filed with the Registrar of Companies, Ahmedabad, Gujarat.

SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANY ACT, 2013
OF
LYKA HEALTHCARE LIMITED (THE “TRANSFEROR COMPANY”)
AND
LYKA LABS LIMITED (THE “TRANSFEE COMPANY”)
AND
THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. Description of Company and Background

- I. Lyka Healthcare Limited, Transferor Company (CIN: U85190MH2013PLC244062) is a unlisted public limited company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai 400 059 (hereinafter referred to as the **“Transferor Company”**).

The Transferor Company is engaged in the business of pharmaceutical sector. The Transferor Company is 100% subsidiary of the Transferee Company.
- II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the **“Transferee Company”**). The Transferee Company is engaged in the business of wholesale and retail chemists and manufacturers and refiners of and dealers in all kinds of drugs ,in pharmaceutical sector .
- III. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferee Company’s equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other relevant provisions of the Company Act, 1956 and other applicable provisions of the Company Act, 2013.

B. Rationale for the Scheme

The Transferee Company is holding stake directly in the Transferor Company and as the Transferor Company and Transferee Company’s business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency, the merger of the Company is being undertaken. The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- (a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- (b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cashflow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- (c) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- (d) Greater access by the amalgamated company to different market segments in the conduct of its business.
- (e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
- (f) Achieving economies of scale.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

C. **Parts of the Scheme:**

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Amalgamation and sets out the share capital of the Transferor Company and the Transferee Company;
 - (ii) **Part II** deals with the transfer and vesting of the Undertaking (as hereinafter defined) of the Transferor Company to and in the Transferee Company;
 - (iii) **Part III** deals with the issue of new equity shares by the Transferee Company to the eligible shareholders of the Transferor Companies, as applicable;
 - (iv) **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company and dividends;
 - (v) **Part V** deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme of Amalgamation and other matters consequential and integrally connected thereto.
- D.** The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. “Act” means the Company Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. “Appointed Date” For the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means the open of business hours on 1st April 2017;
- 1.3. “Board of Directors” or “Board” means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof
- 1.4. “Effective Date” means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Company by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;
- 1.5. “Governmental Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India, National Company Law Tribunal (to be constituted under Company Act, 2013), and the NCLT ;
- 1.6. “NCLT “ means the National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferee Company and the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor as the context may admit ;
- 1.7. “Registrar of Companies” means the Registrar of Companies, Mumbai and /or Ahmedabad
- 1.8. “Scheme” means this Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT Mumbai Bench and Ahmedabad Bench ;
- 1.9. “Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.10. “Transferor Company” means Lyka Healthcare Limited (CIN: U85190MH2013PLC244062), a company incorporated under the Company Act, 1956 having its registered office at 101, Shiv Shakti Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai 400059 ;
- 1.11. “Transferee Company” means Lyka Labs Limited (CIN: L24230GJ1976PLC008738) a company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002;

- 1.12 “Undertaking” means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):
- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including but not limited to, plant and machinery, equipment, buildings and structures, offices, residential and other premises, sundry debtors, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests in its subsidiaries, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, good will, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements, privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Company and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
 - II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
 - III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the business activities and operations of the Transferor Company;
 - IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
 - V. All permanent employees engaged by the Transferor Company as on the Effective Date.
 - VI. all quotas, rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;
 - VII. all brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to ANDAs (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
 - VIII. all intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;

IX. all benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including CENVAT credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.2. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|------------|
| Authorised Share Capital: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 75,50,000 equity shares of Rs. 10/- each | 75,500,000 |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

2.2. Transferee Company:

The Authorised, Issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2016 was as under:

| Particulars | Rs. |
|--|---------------------------|
| Authorised Share Capital: | |
| 30,000,000 Equity Shares of Rs. 10/-each. | 300,000,000 |
| 200,000 Reedemable Preference Shares of Rs. 100/- each | 20,000,000 |
| Issued, Subscribed and Paid up Share Capital: | |
| 22,040,000 Equity Shares of Rs. 10/- each | |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs 100/- each | 220,400,000 10,857,000 |
| | |

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferee Company. Transferor Company is 100% subsidiary of Transferee Company. Entire Paid up share capital of the Transferor Company is held by the Transferee Company and its nominee.

The equity shares of Transferee Company are, at present, listed on the National Stock Exchange of India Limited and the BSE Limited.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking(s) of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets, tangible or Intangible assets (whether or not recorded in the books of account of the Transferor Company) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, manufacturing facilities, laboratories receivables, actionable claims, furniture and fixtures, computers, office equipment, electrical installations, generators, containers, telephones, telex, facsimile and other communication facilities and business licenses, licenses under Factories Act, manufacturing licenses, permits, deposits, authorisations, approvals, recognitions and registrations granted by the Department of Scientific & Industrial Research to the in-house research and development units established, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, licenses including Export Oriented Unit licences, Special Economic Zones registrations, marketing authorisations and other intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, deeds, bonds, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages and benefits, approvals, filings, dossiers, copyrights, industrial designs, trade secrets, know-how, data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, brand names, trade names and domain names, and all other interests in connection with or relating to and product registrations, applications and authorisations for product registrations, and all other interests exclusively relating to the goods or services, GMP Certificates, AND As approved by the U.S. Food and Drug Administration, shall, under the provisions of Sections 230 to 232 of the Act, and pursuant to the orders of the NCLT, Mumbai Bench and Ahmedabad Bench sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking(s) of the Transferee Company.

4.3 Transfer of Assets:

- 4.3.1 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- 4.3.1.1 All the assets and properties comprised in the Undertaking of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- 4.3.1.2 Without prejudice to the provisions of Clause 4.3.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.
- 4.3.1.3 In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.3.1.4 All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.

- 4.3.1.5 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.3.2 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Mumbai Bench and Ahmedabad Bench under and in accordance with Sections 230 and 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.3.3 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

4.4 Transfer of Liabilities:

- 4.4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Undertaking including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (herein referred to as the "Liabilities"), shall, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause.
- 4.4.2 All debts, liabilities, duties and obligations of the Undertaking as on the Appointed Date, whether or not provided in the books of the respective Transferor Company, and all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Undertaking on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.
- 4.4.3 Where any such debts, loans raised, liabilities, duties and obligations of the Undertaking as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 4.4.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Undertaking and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company.

4.5 Encumbrances

- 4.5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 and 4.33 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2 All the existing securities, mortgages, charges, encumbrances or liens (the “Encumbrances”), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.
- 4.5.3 The existing Encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.5.4 Any reference in any security documents or arrangements (to which the Transferor Company are a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Company to give formal effect to the above provisions, if required.
- 4.5.5 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.
- 4.5.6 It is expressly provided that, no other term or condition of the Liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.5.7 The provisions of this Clause 4.5 shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

4.6 Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1 to 4.55, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

- 6.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and / or enforced as desired by the Transferee Company and on and from the Effective Date, shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Undertaking, in the same manner and to the same extent as would or might have been initiated by the Transferor Company as the case may be, had the Scheme not been made; If any suit, appeal or other proceedings relating to the Undertaking, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

7. CONDUCT OF BUSINESS

- 7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.1.1 The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.

7.1.2 All the profits or income accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

7.1.3 Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

- 7.2 With effect from the first of the date of filing of this Scheme with the NCLT, Mumbai and up to and including the Effective Date:

7.2.1 The Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its group Company or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in each case in the following circumstances:

7.2.1.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.1.2 if the same is permitted by this Scheme; or

7.2.1.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.2.2 The Transferor Company shall not take, enter into, perform or undertake, as applicable (i) any material decision in relation to its business and operations other than decisions already taken prior to approval of the Scheme by the respective Board of Directors (ii) any agreement or transaction; and (iii) any new business, or discontinue any existing business or change the capacity of facilities.;(iv) such other matters as the Transferee Company may notify from time to time save and except in each case in the following circumstances:

7.2.2.1 if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with NCLT; or

7.2.2.2 if the same is permitted by this Scheme; or

7.2.2.3 if consent of the Board of Directors of the Transferee Company has been obtained.

7.3 Treatment of Taxes

7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax laws, service tax, luxury tax, stamp laws or other applicable laws/ regulations (hereinafter in this Clause referred to as “**Tax Laws**”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

7.3.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

7.3.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. STAFF WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

8.1.1 All the permanent employees of the Transferor Company who are in its employment as on the Effective Date shall become the permanent employees of the Transferee Company with effect from the Effective Date without any break or interruption in service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. It is clarified that the employees of the Transferor Company who become employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of the Transferee Company), unless otherwise determined by the Board of Directors of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company (as may be recognized by the Transferor Company). After the Effective Date, the Transferee Company shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of the Transferee Company.

8.1.2 The existing provident fund, gratuity fund and pension and/or superannuation fund or trusts or retirement funds or benefits created by the Transferor Company or any other special funds created or existing for the benefit of the concerned permanent employees of the Transferor Company (collectively referred to as the “Funds”) and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such funds of the Transferee Company.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

10. CANCELLATION OF SHARES

The entire issued, subscribed and paid-up share capital of the Transferor Company is held by the Transferee Company along with its nominees. Upon the scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the Paid up share capital of the Transferor Company shall stand cancelled

10.1 Increase in authorized share capital of Transferee Company

10.1.1 Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs.8,00,00,000 (Rupees Eight Crores), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Company Act 2013 , would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

“The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty Crores Only) divided into 3,80,00,000 equity shares of Rs. 10 each and 2,00,000 Redeemable Preference shares of Rs.100 each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Company Act, 1956, for the time being in force.”

PART IV

ACCOUNTING TREATMENT AND DIVIDENDS

11. ACCOUNTING TREATMENT

11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded by the Transferee Company at their Fair Value

11.2 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this Scheme becoming effective.

11.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Transferor Company shall be carried as the balances in the accounts of the Transferee Company.

- 11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "Net Book Value" of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- 11.8 Inter Company balances shall be cancelled;

12. DECLARATION OF DIVIDEND

- 12.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- 12.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

13. POWER TO GIVE EFFECT TO THIS PART

- 13.1. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 13.2. Upon coming into effect of the Scheme, the Transferee Company and/or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), ANDAs, manufacturing licenses, product permissions, certificates, CoPPs, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives and subsidies. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period".

During the Transition Period the Transferee Company, may procure or use or manufacture or sale, all materials and products under the respective country registrations including the packing material, art work, label goods, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, publicity materials in the name and form/format of the Transferor Company under any license and/or statutory registration, if any, while conducting the business of the Undertaking, with a view to avoid any disruption of business, to ensure continuity of operations and uninterrupted supply of the registered medicines for export purposes.

PART V

DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF TRANSFEROR COMPANY

On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up, and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company

and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

16. MODIFICATION OF SCHEME

16.1 Subject to approval of Jurisdictional NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the “Delegate”) may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which Jurisdictional NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.

16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

17. FILING OF APPLICATIONS

The Transferor Company and the Transferee Company shall use their best efforts to make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act, before the respective NCLT having jurisdiction for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.

18. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

19. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

19.1 This Scheme is conditional upon and subject to:

19.1.1 The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of the Transferor Company and of the Transferee Company as required under the Act and the requisite orders of the Jurisdictional NCLT being obtained; and

19.1.2 The certified copies of the orders of the Jurisdictional NCLT sanctioning this Scheme being filed with the Registrar of Companies, Ahmedabad and the Registrar of Companies, Maharashtra, Mumbai.

20. COSTS, CHARGES, EXPENSES AND STAMP DUTY

All costs, charges and expenses (including any taxes and duties) incurred or payable by the Transferor Company and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, including stamp duty on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the Transferee Company.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF LYKA HEALTHCARE LIMITED

Report adopted by the Board of Directors of Lyka Healthcare Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Healthcare Limited (“the Transferor Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts as on 31st March, 2017,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above-mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LHL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LLL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - a) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - b) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - c) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - d) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - f) Achieving economies of scale
- iv. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable to the Transferor Company since it an Unlisted Company.
- v. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group to any additional shares or any special benefits.
- vi. The effect of the proposed Scheme of Amalgamation on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- vii. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LHL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
Lyka Healthcare Limited
Sd/-
Mr. Kunal Narendra Gandhi
Director**

Place: Mumbai
Date: 29th May, 2017

Report adopted by the Board of Directors of Lyka Labs Limited on the Draft Scheme of Merger (By Absorption) (“Scheme”) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“Transferee Company”) and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

1. Background:

- i. A meeting of the Board of Directors (‘Board’) of Lyka Labs Limited (“the Transferee Company” or “LLL”) was held on 29th May 2017 to consider and recommend the proposed Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“the Transferor Company” or “LHL”) with Lyka Labs Limited (“the Transferee Company” or “LLL”) and their respective shareholders (“the Scheme”) to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders and the same is required to be appended with the notice of the meeting of shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents (‘Documents’):
 - a) Draft Scheme of Merger (By Absorption) initialed by the Director for the purposes of identification,
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company,
 - c) Audited accounts of Companies as on 31st March, 2017,
 - d) Report from the Audit Committee recommending the draft scheme,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above mentioned documents, the Board was of the opinion that:

- i. Since LHL is a wholly owned subsidiary of LLL and the entire paid up share capital of the LHL is held by the LLL and its nominee, as a result of the proposed Merger (By Absorption), the shares of LHL held by LLL will stand cancelled and there shall be no issuance of shares or payment of any consideration by LLL to the shareholders of LHL.
- ii. As the entire undertaking of LHL shall stand transferred to LLL, the rights and interests of the shareholders and / or the creditors of LLL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of LHL
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - g) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
 - h) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
 - i) Improved organizational capability and leadership, arising from the pooling of human capital that has the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
 - j) Greater access by the amalgamated company to different market segments in the conduct of its business.
 - k) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.
 - l) Achieving economies of scale
- iv. Since, the shareholders and the shareholding pattern of LLL remains the same, it is treated as no change in shareholding pattern
- v. Further as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary with the parent company. However the aforesaid circular requires that such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.
- vi. Further as per amendment to regulation 37, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified as on 15th February, 2017, nothing contained in the aforesaid regulation shall

apply to draft schemes which solely provide for merger of a wholly owned subsidiary with its holding company and that such draft schemes shall be filed with the stock exchanges for the purpose of disclosures. In view of the above, the Company shall file Draft Scheme of Merger (By Absorption) of LHL with LLL and their respective shareholders.

- vii. Since there shall be no payment of consideration or issuance of shares by LLL the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares or any special benefits.
- viii. The effect of the proposed Scheme of Merger (By Absorption) on the stakeholders of the Company would be as follows:

| Effect of the Scheme on: | |
|--|-----------|
| (a) shareholders; | No impact |
| (b) key managerial personnel; | No impact |
| (c) directors; | No impact |
| (d) promoters; | No impact |
| (e) non-promoter members; | No impact |
| (f) depositors; | No impact |
| (g) creditors; | No impact |
| (h) debenture holders; | No impact |
| (i) deposit trustee and debenture trustee; | No impact |
| (j) employees of the Company | No impact |

- ix. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of LLL approved the Scheme at their meeting held on 29th May 2017.

**For and on behalf of the Board of Directors of
LYKA LABS LIMITED**

Sd/-

**Mr. Narendra Ishwarlal Gandhi
Director**

Place: Mumbai

Date: 29th May 2017

LYKA HEALTHCARE LIMITED


Balance Sheet as at 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | As at 31.12.2017 | As at 31.03.2017 |
|--|----------|---------------------|---------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 1 | 7,55,00,000 | 7,55,00,000 |
| (b) Reserves and Surplus | 2 | 5,83,13,248 | 8,33,72,846 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 3 | 23,69,562 | 50,50,243 |
| (b) Other Long-Term Liabilities | 4 | 7,35,61,867 | 8,06,89,037 |
| (c) Long-Term Provisions | 5 | 41,92,811 | 41,92,811 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 6 | 28,99,319 | 2,951 |
| (b) Trade Payables | | | |
| - Total outstanding dues of micro & small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro & small enterprises | | 11,50,18,825 | 9,27,84,793 |
| (c) Other Current Liabilities | 7 | 9,98,09,968 | 10,14,77,626 |
| (d) Short term provisions | 8 | 4,32,052 | 4,32,052 |
| | | 43,20,97,652 | 44,35,02,360 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 54,71,283 | 63,05,453 |
| (ii) Intangible Assets | 9 | 30,45,60,929 | 31,83,47,636 |
| 2 Deferred Tax Assets | 10 | 1,57,71,137 | 1,57,71,137 |
| 3 Current Assets | | | |
| (a) Inventories | 11 | 2,44,19,134 | 3,48,54,670 |
| (b) Trade Receivables | 12 | 7,66,00,028 | 6,26,95,923 |
| (c) Cash and Cash Equivalents | 13 | 5,45,681 | 15,97,405 |
| (d) Short-Term Loans and Advances | 14 | 47,29,459 | 39,30,135 |
| | | 43,20,97,652 | 44,35,02,360 |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Statement of Profit and Loss for the period ended 31st Dec, 2017

(Amount in Rs.)

| Particulars | Note No. | Period ended 31.12.2017 | Year ended 31.03.2017 |
|---|----------|-------------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations | 15 | 10,41,38,871 | 14,14,86,241 |
| Other Income | | 8,27,565 | 2,46,603 |
| | | 10,49,66,436 | 14,17,32,844 |
| EXPENSES | | | |
| (a) Purchases | 16 | 4,85,98,654 | 9,00,72,751 |
| (b) Changes in Inventories | 17 | 1,04,35,536 | (47,99,692) |
| (c) Employee Benefits Expense | 18 | 2,88,68,495 | 4,29,00,147 |
| (d) Finance Costs | 19 | 8,66,806 | 13,15,063 |
| (e) Depreciation and Amortization Expense | 9 | 1,46,48,876 | 3,50,18,010 |
| (f) Other Expenses | 20 | 2,66,07,667 | 3,65,63,470 |
| | | 13,00,26,034 | 20,10,69,749 |
| Profit / (Loss) before tax expenses | | (2,50,59,598) | (5,93,36,905) |
| Provision for Deferred Tax | | - | (2,85,02,623) |
| Profit/(Loss) after tax | | (2,50,59,598) | (3,08,34,282) |

For and on behalf of the Board


Kunal Gandhi
Director


Dhaval Desai
Director

Place : Mumbai
Date : 05/01/2018



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|--|---------------------|---------------------|
| 1 | Share Capital Authorised 80,00,000 (PY 80,00,000) Equity Shares of Rs 10 each | 8,00,00,000 | 8,00,00,000 |
| | | 8,00,00,000 | 8,00,00,000 |
| | Issued , Subscribed & Paid-Up Equity Share Capital 75,50,000 Equity Share of Rs 10/- each (PY 75,50,000 Equity Share of Rs 10/- each) | 7,55,00,000 | 7,55,00,000 |
| | TOTAL | 7,55,00,000 | 7,55,00,000 |

1.2 Rights, Preferences and restrictions attached to Equity shares

The company has one class of equity shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

1.3 Reconciliation of the share outstanding at the beginning and at the end of the reporting period

| | 31.12.2017 | |
|---|------------------|--------------------|
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |
| | 31.03.2017 | |
| | No of shares | Amount (Rs) |
| At the beginning of the period | 75,50,000 | 7,55,00,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 75,50,000 | 7,55,00,000 |

1.4 Wholly owned subsidiary of Lyka Labs Ltd

| | | | |
|---|--|-----------------------|-----------------------|
| 2 | Reserves & Surplus | | |
| | Surplus in the Statement of Profit & Loss | | |
| | -Balance as per Last Financial Statement | (14,16,27,154) | (10,85,63,834) |
| | -Profit/(Loss) for the year | (2,50,59,598) | (3,30,63,320) |
| | Net Balance in the Statement of Profit & Loss | (16,66,86,752) | (14,16,27,154) |
| | Share Premium Account | 22,50,00,000 | 22,50,00,000 |
| | | 5,83,13,248 | 8,33,72,846 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|---|---------------------|---------------------|
| 3 | Long term Borrowings | | |
| | Secured | | |
| | Car Loan (Secured against Vehicle) | 23,69,562 | 29,07,920 |
| | Unsecured Loan | | |
| | Loan from Director | - | 21,42,323 |
| | | 23,69,562 | 50,50,243 |
| 4 | Other Long Term Liabilities | | |
| | Slump Sale Consideration Payable to Lyka Labs Ltd | 6,50,00,000 | 6,50,00,000 |
| | Security Deposits | 85,61,867 | 1,56,89,037 |
| | | 7,35,61,867 | 8,06,89,037 |
| 5 | Long Term Provisions | | |
| | Provisions for Employee Benefits : | | |
| | Provision for Gratuity | 10,55,444 | 10,55,444 |
| | Provision for Leave Encashment | 23,97,367 | 23,97,367 |
| | Provision for Superannuation | 7,40,000 | 7,40,000 |
| | | 41,92,811 | 41,92,811 |
| 6 | Short-Term Borrowings | | |
| | Unsecured | | |
| | Loans Borrowed from Associates | - | 2,951 |
| | Loan From Director | 2,00,000 | - |
| | Inter-Corporate deposit | 26,99,319 | - |
| | | 28,99,319 | 2,951 |
| 7 | Other Current liabilities | | |
| | Current maturities of Long Term Debt | 7,08,479 | 6,54,182 |
| | Interest Accrued and due on Borrowings | 15,49,741 | 19,35,253 |
| | Statutory remittances | 15,93,121 | 26,19,410 |
| | Payable for Fixed Assets | 6,09,50,000 | 6,09,50,000 |
| | Advance for Brands | 2,85,87,951 | 2,91,85,000 |
| | Other Liabilities | 64,20,676 | 61,33,781 |
| | | 9,98,09,968 | 10,14,77,626 |
| 8 | Short Term Provision | | |
| | Short Term Provision for Gratuity | 6,132 | 6,132 |
| | Short Term Provision for Leave Encashment | 4,25,920 | 4,25,920 |
| | | 4,32,052 | 4,32,052 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

Note No : 9 - Fixed Assets

| Name of the Asset | Depn Rate | Gross Block | | | Depreciation | | | Net block | | |
|--|-----------|---------------------|-----------------------------|---------------------|--------------------|-----------------------------|---------------------------|---------------------|---------------------|---------------------|
| | | As on 01/04/2017 | Additions during the period | As on 31/12/2017 | Till 31/03/2017 | Additions during the period | Deletions during the year | As on 31/12/2017 | As on 31/03/17 | |
| TANGIBLE ASSETS : | | | | | | | | | | |
| VEHICLES | 11.88% | 60,04,802 | - | 60,04,802 | 8,87,621 | 5,37,471 | - | 14,25,092 | 45,79,710 | 51,17,181 |
| OFFICE EQUIPMENTS | 19.00% | 5,48,446 | - | 5,48,446 | 2,63,978 | 78,510 | - | 3,42,488 | 2,05,958 | 2,84,468 |
| FURNITURE & FIXTURES | 9.50% | 7,98,190 | 28,000 | 8,26,190 | 1,95,022 | 57,335 | - | 2,52,357 | 5,73,833 | 6,03,168 |
| COMPUTERS | 31.67% | 7,91,478 | - | 7,91,478 | 4,90,842 | 1,88,854 | - | 6,79,696 | 1,11,782 | 3,00,636 |
| TOTAL TANGIBLE ASSETS | | 81,42,916 | 28,000 | 81,70,916 | 18,37,463 | 8,62,170 | - | 26,99,633 | 54,71,283 | 63,05,453 |
| INTANGIBLE ASSETS : | | | | | | | | | | |
| COMPUTER SOFTWARE | 15.83% | 4,82,170 | - | 4,82,170 | 2,01,204 | 57,507 | - | 2,58,711 | 2,23,459 | 2,80,966 |
| TECHNICAL & MARKETING KNOW-H | 5.00% | 6,09,50,000 | - | 6,09,50,000 | 7,64,144 | 22,96,062 | - | 30,60,205 | 5,78,89,795 | 6,01,85,866 |
| BRANDS | | 34,50,00,000 | - | 34,50,00,000 | 8,71,19,186 | 1,14,33,140 | - | 9,85,52,326 | 24,64,47,674 | 25,78,80,814 |
| TOTAL INTANGIBLE ASSETS | | 40,64,32,170 | - | 40,64,32,170 | 8,80,84,534 | 1,37,86,708 | - | 10,18,71,242 | 30,45,60,929 | 31,83,47,636 |
| TOTAL TANGIBLE & INTANGIBLE | | 41,45,75,086 | 28,000 | 41,46,03,086 | 8,99,21,997 | 1,46,48,879 | - | 10,45,70,875 | 31,00,32,211 | 32,46,53,089 |



LYKA HEALTHCARE LIMITED

Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | As at 31.12.2017 | As at 31.03.2017 |
|----------|--|--------------------|--------------------|
| 10 | Deferred Atx Assets | | |
| | Deferred Tax Liability on account of deppreciation difference | (1,85,592) | (1,85,592) |
| | Deferred Tax Assets on account of brought forward losses & unabsorbed depreciation | 1,44,27,610 | 1,44,27,610 |
| | on account of Sec 43B disallowances | 15,29,118 | 15,29,118 |
| | | 1,57,71,137 | 1,57,71,137 |

| | | | |
|----|--|--------------------|--------------------|
| 11 | Inventories (taken as valued, vefified & certified by management) Closing Stock of Finished Goods | 2,44,19,134 | 3,48,54,670 |
| | | 2,44,19,134 | 3,48,54,670 |

| | | | |
|----|--|--------------------|--------------------|
| 12 | Trade Receivables (Unsecured and considered good) | 7,66,00,028 | 6,26,95,923 |
| | | 7,66,00,028 | 6,26,95,923 |

| | | | |
|----|----------------------------------|-----------------|------------------|
| 13 | Cash and Cash equivalents | | |
| | Cash in Hand | 7,103 | 5,414 |
| | Balances with bank | 5,38,577 | 15,91,991 |
| | | 5,45,680 | 15,97,405 |

| | | | |
|----|---------------------------------------|------------------|------------------|
| 14 | Short term loans and advances | | |
| | Advance to Employees | 12,36,411 | 2,18,796 |
| | Recoverables from revenue authorities | 28,72,663 | 31,70,587 |
| | Prepaid Expenses | 1,23,003 | 68,045 |
| | Other Advances | 4,97,382 | 4,72,708 |
| | | 47,29,459 | 39,30,135 |



LYKA HEALTHCARE LIMITED
Notes on Financial Statements for the period ended 31st Dec, 2017

| Note No. | Particulars | For the period ended 31.12.2017 | For the period ended 31.03.2017 |
|----------|---|------------------------------------|------------------------------------|
| 15 | Revenue from operations | | |
| | Sale of Products | 10,41,38,871 | 14,14,86,241 |
| | | 10,41,38,871 | 14,14,86,241 |
| 16 | Purchase | | |
| | Finished Goods | 4,85,98,654 | 9,00,72,751 |
| | | 4,85,98,654 | 9,00,72,751 |
| 17 | Change in inventories of Finished Goods (Taken as valued, verified & certified by management) | | |
| | Opening stock | 3,48,54,670 | 3,00,54,978 |
| | Closing Stock | 2,44,19,134 | 3,48,54,670 |
| | | 1,04,35,536 | (47,99,692) |
| 18 | Employee benefits expense | | |
| | Salary & Incentives | 2,74,97,145 | 4,07,04,689 |
| | Employer's Contribution to Provident Fund | 13,71,350 | 21,95,458 |
| | | 2,88,68,495 | 4,29,00,147 |
| 19 | Finance Costs | | |
| | Interest on Secured Loans | 2,68,313 | 29,706 |
| | Interest on Unsecured Loans | - | 91,990 |
| | Bill Discounting Charges | - | 1,46,839 |
| | Interest on Security Deposit | 4,61,208 | 10,46,528 |
| | Interest on Intercorporate Loan | 1,37,285 | - |
| | | 8,66,806 | 13,15,063 |
| 20 | Other Expenses | | |
| | Payment to Auditors | | |
| | Statutory Audit Fees | - | 2,30,000 |
| | For representative | - | 20,850 |
| | For certificate | - | - |
| | Others | | |
| | Rent including lease rentals | 7,25,616 | 9,53,151 |
| | Commision and brokerage | 40,92,178 | 65,36,591 |
| | Conference and seminar | 5,27,472 | 10,47,236 |
| | Travelling and Conveyance | 66,72,322 | 94,50,747 |
| | Advertisement and Sales Promotion | 57,18,600 | 94,28,952 |
| | Legal and Professional Charges | 21,17,799 | 8,37,412 |
| | Freight Expenses - Inwards and Outwards | 27,20,126 | 38,70,652 |
| | Communication Expenses | 5,45,256 | 11,32,983 |
| | Assets Leasing Charges | 8,69,584 | - |
| | Insurance | - | - |
| | Miscellaneous Expenses | 26,18,715 | 30,54,896 |
| | | 2,66,07,667 | 3,65,63,470 |

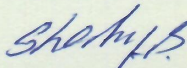


Lyka Labs Limited
Provisional Balance Sheet as at 31st October, 2017

[Amount in Rs.]

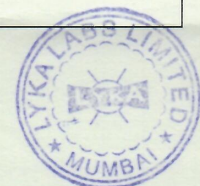
| Particulars | Note No. | As at 31st October, 2017 | As at 31st March, 2017 |
|---|----------|--------------------------|------------------------|
| A EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 28,14,00,000 | 23,12,57,000 |
| (b) Reserves and Surplus | 4 | 74,43,02,023 | 43,94,62,342 |
| | | 1,02,57,02,023 | 67,07,19,342 |
| 2 Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | 27,04,63,999 | 34,73,44,608 |
| (b) Other Long-Term Liabilities | 6 | 37,59,962 | 13,95,000 |
| (c) Long-Term Provisions | 7 | 2,27,26,895 | 2,19,52,386 |
| | | 29,69,50,856 | 37,06,91,994 |
| 3 Current Liabilities | | | |
| (a) Short-Term Borrowings | 8 | 37,84,83,961 | 37,72,05,332 |
| (b) Trade Payables | 9 | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | | 34,01,24,174 | 34,98,90,555 |
| (c) Other Current Liabilities | 10 | 63,48,64,578 | 56,82,21,646 |
| (d) Short-Term Provisions | 11 | 1,07,54,008 | 1,12,73,658 |
| | | 1,37,18,60,696 | 1,31,42,25,168 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| B ASSETS | | | |
| 1 Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 80,22,61,822 | 54,36,29,484 |
| (ii) Intangible Assets | | 4,67,58,848 | 4,60,50,014 |
| (iii) Capital Work-in-Progress | | 16,60,17,648 | 17,81,30,353 |
| (iv) Intangible Assets under Development | | 15,59,42,566 | 14,65,06,534 |
| | | 1,17,09,80,884 | 91,43,16,385 |
| (b) Non-Current Investments | 13 | 62,94,31,461 | 62,45,30,394 |
| (c) Long-Term Loans and Advances | 14 | 15,34,95,000 | 15,98,54,219 |
| | | 1,95,39,07,345 | 1,69,87,00,998 |
| 2 Current Assets | | | |
| (a) Inventories | 15 | 10,24,81,020 | 9,25,16,212 |
| (b) Trade Receivables | 16 | 38,95,88,100 | 31,42,08,761 |
| (c) Cash and Cash Equivalents | 17 | 1,07,30,983 | 1,45,74,164 |
| (d) Short-Term Loans and Advances | 18 | 22,39,82,143 | 22,18,12,383 |
| (e) Other Current Assets | 19 | 1,38,23,986 | 1,38,23,986 |
| | | 74,06,06,231 | 65,69,35,506 |
| TOTAL | | 2,69,45,13,576 | 2,35,56,36,504 |
| See accompanying notes to the financial statements | 1 to 60 | | |

For Lyka Labs Limited


Y. B. Sha Chief Financial Officer

Place : Mumbai

Date :



Lyka Labs Limited

Provisional Statement of Profit and Loss for the year ended 31st October, 2017

[Amount in Rs.]

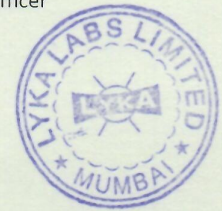
| Particulars | Note No. | For the period ended 31st October, 2017 | For the year ended 31st March, 2017 |
|---|-----------|---|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Less: Excise Duty | | - | - |
| Revenue from Operations | 20 | 20,36,77,133 | 84,63,96,717 |
| Other Income | 21 | 72,24,789 | 1,70,23,449 |
| Total Revenue | | 21,09,01,922 | 86,34,20,166 |
| EXPENSES | | | |
| Cost of Materials Consumed | | 10,01,40,464 | 35,36,66,810 |
| Purchases of Stock-in-Trade | | 85,40,825 | 2,73,05,655 |
| Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 22 | (34,19,391) | (1,78,71,137) |
| Excise Duty Paid | | 81,00,270 | 6,63,25,164 |
| Employee Benefits Expense | 23 | 6,25,02,115 | 10,04,84,606 |
| Finance Costs | 24 | 9,84,68,082 | 14,88,77,717 |
| Depreciation and Amortization Expense | 12 | 3,21,58,676 | 4,28,89,441 |
| Other Expenses | 25 | 7,53,15,397 | 11,41,57,307 |
| Total Expenses | | 38,18,06,436 | 83,58,35,563 |
| Profit before Exceptional Items and Extra Ordinary Item and Tax | | (17,09,04,513) | 2,75,84,603 |
| Exceptional Items (Net) | 48 | 92,37,445 | 1,96,31,809 |
| <i>Deffered Tax (P & L) IND AS</i> | | -35,08,483 | |
| Prior Period Adjustments (Net) | 49 | 19,86,355 | 4,41,110 |
| Profit before Extra Ordinary Items and Tax | | (17,86,19,830) | 75,11,684 |
| Extra Ordinary Items | 39 | 0 | 18,21,996 |
| Profit for the Year / Period | | (17,86,19,830) | 56,89,688 |
| Earnings per equity share | | | |
| Basic / Diluted | 47 | (8.30) | 2.17 |
| See accompanying notes to the financial statements | (1 to 60) | | |

For Lyka Labs Limited

Y. B. Sh: Chief Financial Officer

Place : Mumbai

Date :



Provisional Notes to the Financial Statements for the period ended 31st October, 2017

3 - Share Capital

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|---|--------------------------|---------------------|------------------------|---------------------|
| | Number of shares | Amount (In Rs.) | Number of shares | Amount (In Rs.) |
| Authorised | | | | |
| Equity Shares of Rs. 10/- each | 3,00,00,000 | 30,00,00,000 | 3,00,00,000 | 30,00,00,000 |
| Redeemable Preference Shares of Rs. 100/- each | 2,00,000 | 2,00,00,000 | 2,00,000 | 2,00,00,000 |
| | 3,02,00,000 | 32,00,00,000 | 3,02,00,000 | 32,00,00,000 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of Rs. 10/- each | 2,81,40,000 | 28,14,00,000 | 2,20,40,000 | 22,04,00,000 |
| 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,570 | - | 1,08,570 | 1,08,57,000 |
| Total | 2,82,48,570 | 28,14,00,000 | 2,21,48,570 | 23,12,57,000 |

3.1 Reconciliation of number of shares outstanding as at the beginning and end of the year / period

| Particulars | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the Year / Period | 2,20,40,000 | 1,08,570 | 2,15,80,000 | 1,08,570 |
| Add : Issued during the Year / Period | 61,00,000 | - | 4,60,000 | - |
| Balance as at the end of the Year / Period | 2,81,40,000 | 1,08,570 | 2,20,40,000 | 1,08,570 |

3.2 Rights, preferences and restriction attached to equity shares :

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

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

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

| Name of the shareholders | As at 31st October, 2017 | | As at 31st March, 2017 | |
|--|--------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of Rs. 10/- each | | | | |
| Narendra I Gandhi (HUF) | 15,00,776 | 5.33% | 15,00,776 | 6.81% |
| Kunal Narendra Gandhi | 11,16,642 | 3.97% | 11,51,642 | 5.23% |
| Nehal Narendra Gandhi | 11,69,803 | 4.16% | 13,69,803 | 6.22% |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

3.4 4,000,000 Equity shares of Rs.10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

3.5 108,570 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.

3.6 The Company has allotted 460,000 convertible warrants at Rs. 28/- per warrant to Promoters / Promoters Group on preferential basis pursuant to the Special Resolution passed by the members of the Company at their Extra Ordinary General Meeting held on January 23,2015. These warrants were converted (in the ratio of 1 share for 1 warrant) into equity shares of Rs.10/- each at a premium of Rs.18/- per share during the previous period.

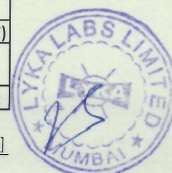
4 - Reserves and Surplus

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Reserve | | |
| Balance as at the beginning and end of the Year / Period | 50,68,404 | 50,68,404 |
| Securities Premium Account | | |
| Balance as at the beginning of the Year / Period | 67,51,46,662 | 67,51,46,662 |
| Add : On Issue of Equity Shares | 27,45,00,000 | - |
| Balance as at the end of the Year / Period | 94,96,46,662 | 67,51,46,662 |
| Revaluation Reserve | | |
| Balance as at the beginning of the Year / Period | 2,61,72,074 | 2,61,72,073 |
| Less: Refer note 30(iii) | 28,53,44,568 | 1 |
| Balance as at the end of the Year / Period | 31,15,16,642 | 2,61,72,074 |
| General Reserve | | |
| Balance as at the beginning and end of the Year / Period | 9,52,45,599 | 9,52,57,370 |
| Surplus | | |
| Balance as at the beginning of the Year / Period | (36,21,82,167) | (36,78,71,855) |
| Add: Profit for the Year / Period | (17,86,19,830) | 56,89,688 |
| Retained Earnings-IND AS | (7,63,73,287) | |
| Balance as at the end of the Year / Period | (61,71,75,284) | (36,21,82,167) |
| Total | 74,43,02,023 | 43,94,62,343 |

5 - Long Term Borrowings

[Amount in Rs.]



Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Secured Loans | | |
| Term Loans from Banks (Refer Note No. 5.1 below) | 26,69,98,097 | 34,21,91,866 |
| Finance Lease Obligations (Refer Note No. 5.2 below) | 34,65,902 | 51,52,742 |
| Total | 27,04,63,999 | 34,73,44,608 |

5.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 10)

(a) Term Loan (Expansion) from Dena Bank repayable in 8 quarterly installments of Rs. 18.09 Lacs each. Interest rate is MCLR + 1.10 % ##

(b) Term Loan (R&D) from Dena Bank repayable in 8 quarterly installments of Rs. 6.77 Lacs each. Interest rate is MCLR + 1.10 % ##

(c) Term Loan from Dena Bank repayable in 6 quarterly installments of Rs. 16.40 Lacs each. Interest rate is MCLR + 1.65 % ##

(d) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 40 Lacs each. Interest rate is MCLR + 1.10 % ##

(e) Term Loan (Lypholisation II) from Dena Bank repayable in 8 quarterly installments of Rs. 7.81 Lacs each. Interest rate is MCLR + 1.10 % ##

(f) Term Loan (New Expansion) from Dena Bank repayable in 11 quarterly installments of Rs. 90.90 lacs each. Interest rate is MCLR + 1.10 % ##

(g) Term Loan (Schedule - M Requirement) from Dena Bank repayable in 10 quarterly installments of Rs. 15.50 lacs each. Interest rate is MCLR + 1.10 % ##

(h) Term Loan (working capital) from Dena Bank repayable in 4 quarterly installments of Rs. 60 Lacs each. Interest rate is MCLR + 1.15% ##

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly installments of Rs. 100 Lacs each and subsequently 10 quarterly installments of Rs.140 Lacs commencing after 1 year of moratorium period from the date of disbursement. Interest rate is MCLR + 1.65% , ##

The above Term Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar and Valsad.

(j) Term Loan from Bank of Maharashtra repayable in 16 quarterly installments of Rs. 30 Lacs each. Interest rate is MCLR + 3.5 % + 1 % . *

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly installment of Rs.50 lacs each. Interest rate is MCLR + 1.25 % . *

* Above Term Loans are Secured by extension of equitable mortgage of property situated at Shiv Shakti industrial Estate, Andheri - East, Mumbai - 400059

(l) Term Loan from Kapol Co-Operative Bank Ltd. repayable in 62 equal monthly installments of Rs. 12.16 lacs each. Interest rate is @15%. **

**Above Term Loan are Secured by extension of equitable mortgage of property and machinery situated at Ankleshwar.

5.2 8 Lease obligations repayable in equated monthly installments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

6 - Other Long-Term Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------|--------------------------|------------------------|
| Security Deposit | 37,59,962 | 13,95,000 |
| Total | 37,59,962 | 13,95,000 |

7 - Long-Term Provisions

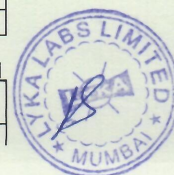
[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 58,06,345 | 57,20,815 |
| Provision for Gratuity | 1,74,24,946 | 1,62,31,571 |
| Total | 2,27,26,895 | 2,19,52,386 |

8 - Short Term Borrowings

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------|--------------------------|------------------------|
| Secured Loans | | |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| From Bank | | |
|--|---------------------|---------------------|
| Loans repayable on demand (Refer Note (8.1) below) | 26,22,81,691 | 26,15,44,118 |
| Term Loan (Refer Note (8.1) below) | - | - |
| | 26,22,81,691 | 26,15,44,118 |
| Unsecured | | |
| Loans and Advances from related parties (Refer Note (8.2) below) | 9,52,40,145 | 5,63,01,597 |
| Inter Corporate Deposits (Refer Note (8.3) below) | 1,50,00,000 | 2,20,50,000 |
| Short Term Loans (Refer Note (8.4) below) | 59,62,124 | 3,73,09,617 |
| | 11,62,02,269 | 11,56,61,214 |
| Total | 37,84,83,961 | 37,72,05,331 |

8.1 Details of terms of repayment and securities provided in respect of Short -Term Borrowings:

(a) Interest on Dena Bank Cash Credit Loan is MCLR +1.10 % p.a. ##

(b) Interest on Dena Bank Buyers Credit Loan ranges from LIBOR + 0.75% to LIBOR + 2.00% ##

The above Loans are secured by first charge on stock in trade, book debts, other movable assets, movable machinery and guaranteed by some of the Directors of the Company. These Loans are also secured by equitable mortgage of Company's immovable properties at Ankleshwar , Valsad and Mumbai.

8.2 Interest on Loans from related parties ranges between 10.25 % and 12% (simple Interest) payable on yearly basis.

8.3 Interest on Inter Corporate Deposits ranges between 16% and 25% (simple interest) and repayable at quarterly / half yearly / yearly basis.

8.4 Interest on Short Term Loans ranges between 12% and 21%

9 - Trade Payables

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Trade Payables (Refer Note No.51) | | |
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 76,33,977 | 76,33,977 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 34,01,24,174 | 34,98,90,555 |
| Total | 34,77,58,151 | 35,75,24,532 |

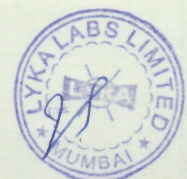
10 - Other Current Liabilities

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| (A) Current Maturities of Long-Term Debt | | |
| (i) Debentures - Privately Placed Non Convertible (Refer Note No.29) | 3,23,75,000 | 7,24,00,000 |
| (ii) Term Loan from Banks (Refer Note No.5.1) | 38,54,30,363 | 31,37,57,363 |
| (iii) Finance Lease Obligations (Refer Note No.5.2) | 30,44,993 | 33,28,907 |
| (iv) Fixed Deposits (Refer Note No.28) | 52,97,000 | 67,37,000 |
| (B) Interest Accrued but not due | - | - |
| (C) Interest Accrued and due | 10,13,38,963 | 4,65,16,488 |
| (D) Other Payables | | |
| (i) Statutory dues | 2,10,72,286 | 4,55,04,341 |
| (ii) Unclaimed Preference Share Dues | - | - |
| (iii) Book Overdraft | 1,70,20,497 | 2,03,94,025 |
| (iv) Employee dues | 1,88,01,593 | 2,31,34,806 |
| (v) Advance from Customers | 50,00,000 | 5,43,903 |
| (vi) Retention Money Payable | 2,052 | 4,78,939 |
| (vii) Creditors for : | | |
| Expenses | 1,25,53,500 | 1,09,29,302 |
| Capital Expenditure | - | 70,74,262 |
| (viii) Other Outstanding Liabilities | 2,79,13,884 | 1,24,07,863 |
| (ix) Sales Tax Deferment Scheme | 50,14,447 | 50,14,447 |
| Total | 63,48,64,578 | 56,82,21,647 |

10.1 - Details of continuous default in repayment of Secured Loans and Interest thereon as on 31st March, 2017

| Period of Default | Principal Amount | Interest Amount |
|-------------------|------------------|-----------------|
| February, 2016 | - | 15,17,959 |
| March, 2016 | - | 16,29,613 |
| April, 2016 | - | 15,50,830 |
| May, 2016 | - | 16,13,883 |
| June, 2016 | 30,00,000 | 15,72,259 |
| July, 2016 | 40,00,000 | 13,08,754 |
| August, 2016 | - | 13,08,754 |
| September, 2016 | 30,00,000 | 13,08,754 |
| October, 2016 | 50,00,000 | 13,08,754 |
| November, 2016 | - | 13,08,754 |
| December, 2016 | 4,80,00,000 | 13,08,754 |
| January, 2017 | 50,00,000 | 62,43,119 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|----------------|---------------------|--------------------|
| February, 2017 | 10,01,15,876 | 62,43,119 |
| March, 2017 | 2,92,06,878 | 62,43,119 |
| Total | 19,73,22,754 | 3,44,66,425 |

11. Short Term Provisions

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|------------------------------|--------------------------|------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 17,41,858 | 22,61,508 |
| Provision for Gratuity | 84,64,511 | 84,64,511 |
| Provision for Superannuation | 5,47,639 | 5,47,639 |
| Total | 1,07,54,008 | 1,12,73,658 |

14 - Long Term Loans and Advances (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Capital Advances | - | 63,59,219 |
| Security Deposit (Refer Note No.31) | 5,02,50,000 | 5,02,50,000 |
| Others - Deposit with Drug Price Equalisation Account (Refer Note No.27(i)) | 10,32,45,000 | 10,32,45,000 |
| Total | 15,34,95,000 | 15,98,54,219 |

15 - Inventories (At Lower of Cost and Net Realizable Value)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|-------------------------------------|--------------------------|------------------------|
| Raw Materials (Refer Note No.38) | 2,20,36,868 | 1,69,19,938 |
| Packing Material (Refer Note No.38) | 3,59,91,787 | 3,45,63,299 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Total | 10,24,81,020 | 9,25,16,212 |

16 - Trade Receivables (Unsecured, considered good)

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Outstanding for a period exceeding six months (Refer Note No.33) | 24,48,15,310 | 10,45,84,973 |
| Others | 14,47,72,790 | 20,96,23,788 |
| Total | 38,95,88,100 | 31,42,08,761 |

17 - Cash and Cash Equivalents

[Amount in Rs.]

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|--|--------------------------|------------------------|
| Balances with Banks | 22,25,268 | 65,98,534 |
| Cash on hand (Refer Note No. 58) | 18,42,779 | 45,081 |
| Other Bank Balance | | |
| Deposits with Banks held as margin money | 66,62,936 | 79,30,549 |
| Total | 1,07,30,983 | 1,45,74,164 |

18 - Short Term Loans and Advances (Unsecured considered good)

[Amount in Rs.]

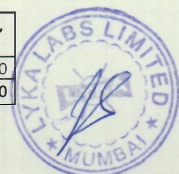
| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|--------------------------|------------------------|
| Related Parties (Refer Note No.18.1 below) | 6,50,00,000 | 6,50,00,000 |
| Employees | 2,10,300 | 2,83,000 |
| Prepaid Expenses | 59,49,511 | 1,57,01,844 |
| Balances with Government Authorities-CENVAT Credit Receivable | 66,89,568 | 67,14,384 |
| Income Tax Payments | 3,58,69,414 | 3,33,20,176 |
| Other Advances | 11,02,63,350 | 10,07,92,979 |
| Total | 22,39,82,143 | 22,18,12,383 |

18.1 Short-Term Loans and Advances include amounts due from

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---------------------|--------------------------|------------------------|
| Lyka Healthcare Ltd | 6,50,00,000 | 6,50,00,000 |
| Total | 6,50,00,000 | 6,50,00,000 |

19 - Other Current Assets

[Amount in Rs.]



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| Particulars | As at 31st October, 2017 | As at 31st March, 2017 |
|---|-----------------------------|---------------------------|
| Foreign Currency Monetary item Translation Difference Account | 1,38,23,986 | 1,38,23,986 |
| Others | - | - |
| Total | 1,38,23,986 | 1,39,51,273 |

20 - Revenue From Operations

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Sale of products | 19,17,10,380 | 74,22,73,643 |
| Other operating revenue (Refer Note No.20.1 below) | 1,23,47,864 | 10,99,98,257 |
| | 20,40,58,244 | 85,22,71,900 |
| Less: Excise Duty | 81,00,270 | 6,63,25,164 |
| Add : Excise Duty (To be shown Separately) | -81,00,270 | -6,63,25,164 |
| Cash Discount | - | 23,71,543 |
| Sales Commission | 1,65,748 | 31,35,716 |
| Freight and Forwarding | 2,15,363 | 3,67,924 |
| Total | 19,55,76,863 | 78,00,71,553 |

20.1 Other Operating Revenue

| | | |
|-----------------------------|--------------------|---------------------|
| Processing charges received | 1,21,10,229 | 2,70,10,825 |
| Sale of Dossiers | - | 5,75,00,000 |
| Sale of Trade Marks | - | 2,25,00,000 |
| Export Incentives | - | 30,736 |
| Royalty | 2,37,635 | 29,56,696 |
| Total | 1,23,47,864 | 10,99,98,257 |

21 - Other Income

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| Interest Income (Refer Note 21.1 below) | 4,03,017 | 8,17,411 |
| Insurance Claim | - | 3,855 |
| Rent Received | 19,42,500 | 33,30,000 |
| Excess Provision for Diminution in value of Investment written back | - | 3,89,400 |
| Foreign Exchange Fluctuation | - | 5,50,339 |
| Sundry Credit Balances/Excess Provision Written Back (net) | 40,57,948 | 1,00,59,478 |
| Miscellaneous Income | 8,21,325 | 18,72,966 |
| Total | 72,24,789 | 1,70,23,449 |

21.1 Interest Income

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|-------------------------------------|---|---|
| (i) Interest from banks on deposits | - | 7,92,309 |
| (ii) Other interest | 4,03,017 | 25,102 |
| Total | 4,03,017 | 8,17,411 |

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

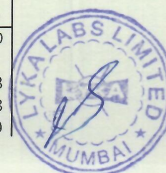
[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---|---|---|
| As at the beginning of the year / period : | | |
| Finished Goods | 38,19,414 | 74,86,738 |
| Work-in-Progress | 3,72,13,560 | 1,56,75,100 |
| Total | 4,10,32,974 | 2,31,61,838 |
| As at the end of the year / period : | | |
| Finished Goods | 1,19,04,038 | 38,19,415 |
| Work-in-Progress | 3,25,48,327 | 3,72,13,560 |
| Total | 4,44,52,365 | 4,10,32,975 |
| Net (increase)/decrease | (34,19,391) | (1,78,71,137) |

23 - Employee Benefit Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|---|---|
| Salaries and Wages | 5,05,11,281 | 8,19,05,190 |
| Contribution to Provident and Other Funds | | |
| a) Provident / ESI Fund | 36,49,074 | 67,99,113 |
| b) Superannuation Fund | 3,02,699 | 5,39,258 |
| Provision for Gratuity | 19,76,736 | 33,88,689 |



Lyka Labs Limited

Provisional Notes to the Financial Statements for the period ended 31st October, 2017

| | | |
|--------------------------------|--------------------|---------------------|
| Provision for Leave Encashment | 11,79,230 | 8,04,721 |
| Staff Welfare Expenses | 48,83,094 | 70,47,635 |
| Total | 6,25,02,115 | 10,04,84,605 |

24 - Finance Costs

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|--------------------------------------|--|
| Interest Expenses on : | | |
| (i) Borrowings From Banks | | |
| Term Loans | 4,80,79,880 | 6,52,25,753 |
| Working Capital | 1,14,40,163 | 2,20,64,074 |
| (Net of capitalised of Rs. 7,960,325, Previous Period Rs. 6,206,184) | | |
| (ii) Debentures | 37,40,409 | 90,82,221 |
| (iii) Borrowing Others | | |
| Bill Discounting charges | 1,53,83,940 | 2,73,58,010 |
| Bank Charges | 39,17,490 | 98,29,366 |
| Others | 1,59,06,200 | 1,53,18,293 |
| Total | 9,84,68,082 | 14,88,77,717 |

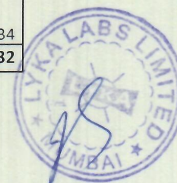
25 - Other Expenses

[Amount in Rs.]

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|--|--------------------------------------|--|
| Consumption of Stores and Spare Parts | 7,76,259 | 8,68,559 |
| Power and Fuel | 1,09,80,272 | 1,83,93,200 |
| Processing Charges | 11,60,743 | 49,16,968 |
| Rent including Lease Rentals | 10,24,438 | 15,18,932 |
| Repairs and Maintenance - Buildings | 5,74,711 | 16,48,669 |
| Repairs and Maintenance - Machinery | 15,14,099 | 25,43,149 |
| Repairs and Maintenance - Others | 8,04,803 | 19,74,237 |
| Insurance | 12,58,913 | 20,44,298 |
| Rates and Taxes | 8,26,663 | 12,24,979 |
| Commission for L/C | 1,46,43,606 | 1,42,79,668 |
| Communication Expenses | 6,60,304 | 13,69,660 |
| Travelling and Conveyance | 67,39,456 | 1,14,57,364 |
| Sales Commission | - | - |
| Bank Charges | - | - |
| Telephone Expenses | - | - |
| Sales Discount | - | - |
| Advertisement and Sales Promotion | 5,80,228 | 36,40,186 |
| Legal and Professional Charges | 72,70,433 | 92,60,106 |
| Payments to Auditors (Refer Note No.52) | 16,80,035 | 38,07,000 |
| CWIP Written Off | - | - |
| Irrecoverable Advances written off | - | - |
| Excise Duty | - | - |
| Miscellaneous Expenses | 2,48,20,434 | 3,52,10,332 |
| Penalty on delayed payment of Statutory dues | - | - |
| Penalty on delayed Return | - | - |
| Total | 7,53,15,397 | 11,41,57,308 |

25 (i) Miscellaneous Expenses

| Particulars | For the year ended 31st Oct, 2017 | For the period ended 31st March, 2017 |
|---------------------------------|--------------------------------------|--|
| Directors Fees | 11,43,000 | 15,90,000 |
| Factory Expenses | 18,65,061 | 54,60,740 |
| Fees & Subscription | 10,89,661 | 10,04,164 |
| Brokerage | 13,01,203 | 15,08,566 |
| Office Expense | 4,74,433 | 8,77,310 |
| Exchange Rate Fluctuation | 48,460 | 3,126 |
| Security Service Expenses | 17,05,608 | 29,90,159 |
| Laboratory Chemicals & Expenses | 17,42,169 | 21,93,896 |
| Printing and Stationery | 7,94,651 | 17,00,237 |
| Freight and Forwarding | - | - |
| Others | 1,46,56,187 | 1,78,82,134 |
| | 2,48,20,434 | 3,52,10,332 |



PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

| Particulars | Amount in Rs. |
|--|-------------------|
| Authorised: | |
| 80,00,000 Equity Shares of Rs. 10/- each | 80,000,000 |
| Total | 80,000,000 |
| Issued, Subscribed and Paid up: | |
| 75,50,000 Equity shares of Rs. 10/- each | 75,500,000 |
| Total | 75,500,000 |

| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
|---------------|---|------------------------|------------------------|------------|
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 6 | 6 | 0.012 |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 7549994 | 99.988 |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 7 | 7550000 | 100 |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 7 | 7550000 | 100 |
| (B) | Public Shareholding | - | - | - |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA HEALTHCARE LIMITED

Since Transferor Company is a wholly owned subsidiary of Transferee Company and the entire paid up share capital of Transferor Company is held by the Transferee Company and its nominee, as a result of the proposed Merger (By Absorption), the shares of Transferor Company held by Transferee Company will stand cancelled and there shall be no issuance of shares or payment of any consideration by Transferee Company to the shareholders of Transferor Company.

PRE MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|--|---------------------|
| Authorised: | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 30,00,00,000 |
| 2,00,000 Redeemable Preference Shares of Rs. 100/- each | 2,00,00,000 |
| Total | 32,00,00,000 |
| Issued, Subscribed and Paid up: | |
| 2,81,40,000 Equity Share of Rs.10/- each | 28,14,00,000 |
| 1,08,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 1,08,57,000 |
| Total | 29,22,57,000 |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|------------------------|------------------------|----------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | 5 | 52,62,265 | 18.70.% |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | 4 | 48,29,850 | 17.16% |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | 1 | 4,32,415 | 1.54% |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | 5 | 52,62,265 | 18.70% |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | 5 | 52,62,265 | 18.70% |
| (B) | Public Shareholding | 19,870 | 2,28,77,735 | 81.30% |
| | Grand Total (A) + (B) | 19,875 | 2,81,40,000 | 100.00% |

| Shareholding Pattern of Equity Shareholders | | | | |
|--|---|------------------------|------------------------|-------------|
| Category Code | Category of shareholder | Number of Shareholders | Total number of shares | Percentage |
| (A) | Promoter & Promoter Group | - | - | - |
| (1) | Indian | - | - | - |
| (a) | Individuals/Hindu Undivided Family | - | - | - |
| (b) | Central Government / State Government(s) | - | - | - |
| (c) | Bodies Corporate | - | - | - |
| (d) | Financial Institutions / Banks | - | - | - |
| (e) | Any Other (specify) | - | - | - |
| | Sub Total (A) (1) | - | - | - |
| (2) | Foreign | - | - | - |
| | Sub Total (A) (2) | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) = (A) (1)+ (A) (2) | - | - | - |
| (B) | Public Shareholding | 1 | 108570 | 100% |
| | Grand Total (A) + (B) | 1 | 108570 | 100% |

POST MERGER (BY ABSORPTION) SHAREHOLDING PATTERN OF LYKA LABS LIMITED

| Particulars | Amount in Rs. |
|---|----------------------|
| Authorised: | |
| 3,80,00,000 Equity Shares of Rs. 10/- each | 380000000 |
| 200,000 Redeemable Preference Share of Rs. 100/-each | 200,00,000 |
| Total | 400000000 |
| Issued, Subscribed and Paid up: | |
| 28,140,000 Equity Share of Rs.10/- each | 28,14,00000 |
| 108,570 - 10% Cumulative Redeemable Preference Shares of Rs. 100/- each | 10,857,000 |
| Total | 292257000 |

PROXY FORM
COMPANY APPLICATION (CAA) NO. 2 of 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230-232 read with other relevant provisions of the Companies Act, 2013

And

In the matter of Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) and their respective Shareholders

LYKA LABS LIMITED,

a Company incorporated under the provisions of }
the Companies Act, 1956 and having its Registered }
Office at 4801/B & 4802/A GIDC Industrial }
Estate, Ankleshwar 393002, Gujarat, India. } **Applicant/Transferee Company**

PROXY FORM

Name of the Unsecured Creditor:

Registered address:

E-mail Id:

I/ We _____ being undersigned unsecured Creditor of LYKA LABS LIMITED, being the Applicant Company above named, do hereby appoint

1. Name:
Address:
E-mail Id:
Signature: or failing him
2. Name:
Address:
E-mail Id:
Signature: or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of the unsecured Creditor(s) of the Applicant Company to be held at 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India, on Tuesday, the 27th day of March 2018 at 2.30 p.m. in respect of such resolution as are indicated below:

| Resolution | Description |
|------------|--|
| 01 | Approval of the proposed Merger (By Absorption) embodied in the Scheme of Merger (By Absorption) of Lyka Healthcare Limited (“Transferor Company”) with Lyka Labs Limited (“The Transferee Company”) |

Signed this _____ day of _____ 2018

Signature of Unsecured Creditor:

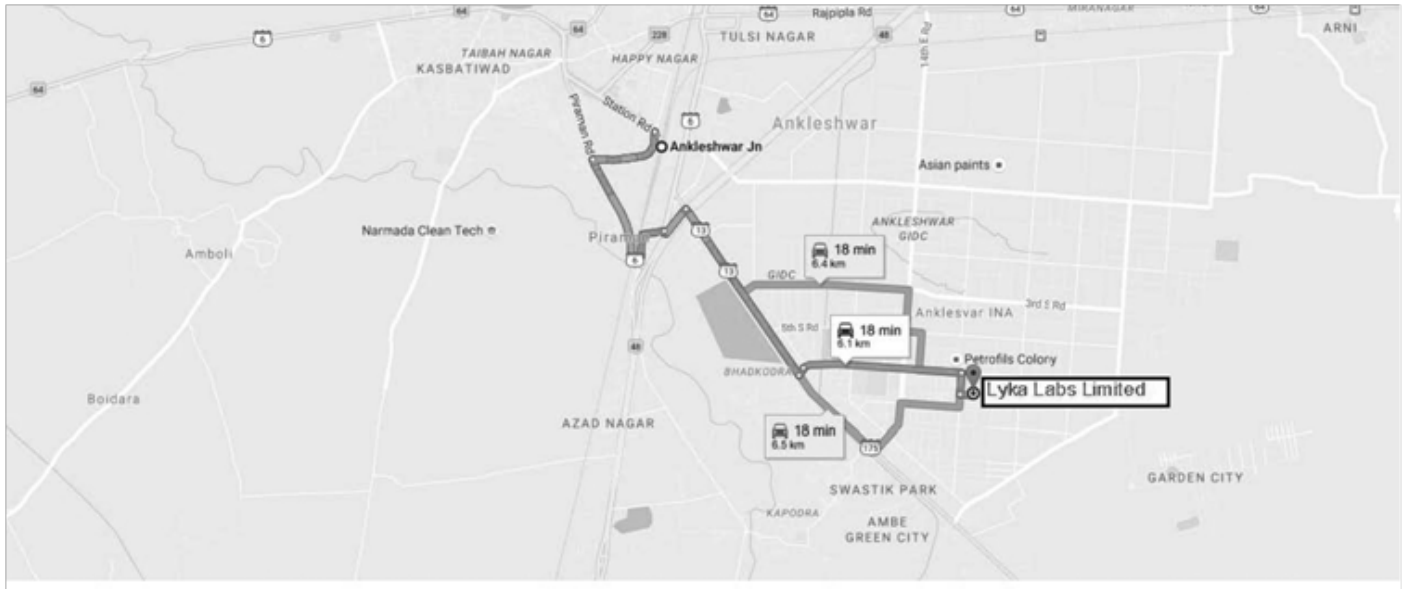
Signature of Proxy Holder(s):

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialed
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a unsecured creditor of Lyka Labs Limited
6. No person shall be appointed as a proxy who is a minor.

Road Map to meeting venue

Meeting venue: 4801/B & 4802/A GIDC Industrial Estate, Ankleshwar 393002, Gujarat, India



16
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

CA(CAA) No. 2/NCLT/AHM/2018

Coram: Hon'ble Mr. BIKKI RAVEENDRA BABU, MEMBER JUDICIAL
Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 06.02.2018

Name of the Company: Lyka Labs Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

S.NO. NAME (CAPITAL LETTERS) DESIGNATION REPRESENTATION SIGNATURE

1. Yuvraj Thakore
for D.N. Raval Advocate Applicant Y. Thakore
- 2.

ORDER

Learned Advocate Mr. Yuvraj Thakore i/b Learned Advocate Ms. Dharmishta Raval present for Applicant.

Order pronounced in open court. Vide separate sheets.

Manu
MANORAMA KUMARI
MEMBER JUDICIAL

B. Raveendra Babu 6/2/18
BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 6th day of February, 2018.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH**

CA(CAA)No.2/NCLT/AHM/2018

In the matter of:-

In the matter of
Lyka Labs Limited
A Company incorporated under
The Provisions of Companies Act, 1956
And having its Registered Office
At 4801/B 4802/A, GIDC
Industrial Estate,
Ankleshwar-393002,
Gujarat

..... Applicant Transferee

Order delivered on 6th February, 2018

**Coram: Hon'ble Mr. Bikki Raveendra Babu , Member (J)
And
Hon'ble Ms. Manorama Kumari, Member (J)**

Appearance:

Ms. Dharmishta Raval of M/s Raval and Raval Advocates with Mr. Yuvraj G. Thakore, Advocate for the Applicant Company.

ORDER

[Per: Bikki Raveendra Babu, Member (J)]

1. Heard learned Advocate Ms. Dharmishta Raval for Raval & Raval Advocates.

2. Lyka Labs Limited (Applicant Transferee Company) has filed this application seeking dispensation of filing a petition and dispensation of meetings of Equity and Preference Share Holders as well as Secured and Unsecured Creditors and, in the alternative, seeking a direction for conducting meetings of



 Page 1 | 11

equity shareholders, Preference Share Holders, Secured Creditors and Unsecured Creditors in respect of a Scheme of Amalgamation between Lyka Health Care Limited (The Transferor Company) and Lyka Labs Limited (The Applicant Transferee Company) , and their respective shareholders and creditors with effect from the Appointed Date on the agreed terms and conditions as set out in the scheme annexed at **Annexure-F** in accordance with Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act.

3. The Board of Directors of Applicant Transferee Company in the meeting held on 29th May 2017, passed a resolution approving the proposed Scheme placed before the Board by the Company Secretary.

4. The Applicant Transferee Company has filed its audited balance sheet as well a Chartered Accountant's Certificate dated 30th May, 2017 certifying compliance with Section 133 of the Companies Act, 2013.

5. The Applicant Transferee Company has stated that there are 19870 equity shareholders in the Company. The list of equity shareholders as certified by the Chartered Accountant is produced at **Annexure "G"**. In view of the fact that consent of the Equity Shareholders is not produced, a meeting of Equity Shareholders of the Applicant Amalgamating Company, for the purpose of considering and, if thought fit, approving the

Johnson

B N Page 2 | 11

proposed Scheme with or without modification(s) is required to be conducted.

6. The Applicant Transferee Company has stated that there is 1 Preference shareholder in the Company. The list of preference shareholders as certified by the Chartered Accountant is produced at **Annexure "H"**. In view of the fact that consent of the preference Shareholder is not produced, the meeting of preference Shareholder of the Applicant Amalgamating Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is required to be conducted.

7. It is stated that the Applicant Transferee Company is having six Secured Creditors and a C.A Certificate is annexed at **Annexure "K"**.

8. In view of the fact that the consents of the Secured Creditors are not produced, the meeting of Secured Creditors of the Applicant Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is required to be conducted.

9. Coming to unsecured creditors, the applicant company has 1110 unsecured creditors. A C.A. Certificate certifying the same has been filed at **Annexure-"L"**.

Abhinav

B N

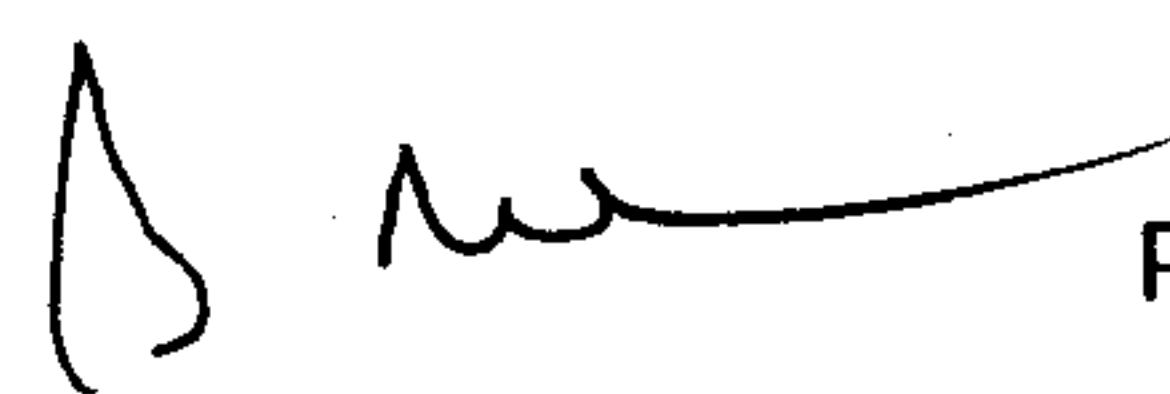
10. In view of the fact that the consents of the Unsecured Creditors are not produced, the meeting of Unsecured Creditors of the Applicant Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is required to be conducted.

11. The Applicant Transferee Company is a listed Company and its shares are listed at the Bombay Stock Exchange and the National Stock Exchange and intimation of the approval of the Scheme by the Board of Directors have been sent to both the Stock Exchanges copies whereof are Annexed as **Annexure "I" & "J"**

12. It is stated in the affidavit that notices to the Reserve Bank of India and Competition Commission may be dispensed with as provisions of the Competition Act and FEMA Act are not attracted in the present case.

13. Considering the averments made in the application and after perusing the record, this Tribunal passes the following orders:-

I. A meeting of the Equity Shareholders of the Applicant Company shall be held on 27th March, 2018 at 12:00 PM, at 4801/B & 4802/A, G.I.D.C Industrial Estate,



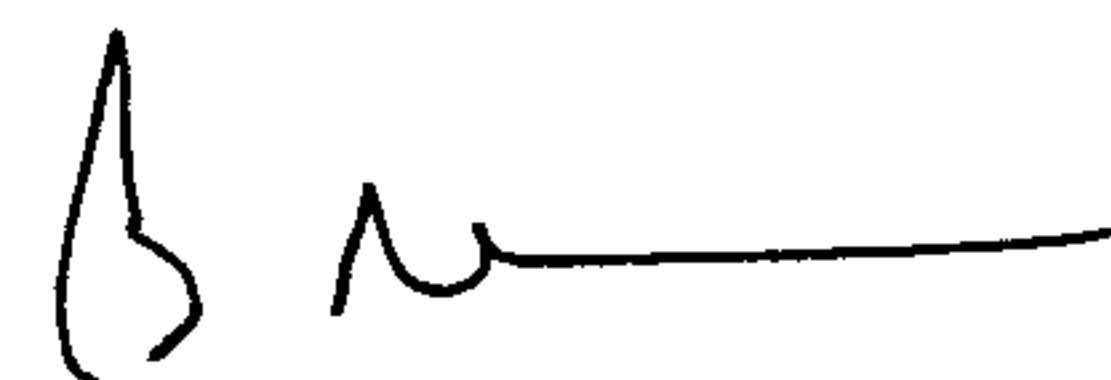
Ankleshwar- 393002 for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

II. A meeting of the Preference Shareholder of the Applicant Company shall be held on 27th March, 2018 at 1.00 PM 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar-393002, for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

III. A meeting of the Secured Creditors of the Applicant Company shall be held on 27th March, 2018 at 2.00 PM 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar-393002, for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.

IV. A meeting of the Unsecured Creditors of the Applicant Company shall be held on 27th March, 2018 at 2.30 PM 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar-393002, for the purpose of considering and, if thought fit, approving with or without modification(s) the arrangement embodied in the Scheme.





V. At least one month before 27th March, 2018, i.e. the date of the aforesaid meetings, an advertisement about convening of the said meetings, indicating the day, date, place and time, as aforesaid, shall be published in English daily "Indian Express", Ahmedabad edition and a Gujarati translation thereof in "Sandesh", Ahmedabad edition. The publication shall indicate the time within which copies of scheme shall be made available to the concerned persons free of charge from the registered office of the company. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 of the Act and the prescribed form of proxy can be obtained free of charge at the registered office of the Applicant Company in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

VI. In addition, at least one month before the date of the meetings of the Equity Shareholders, Preference Share Holders, Secured Creditors and Unsecured Creditors to be held as aforesaid, a notice convening the said meetings, indicating the day, date, place and time, as aforesaid, together with a copy of the scheme, a copy of statement required to be furnished pursuant to Section 102 of the Act read with Sections 230 to 232 and Rule 6 of the

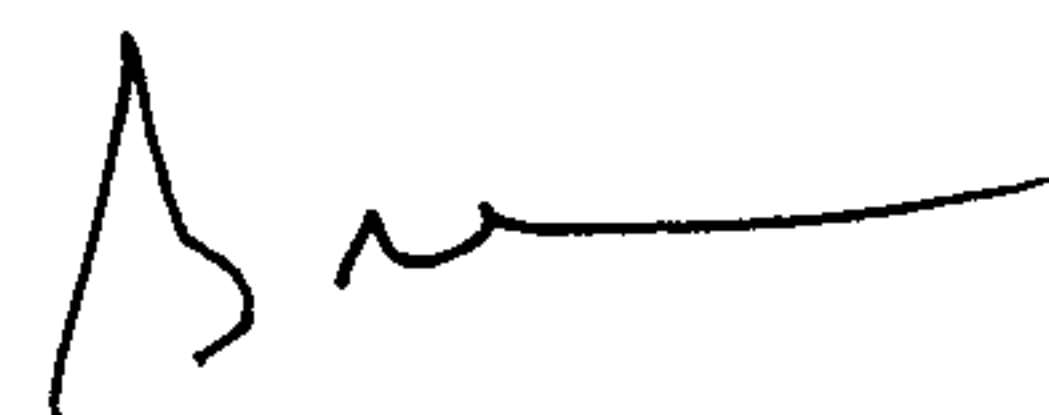
Abhinav

AS

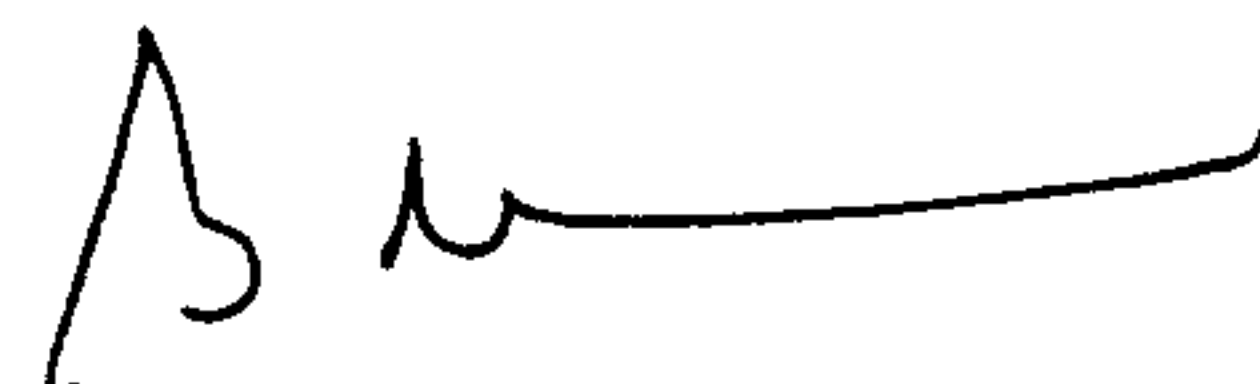
Companies (CAA) Rules, 2016 and the prescribed form of proxy shall be sent to each of the Equity Shareholders, Preference Share Holders, Secured Creditors and Unsecured Creditors of the Applicant Company at their respective registered or last known addresses either by Registered post or Speed Post/Airmail or by Courier. The Notices shall be sent to the Equity shareholders and Preference Share Holders with reference to the list of the persons appearing on the record of the Applicant Company as on 15th December, 2017, and Secured and Unsecured Creditors of the Applicant Company with reference to the list of the persons appearing on the record of the Applicant Company as on 31st October, 2017.

VII. Mr. Manish Shah, Chartered Accountant and, in his absence Mr. Ragnesh Desai, Chartered Accountant shall be the Chairman/Chairperson of the aforesaid meetings to be held on 27th March, 2018 and in respect of any adjournment thereof.

VIII. Mr. Kaushal Doshi, Practicing Company Secretary and in his absence Mr. D. P. Shah, Practicing Company Secretary is appointed as the Scrutinizer for the aforesaid meetings of the Applicant Company.



- IX. The Chairman or Chairperson appointed for the aforesaid meeting shall issue the advertisements and send out the notices of the meetings referred to above. The Chairman/Chairperson is free to avail the services of the Applicant Company or any agency for carrying out the aforesaid directions. The Chairman or Chairperson shall have all powers under the Articles of Association of the applicant company and also under the Rules in relation to the conduct of meetings, including for deciding any procedural questions that may arise at the meetings or adjournment(s) to the aforesaid scheme or resolution, if any, proposed at the aforesaid meeting by any person(s) and to ascertain the decision of the sense of the meetings of equity shareholders, secured creditors and unsecured creditors by polling paper/ballot.
- X. The quorum for the meeting of the Equity Shareholders shall be 21 Members.
- XI. The quorum for the meeting of the Secured Creditors shall be 2.
- XII. The quorum for the meeting of the Unsecured Creditors shall be 3.



XIII. Voting by proxy/authorized representatives is permitted, provided that the proxy in the prescribed form/authorization duly signed by the person entitled to attend and vote at the aforesaid meeting is filed with the Applicant company at its registered office at 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar- 393002 not later than 48 hours before the meetings vide Rule 10 of Companies (CAA) Rules, 2016 read with Section 105 of the Companies Act.

XIV. The number and value of the Equity and Preference Share Holders and Secured and Unsecured Creditors, as the case may be, shall be in accordance with the records or registers of the Applicant-company and where the entries in the records or registers are disputed, the Chairman of the meetings shall determine the number or value, as the case may be, for purposes of the meetings.

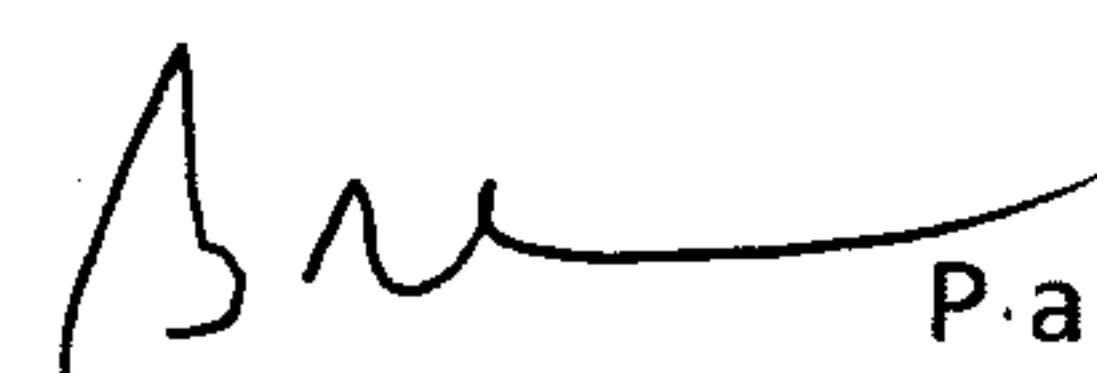
XV. The Chairman/Chairperson to file an affidavit of not less than 7(seven) days before the date fixed for the holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisement of the meetings have been duly complied with as per Rule 12 of the Companies (CAA) Rules, 2016.

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XVI. It is further ordered that the Chairman or the Chairperson shall report to this Tribunal on the result of the meetings in Form No.CAA.4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 in Form No. CAA.4 within seven days.

14. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (CAA) Rules 2016, the Applicant-Company shall send a notice in Form No. CAA.3 along with a copy of the Scheme of Amalgamation, explanatory statement and the disclosures mentioned under Rule 6 to (i) the Central Government through the Regional Director, North Western Region, (ii) the Registrar of Companies, Gujarat, (iii) the Income Tax authorities, (iv) the Securities and Exchange Board of India, (v) the National Stock Exchange, and (vi) the Bombay Stock Exchange, stating that representations, if any, to be made by them shall be made within a period of 30 days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed scheme. The said notice shall be sent forthwith by registered post or by speed post or by courier or by hand delivery at the office of the authority as required as required by sub-rule (2) of Rule 8 of the Companies (CAA) Rules, 2016. The aforesaid authorities, who desire to make any representation under subsection (5) of Section 230, shall send the same to the Tribunal within a period of 30 days from the date of receipt of such notice, failing which




it will be deemed that they have no representation to make on the proposed arrangement.

15. This Company Application is disposed of accordingly.



(Ms. Manorama Kumari)
Member (J)



(Bikki Raveendra Babu)
Member (J)

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