Lyka Labs Limited

Corporate Office : Ground floor, Spencer Building, 30, Forjett Street, Grant Road (West), Mumbai - 400 036.
• Phone : 6611 2200 • Fax : 6611 2249 Website : www.lykalabs.com • Email : enquiry@lykalabs.com

LYKA
Healthcare through Innovation

5th October, 2018

The Dy. General Manager Corporate Relations Department The Bombay Stock Exchange Ltd. 1st Floor, New Trading Ring Rotunda Bldg, P.J. Towers Dalal Street, Mumbai- 400 001	The Manager Listing Department The National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No. C/1, G. Block Bandra Kurla Complex Bandra (East), Mumbai - 400 051
Script Code: 500259	Script Code : LYKALABS

Dear Sir/Madam,

Sub: Filing of Annual Report- Regulation 34(1) of LODR

We wish to inform you that the Annual Account for the year ended 31st March, 2018 together with Balance Sheet as on that date along with Directors Report and Auditors Report thereon have been adopted at the 39th Annual General Meeting of the Company, held on Saturday, 29th September, 2018 at 12:30 PM at its Registered Office at Ankleshwar.

We enclose herewith 39th Annual Report along with Statement of Impact of Auditor's Qualification for the Financial Year ended 31st March, 2018 for your record.

Thanking you,

Yours faithfully,
For LYKA LABS LIMITED

LYKA LABS LIMITED MUMBAI

D. J. DARJI
COMPANY SECRETARY

Encl: a/a

Healthcare through Innovation

39th

Annual Report 2017-2018

Lyka Labs Limited

Healthcare through Innovation

CIN: L24230GJ1976PLC008738
Regd Office: 4801/B & 4802/A, GIDC Industrial Estate,
Ankleshwar- 393002, Phone: 02646-221422/220549, Fax: 02646-250692.
Admin Office : Spencer Building, Ground Floor,
30 Forjett Street, Grant Road (West), Mumbai - 400 036.
Phone: 022-66122200, Fax: 66112249 Website : www.lykalabs.com

BOARD OF DIRECTORS

SHRI N. I. GANDHI	–	CHAIRMAN & MANAGING DIRECTOR
SMT. N. N. GANDHI	–	NON EXECUTIVE DIRECTOR
SHRI V. S. SHANBHAG	–	INDEPENDENT DIRECTOR (upto 7th December 2017)
SHRI Y. N. SHAH	–	INDEPENDENT DIRECTOR
SHRI A. N. SHUKLA	–	INDEPENDENT DIRECTOR
SHRI A. S. BAGADIA	–	INDEPENDENT DIRECTOR
SMT. N. A. THAKORE	–	ADDITINAL INDEPENDENT DIRECTOR (w.e.f. 5th April 2018)

AUDIT COMMITTEE

SHRI A. S. BAGADIA	–	CHAIRMAN	
SHRI N. I. GANDHI	–	MEMBER	
SHRI V. S. SHANBHAG	–	MEMBER	(upto 7th December 2017)
SHRI Y. N. SHAH	–	MEMBER	
SHRI A. N. SHUKLA	–	MEMBER	

CHIEF EXECUTIVE OFFICER
SHRI KUNAL N. GANDHI

CHIEF FINANCIAL OFFICER
Shri Y. B. Shah

COMPANY SECRETARY
SHRI P. G. Hindia (upto 5th April, 2018)
SHRI D. J. DARJI (w.e.f. 6th April, 2018)

AUDITORS
M/s. MEHTA CHOKSHI & SHAH
Chartered Accounts

BRANCH AUDITORS
M/s. M. I. Shah & Co.
Chartered Accountants

COST AUDITORS
M/s KIRIT MEHTA & ASSOCIATES
Cost Accountants

BANKERS
Dena Bank
The Kapol Co-op. Bank Ltd
Bank of Maharashtra

REGISTERED OFFICE
4801/B & 4802/A,
G.I.D.C. Industrial Estate,
Ankleshwar – 393 002

ADMINISTRATIVE OFFICE
Admin Office : Spencer Building,
Ground Floor, 30 Forjett Street,
Grant Road (West), Mumbai - 400 036.

PLANT
Formulation & Bulk Drugs Division
4801/B & 4802/A, G.I.D.C. Industrial Estate,
Ankleshwar – 393002

R & D CENTRE
101, Memon Industrial Estate, 1st Floor,
MTNL Compound, Marol Maroshi Road, Marol,
Andheri (East), Mumbai - 400 059

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NOTICE

NOTICE is hereby given that Thirty Ninth Annual General Meeting of the Members of Lyka Labs Limited will be held on Saturday, 29th September, 2018 at 12.30 pm at 4801/B & 4802/A, GIDC Industrial Estate, Ankleshwar-393002, Gujarat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone audited financial statements including Balance Sheet as at 31st March, 2018, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and reports of Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Consolidated audited financial statements including Balance Sheet as at 31st March, 2018, Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and report of Auditors thereon.

3. To appoint a Director in place of Smt N. N. Gandhi, Non - Executive Director (DIN 00021580) who retires by rotation and being eligible, offers herself for re-appointment.

4. Ratification of appointment of M/s. Mehta Chokshi & Shah as the Statutory Auditors

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment(s) thereof) and pursuant to the resolution passed by the members at the 38th Annual General Meeting held on September 29, 2017 appointing M/s. Mehta Chokshi & Shah, Chartered Accountants, having Firm Registration No. 106201W as statutory auditors to hold office from the conclusion of the 38th AGM till conclusion of the 43rd AGM, be and is hereby ratified by the members of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such a remuneration as may be decided by the Managing Director in consultation with the Auditors for conducting the Statutory Audit plus out of pocket expenses as may be incurred by them in connection with the Audit."

5. Ratification of appointment of M/s. M. I. Shah & Co., as Branch Auditors

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modification(s) or re-enactment(s) thereof) and pursuant to the resolution passed by the members at the 38th Annual General Meeting held on September 29, 2017 appointing M/s. M. I. Shah & Co., Chartered Accountants, having Firm Registration No. 119025W as branch auditors to hold office from the conclusion of the 38th AGM till conclusion of the 43rd AGM, be and is hereby ratified by the members of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such a remuneration as may be decided by the Managing Director in consultation with the Auditors for conducting the Branch Audit plus out of pocket expenses as may be incurred by them in connection with the Audit."

SPECIAL BUSINESS

6. Ratification of Remuneration of Cost Auditors for cost audit for the financial year ended 31st March, 2019

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any Statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs. 1,25,000/- as approved by the Board of Directors of the Company, payable to M/s. Kirit Mehta & Associates, Cost Accountants having Firm Registration No. 000048 for conducting Cost Audit of the cost records

maintained by Company for manufacturing of Pharmaceuticals products for the financial year ended 31st March, 2019 be and hereby ratified.

7. Appointment of Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Smt. Neha Anant Thakore (DIN: 00893957), who was appointed as an Additional Director of the Company effective from 5th April, 2018, and whose term expires at this AGM and who has provided a declaration that she meets the criteria for independence as mentioned in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company for a period of three (3) years effective from conclusion of 39th Annual General Meeting of the Company and that she is not liable to retire by rotation."

8. Approval of Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of section 188 of the Companies Act, 2013 and Rules made thereunder and Regulation 23 of (Listing Obligation and Disclosure Requirements), Regulations, 2015 (including any statutory modification or re – enactment thereof for the time being in force), consent of the company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements/ transactions with Related Parties for:

Sale, purchase or supply of any good and/or material and/or brands and/or dossiers and/or services directly or through appointment of agent and selling or disposing off, renting, leasing and buying properties of any kind on such terms and conditions as may be mutually agreed upon between the Company and Lyka BDR International Ltd., a subsidiary and related party, for an amount not exceeding Rs. 50 crores (Rupees Fifty Crores) in a Financial Year which may exceed the limit as prescribed under Section 188 of the Companies Act,2013.

Sale, purchase or supply of any good and/or material and/or brands and/or dossiers and/or services directly or through appointment of agent and selling or disposing off, renting, leasing and buying properties of any kind on such terms and conditions as may be mutually agreed upon between the Company and Lyka Exports Ltd., a subsidiary and related party, for an amount not exceeding Rs. 15 crores (Rupees Fifteen Crores) in a Financial Year which may exceed the limit as prescribed under Section 188 of the Companies Act,2013.

Sale, purchase or supply of any good and/or material and/or brands and/or dossiers and/or services directly or through appointment of agent and selling or disposing off, renting, leasing and buying properties of any kind on such terms and conditions as may be mutually agreed upon between the Company and Lyka Healthcare Ltd., a wholly owned subsidiary and related party, for an amount not exceeding Rs. 15 crores (Rupees Fifteen Crores) in a Financial Year which may exceed the limit as prescribed under Section 188 of the Companies Act,2013.

RESOLVES FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things and to finalize the terms and conditions as may be considered, necessary, expedient or desirable in order to give effect to this resolution."

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

D. J. Darji
Company Secretary

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of business under Item Nos. 6, 7 and 8 set out in the Notice is annexed hereto.The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 3 and 7 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A Person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.
3. The Proxy Form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. Proxy Form is sent herewith.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2018 to 29th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
6. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. In view thereof, members who have not furnished PAN are requested to furnish the same as under:
   i) Members holding shares in electronic form to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts.
   ii) Members holding shares in physical form to submit their PAN details to Registrar & Share Transfer Agent.
7. The Annual Report along with the attendance slip and proxy form is being sent by electronic mode to all members whose email id is registered with the Company/ Depository Participant(s). Members who have not registered their email address, physical copy of the Annual Report will be sent by the permitted mode.
8. Members may also note that the Annual Report will also be made available on the Company's Website: - www.lykalabs.com.
9. In Compliance with the provisions of section 108 of the Act, read with Rule 20 of Companies (Management and Administrative) Rules, 2014 and Regulation 44 of Listing Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their vote at the meeting through ballot paper.
   - The voting through electronic means will commences on 26th September, 2018 at 10.00 a.m. and will end on 28th September, 2018 at 5.00 pm. The cut off date for entitlement of voting through electronic means is 22nd September, 2018.
10. Any member who voted by remote e – voting cannot vote at the meeting.
11. Members are requested to bring their copy of the Annual Report at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
12. Members are requested to intimate immediately, any change in their address to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Sharex (India) Private Limited, if the shares are held by them in physical form.

13. As required by the Listing Regulations and Secretarial Standard, brief information is furnished about the Directors proposed to be appointed/ re – appointed.

1. Details of Director Seeking Re-appointment at the Annual General Meeting

Name of Director	Smt. Nehal N. Gandhi
Date of Birth	30th September, 1952
Date of Appointment	4th February, 1995
Expertise in specific functional areas	Business Management
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Number of shares held in the Company	1144803
Disclosure of relationship between directors inter-se	Shri N. I. Gandhi, Managing Director (Husband)

2. Details of Director Seeking Appointment at the Annual General Meeting

Name of Director	Smt. Neha Anant Thakore
Date of Birth	17th November, 1972
Date of Appointment	5th April, 2018
Expertise in specific functional areas	Extensive professional experience and leadership accomplishment in pharmacy business
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Number of shares held in the Company	800
Disclosure of relationship between directors inter-se	Nil

AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 6

Pursuant to Section 148 of the Companies Act, 2013, and Rule 14 of Companies (Audit and Auditors) Rules, 2014, M/s. Kirit Mehta & Associates, Cost Accountants have been appointed as a Cost Auditor for conducting Cost Audit of Pharmaceutical Products of the Company for the financial year 2018-19. Their appointment as Cost Auditor and payment of remuneration of Rs. 1,25,000/- was considered by the Board on the recommendation by the Audit Committee. However, payment of remuneration to Cost Auditor for the financial year 2018-19 requires to be ratified by the members of the Company.

The Resolution mentioned at Item No. 6 of the Notice is recommended for your approval.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the said resolution.

Item No. 7

The Board of Directors based on recommendations of Nomination and Remuneration Committee has appointed Smt. Neha Anant Thakore (DIN: 00893957) who is meeting the criteria as Independent Director appointed her as Additional Director to the Board. She holds the office till the ensuing Annual General Meeting. Her appointment as Independent Director is proposed for a period of 3 (three) year at this Annual General Meeting. She is not liable to retire by rotation under Section 149 of the Companies Act, 2013. Her appointment is subject to approval by the members.

Smt. Neha Anant Thakore is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director of the Company. The Company has also received a declaration from her that she meets the criteria of Independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013. The brief particulars of each of the above Director are given herein below:

Smt. Neha Anant Thakore, age 45 years. She has over 20 years of experience in organizational management, growth strategy & business development. She has extensive professional experience & leadership accomplishments in business and natural affinity to understating & interpreting unspoken nuances facilitating communication to consensus building.

The Board of Directors recommend the resolution at item No. 7 for your approval.

None of the Directors and Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the said resolution.

Item No. 8

The Company is engaged in manufacturing and dealing of Pharmaceutical Products. During the course of business, the Company is required to sell, purchase or supply of any goods or material directly or through appointment of agents and leasing of the propertie(s) to its subsidiaries namely, Lyka BDR International Ltd., Lyka Exports Ltd., and Lyka Healthcare Ltd, which are considered as the Related Parties within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Considering the future business projections, the transaction of sell, purchase or supply of any goods, materials, services dossiers, brands, patents directly or through agents and leasing of the propertie(s) to Lyka BDR International Ltd, Lyka Export Ltd and Lyka Healthcare Ltd (Related Parties), the value of which is estimated at Rs. 50 crores, Rs. 15 crores and Rs. 15 crores respectively in a financial year which might exceed the limit prescribed under Section 188 of the Companies Act, 2013 and/or limit prescribed under Regulation 23 of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Shareholders approval is therefore recommended at Item No. 8 of the Notice by passing ordinary resolution approving the related parties transactions as mentioned in the resolution.

Shri N. I. Gandhi and Shri Atit N Shukla Directors of the Company, are also Directors in Lyka BDR International Ltd and Lyka Exports Ltd and Smt. N N Gandhi, Director of the Company is a relative of Shri N I Gandhi are deemed to be considered as an interested director in the transactions with the subsidiaries.

None of the other Directors other than Shri N. I. Gandhi, Shri Atit N. Shukla and Smt. N. N. Gandhi, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the above resolution.

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

D. J. Darji
Company Secretary

The instructions for shareholders voting electronically are as under:

(i) The evoting period begins on 26th September, 2018 at 10.00 am and ends on 28th September, 2018 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted 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 / Members.

(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:

	For Members holding sharesin Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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 (DOB)	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. • 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 thendirectly 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 Lyka Labs Ltd. 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) Sharholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instruction as prompted by the mobile app while voting on your mobile.

(xx) **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.comand 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.

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

Dinesh Darji
Company Secretary

Lyka Labs Limited

DIRECTORS' REPORT

To,

The Members,

Lyka Labs Limited

Your Directors are pleased to present their Thirty Ninth Annual Report along with Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018.

1. FINANCIAL RESULTS

[₹ in Lakhs]

Particulars	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Total revenue	**4438.30**	8634.57
Profit/(loss) before Interest, provision for depreciation & Taxes and Write offs	**137.51**	2347.25
Less: Interest	**775.94**	1654.06
Operational Loss/Profit before Depreciation	**(638.43)**	693.18
Less: Depreciation	**(630.89)**	(552.55)
Exceptional Items (Net)	**147.12**	(196.32)
Less: Tax Expenses	**38.26**	37.05
Less: Other Comprehensive Income	**(29.71)**	(5.55)
Loss for the year	**(1113.65)**	(24.18)

2. DIVIDEND

Due to loss during the year, no dividend was declared for the financial year ended 31st March 2018.

3. RESERVE

No amount is transferred to Reserves.

4. OPERATIONS

During the year under review, the total revenue earned by the Company was Rs. 4438.30 lakhs as against total revenue of Rs. 8634.57 lakhs of previous year ended 31st March, 2017. The Company has reported Net Loss of Rs. 1113.65 lakhs for the year ended 31st March, 2018 as against net loss of Rs. 24.18 lakhs for per previous year ended 31st March, 2017.

The Company's current Financial situation has arisen, due to repayment of FD's and Debentures in compliance with the changes in the Companies Act, 2013. As a result there has been significant outgo of funds resulting in Financial crunch impacting the sales and performance of the Company.

Due to fire in Lypholized Plant at Ankleshwar, the Company had to undergo huge loss and loss of Business which in turn impacted the performance of the Company. In the meanwhile, competition from new domestic manufacturing had an impact on Company margin.

The Company manufactures its products & export through its subsidiary Lyka BDR International Limited (LBDR) whose performance for its last year has been on the lower side, mainly due to currency crisis in buying countries as well as more countries are encouraging domestic production. The unsatisfactory performance of LBDR has inturn affected the sales of Lyka Labs Limited. Moreover, to meet with the requirement of developed market, company has suspended production of cepholosporins at its Ankleshwar plant, causing loss of revenue/production. This will be made up in the coming years.

5. Key features

a. The Company is engaged in discovery, manufacturing and marketing of formulations on P to P basis and

of it's own.

b. The Manufacturing activities are carried out with principles and practices of highest standards in production and testing of formulations.

c. The Products of various categories including cosmeceuticals, external preparations, dry powder injections, liquid and lyophilized injectable preparations are being produced in manufacturing facilities.

d. The Production of lyophilized injections including lyophilized bulk with outstanding output has been one of the important key features of the company.

6. Future Outlook

a. With overall growth of lyophilized product market, demand for lyophilized injectables are expected to increase. Company proposes to enhance and improve it's existing infrastructure in order to cater increased requirement.

b. The Company plans to set up new world class manufacturing facility for injectable. After completion, this facility intends to cater to Europe/US markets.

c. The Company plans to initiate further international GMP approvals from Phillipines, Ukraine and EU for its current manufacturing facility. With these GMP approvals, company looks forward to expand it's global business.

d. The Company has converted it's cephalosporin production line into dry powder injection production line after systematic decontamination. This will enable to produce more injections of general category by achieving higher capability of production with technical ease in coming years.

e. The Company proposes to go for more emphasis on injectable research leading to development of new stable formulations. This shall be catering to future requirements.

f. The Company tends to increase business volume by entering into new business relationship with large and medium scale pharmaceutical companies in segment of cosmeceuticals, dermatology and injectables.

7. DIRECTORS

A. BOARD DIVERSITY

The Company recognize and embrace the importance of a diverse board in its success. Diverse Board comprising of professionals from various fields helps in guiding the Company from time to time.

B. BOARD MEETINGS

During the year, Eight Board Meetings were held. The details of which are given in the Corporate Governance Report.

C. POLICY ON APPOINTMENT AND REMUNERATION POLICY

The Company has appropriate mix of Executive, Non-Executive and Independent Directors. As on 31st March, 2018, the Board consist of 5 Directors, one is Executive/Managing Director, one is Non-Executive Director and three are Independent Directors.

D. DECLARATION BY INDEPENDENT DIRECTORS

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

E. RETIREMENT BY ROTATION

Smt. Nehal N Gandhi retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. The Board recommends her re-appointment as a Director for approval of members.

F. INDEPENDENT DIRECTORS FAMILIARIZATION PROGRAMME

The Company has framed policy on familiarization programme. The Independent Directors are familiarized with company's operation. They are provided with financial and other information in the Board Meeting. They are also appraised about their role and function. This will help them to effectively discharge their responsibilities. Independent Directors have visited our factory/plant located at Ankleshwar, Gujarat and they were also familiarised with production operations of the Company.

G. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Board has carried out performance evaluation of its own, the Committee and of the Directors pursuant to the provisions of the Act and applicable provisions of Listing Regulations, 2015.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of factors which includes Active Participation, Financial Literacy, contribution by a Director, positive Inputs, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

In the meeting of Independent Directors, performance of Non-Independent Directors, Performance of Board and Performance of the Chairman was evaluated.

H. COMMITTEE OF BOARD

Currently, the Board has five Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder Committee, Share Transfer Committee and Risk Management Committee. A detailed note on composition of the Board and its committee is provided in the Corporate Governance Report which forms part of the Board Report.

I. CHANGES IN THE BOARD AND KMP

During the year under review, Shri. Vinod Shanbhag, Independent director on the Board has resigned with effect from 7th December, 2017.

Subsequent to closing of Financial Year:

1. Smt. Neha Thakore is appointed as Additional Independent Director (DIN No: 00893957) w.e.f 5th April, 2018.
2. Shri. Piyush G Hindia, Company Secretary and Compliance Officer has retired after closing hours of 5th April, 2018.
3. Shri. D. J. Darji is appointed as Company Secretary and Compliance Officer w.e.f 6th April, 2018.

8 AUDITORS

A. STATUTORY AUDITORS

M/s. Mehta Chokshi & Shah, Chartered Accountants (Firm Registration No. 106201W), were appointed as Statutory Auditors of the Company in 38th AGM to hold office till the conclusion of the 43rd Annual General Meeting.

In terms of the first proviso to Section 139 (1) of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting (AGM). Accordingly, the appointment of M/s. Mehta Chokshi & Shah, as Statutory Auditors of the Company, is placed for ratification of the shareholders at the AGM. The Company has received a certificate from the auditors to the effect that they fulfill the eligibility criteria of the provisions of Section 141 of the Companies Act, 2013. The Audit Committee has recommended their appointment for ratification.

B. BRANCH AUDITORS

M/s. M.I. Shah & Co., Chartered Accountants (Firm Registration No. 119025W), were appointed as Branch Auditor of the Company in 38th AGM to hold office till the conclusion of the 43rd Annual General Meeting.

In terms of the first proviso to Section 139 (1) of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting (AGM). Accordingly, the appointment of M/s. M.I. Shah & Co, as Branch Auditors of the Company, is placed for ratification of the

shareholders at the AGM. The Company has received a certificate from the auditors to the effect that they fulfill the eligibility criteria of the provisions of Section 141 of the Companies Act, 2013. The Audit Committee has recommended their appointment for ratification.

C. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules 2014, as amended from time to time, the cost audit records maintained by the Company are required to be audited by cost accountant. The Company has appointed M/s. Kirit Mehta & Associates, Cost Accountant (Firm Registration No.000048) to audit the cost records of the Company for the financial year 2018-19. The remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included as Item No. 6 of the Notice convening the Annual General Meeting.

D. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Kaushal Doshi & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as "Annexure A".

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

The Company has outstanding Term Loan and Working Capital Credit Facilities aggregating Rs. 73.43 crores plus interest with Dena Bank. The Company has approached to Bank for compromise settlement of Accounts. The Bank has considered and granted 'In Principle approval' for compromise settlement of our accounts.

11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATION OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT

AUDITOR'S QUALIFICATION:

(i) Note no. 1 of the auditor's report for the quarter and year ended 31st March, 2018 regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non-provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

Further, the Company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is non-provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs. These non-provisions/reversal of provision for interest is not in compliance with Ind AS 109 Financial Instruments.

Accordingly loss for the year is understated by Rs. 1365.95 Lakhs.

(ii) Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. This is not in accordance with Ind AS 2 inventories, which requires such inventories to be valued at lower cost or net realizable value. Accordingly we are unable to quantify the impact of reduction in profit for the quarter ended 31st March, 2018 and increase in the loss for the year.

MANAGEMENT EXPLANATIONS:

(i) As our account with some of the Banks have been classified as NPA, we have on going discussion with Banks for OTS / Restructuring and accordingly Company has not provided interest in the current quarter as well as written back the interest provided in earlier quarters. The Company has approached to Bank for compromise settlement of Accounts. The Bank has considered and granted 'In Principle approval' for compromise settlement of our accounts.

(ii) As regards to slow/non moving materials Company is taking necessary steps to utilize/realize the same.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached to this report and marked as "Annexure B".

13. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has formulated a policy on Risk Management and constituted Risk Management Committee.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans and guarantees given by the Company during the year under review and details of Investment made under Section 186 of the Companies Act, 2013 are given in the notes to the Balance Sheet.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Related Party Transactions effected during the financial year were on Arm's length basis and in the ordinary course of business. Omnibus approval of Audit Committee is obtained as per RPT Policy. The Related Party transactions effected during the financial year are disclosed in the notes to the Financial Statement.

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188 is attached to this report as per "Annexure C".

The Company has obtained approval from the shareholders for the financial limit of the related party transactions that was entered into, during the year under review. The Company has formulated a policy for dealing with 'Material Related Party' transaction and 'Related Party' transactions.

15 COMPANY'S POLICY

The highest ethical standards are followed by the Company in business transactions. The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed Companies. The Company has framed various policies such as Nomination and Remuneration Policy, Policy on materiality subsidiaries and related matters, Policy on Materiality of events, Related Party Transactions Policy, Risk Management Policy, Whistle Blower Policy, Insider Trading code etc which are displayed on the company's Website i.e. www.lykalabs.com.

16 ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished as per "Annexure D" and attached to this Report. A Detailed Annual Return after filing with ROC, will be available on our website i.e. www.lykalabs.com.

17 DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility statement:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that year;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) that the Directors had devised proper systems to ensure compliance with the provisons of all applicable laws were in place and were adequate and operating effectively.

18 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has three subsidiaries namely Lyka BDR International Limited, Lyka Exports Limited and Lyka Healthcare Limited. The details of their performance are as under:

LYKA BDR INTERNATIONAL LIMITED (LBDR)

Lyka Labs Ltd is holding 65.22% of the Issued capital of Lyka BDR International Limited. During the year, the Company has reported EBDITA of Rs. 301.08 Lakhs and Net Loss after Tax is (Rs. 292.13 Lakhs) as against in previous year EBDITA of (Rs. 146.81 Lakhs) and Net Loss after Tax is (Rs. 501.33 Lakhs)

LYKA EXPORTS LIMITED (LEL)

Lyka Labs Ltd is holding 72.80% of Issued capital of Lyka Exports Limited. During the year, the Company has reported EBDITA of Rs. 17.03 Lakhs and Profit after Tax is Rs. 2.64 Lakhs as against in previous year EBDITA of (Rs. 5.13 Lakhs) and Net Loss after Tax is (Rs. 16.15 Lakhs), which was due to progress in the Business of Generic Pharmaceutical products meant for human consumption on PAN India basis.

LYKA HEALTHCARE LIMITED (LHL) - WHOLLY OWNED SUBSIDIARY

Lyka Labs Ltd is holding 100% of Issued capital of Lyka Healthcare Limited. During the year under review, the Company has reported EBDITA of (Rs. 151.77 Lakhs) and Net Loss after Tax is (Rs. 317.20 Lakhs) as against in previous year EBDITA of (Rs. 188.70 Lakhs) and Net Loss after Tax is (Rs. 330.63 Lakhs).

Performance and financial position of each of the subsidiaries for the year ended 31st March, 2018 attached in 'Annexure E' and forms part of this report.

19. DISCLOSURE OF CSR:

CSR is not applicable to the Company.

20. SHARE CAPITAL

During the year under review:

1. The Company has allotted 6100000 Equity Shares to Non–Promoters on preferential basis. Subsequent to allotment of 6100000 Shares, the paid up capital of the Company is increased to Rs. 28,14,00,000.
2. The Company has also allotted 550000 convertible equity warrants to one of the promoters on preferential basis.

21. SCHEME OF MERGER (BY ABSORPTION)

The Board of Directors at their meeting held on 29th May, 2017 had approved the Scheme of Merger of Lyka Healthcare Limited, Wholly Owned Subsidiary ("the transferor") with Lyka Labs Limited, Holding Company ("the Transferee") and their respective shareholders (The Scheme of Amalgmation).

The Scheme was approved by Equity Shareholders, Preference Shareholder and Unsecured Creditors at their respective meetings held on 27th March, 2018. The meeting of Secured Creditors could not be proceeded with due to lack of quorum.

The Company's management is taking necessary steps to implement merger.

22. DEPOSITS

During the year under review, the Company has not accepted any deposits under Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

As of March, 2018, the company has unclaimed fixed deposits of Rs. 49,52,000/-.

23. DEBENTURES

As per Order dated 22nd May, 2017 passed by National Company Law Tribunal (NCLT), Ahmedabad, the Company was required to make first payment of debentures of Rs. 3.85 Crores due upto 31st March, 2015 by 30th July, 2017, second payment of debentures of Rs. 2.13 crores due in between 1st April, 2015 to 31st July, 2015 by 31st December, 2017 and third payment of debentures of Rs. 1.39 crores due in between 1st August, 2015 to 30th April, 2016 by 30th March, 2018 aggregating outstanding debentures of Rs. 7.37 crores. The Company has made the payment as per NCLT order.

As of 31st March, 2018, the Company has unclaimed debentures of Rs. 12,00,000/-

24. STATUS OF BANK LIABILITY

Bank of Maharashtra:

1. Due to unforeseen circumstances, as a result the Company has defaulted in making repayment of installment of term loan since June 2016 and Interest payment since February, 2016 to Bank of Maharashtra.
2. The Company has received a Notice from Bank for repayment of their outstanding dues of Rs.14 crores including interest. The Company has replied to the Notice.
3. Further, Bank of Maharashtra has taken symbolic possession of the Company's premises at 101 Shiv Shakti Industrial Estate, Andheri Kurla Road, Andheri East, Mumbai, (Andheri office). The Company had applied for Compromise Settlement which is pending for approval.
4. Till date Bank of Maharashtra has invoked 160000 equity shares which were pledged by promoter as a collateral security for giving Loan to the Company.
5. The Company has filed a securitisation application in Debt Recovery Tribunal, in order to restrict the Bank from taking any further action.

Dena Bank:

1. The payment of principal amount and interest to Dena Bank has become overdue. The Company has received a Notice from Dena Bank for repayment of their outstanding Term Loan and Working Capital Credit Facilities aggregating Rs. 73.43 crores plus interest.
2. Subsequently, the Company has received In Principle approval from Dena Bank for compromise of our accounts. The Company is in process of compliance of Terms & Conditions of In Principle approval of Compromise Settlement.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNAL.

During the year under review, the Company has received Order from National Company Law Tribunal (NCLT) Ahmedabad dated 22nd May, 2017, granting extension of time for repayment of Debentures as follows:

Sr. No.	Outstanding Debentures due	Amount (Rs.)	Payable by
1	Upto 31st March, 2015	38,500,000	30th July, 2017
2	From 1st April, 2015 to 31st July, 2015	21,300,000	31st December, 2017
3	From 1st August, 2015 to 30th April, 2016	13,900,000	30th March, 2018
	Total	**73,700,000**	

The Company has complied with NCLT order.

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

The Company is complying with the Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A Committee has been set up to redress complaints received regarding Sexual harassments. No Complaints has been received by the Committee during the year under review.

27. PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Act, and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this report as "Annexure F".

The information required pursuant to Section 197 (12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the Limits set out in the said rules, if any which includes names of top 10 employees in terms of remuneration drawn forms part of this Report. However, as per the provision of Section 136(1) of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the said Statement i.e. the information on employees particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of such statement may write to the Company Secretary at the Company's Administrative Office at Mumbai.

28. CORPORATE GOVERNANCE

A Report on Corporate Governance along with certificate from Practising Company Secretary confirming the Compliance of the condition of Corporate Governance as stipulated in the Listing regulations is annexed in "Annexure G" and forms an integral part of this Annual report.

29. MANAGEMENT DISCUSSION ANALYSIS REPORT

Management Discussion and Analysis Report is attached in "Annexure H".

30. ACKNOWLDEGEMENTS

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

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

'ANNEXURE A'
SECRETARIAL AUDIT REPORT
Form No. MR-3

For the financial year ended 31st March, 2018

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

To,
The Members,
Lyka Labs Limited
CIN- L2430GJ1976PLC008738

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Lyka Labs Limited (hereinafter called the company) Secretarial Audit as required under Companies Act was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Lyka Labs Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings are not applicable.
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014; (Not Applicable during the audit period)
    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)
    (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act dealing with the company.
    (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period) and
    (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period)
(vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major heads/groups of Acts, laws and Regulations as applicable to the Company are listed below:
    a. Factories Act, 1948;
    b. Boilers Act;
    c. Drugs & Cosmetics Act, 1940;
    d. Dangerous Drugs Act, 1940;
    e. The Essential Commodities Act;

f. All Environmental related Acts & Rules;
g. The Poisons Act;
h. Industrial Disputes Act; 1947
i. Income Tax Act and other Indirect Tax laws;
j. The Drugs and Magical Remedies (Objectionable Advertisements) Act;
k. All applicable Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;

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

(i) Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with BSE Limited. and National Stock Exchange of India Limited.

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were also provided to Directors for meaningful participation at the meeting. In few cases, the meeting was convened at shorter notice but the Independent Directors were present at the said meeting.

Decisions at the meetings of Board of Directors of the Company were carried through on the basis of majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the during the year;

1) The Company has issued 6100000 equity shares to Non-promoters on Preferential basis at Rs.55/- per share (Rs. 10/- face value and Rs. 45/- premium) to Mr. Mayank Shah, Mrs. Shruti Shah, Mr. Shreyans Shah, Mr. Prasham Shah, M.J Shah HUF and Mr. Pranay Godha on 16th August, 2017.
2) The Company has also issued 550000 Convertible Warrants to Enai Trading & Investment Private Limited, promoter at Rs. 55/- per warrant (Rs. 10/- face value and Rs. 45/- premium) on preferential basis on 12th Feb, 2018.
3) The Company has filed scheme of merger of Lyka Healthcare Limited, Wholly Owned Subsidiary ("the transferor") with Lyka Labs Limited, Holding ("the Transferee") and their respective shareholders.

   The Scheme of merger is approved by the Board of Directors at their meeting held on 29th May, 2017 and it has also approved by the Equity Shareholder, Preference Shareholders, Unsecured Creditors at their meetings held on 27th March, 2018 respectively and the meeting of Secured Creditors meeting could not be proceeded with due to Lack of Quorum.
4) A) During the year under review, the company has defaulted in repayment of Loans to Dena Bank and Bank of Maharashtra.
   B) The Company has received 'In principle approval' for compromise settlement of the accounts from Dena Bank.
   C) The Company has also applied for compromise settlement of the accounts with Bank of Maharashtra, pending for approval before competent authority.

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

Place: Mumbai
Date: 13th August, 2018

For Kaushal Doshi & Associates
Company Secretaries
Kaushal Doshi
(Proprietor)
ACS- 32178 / COP- 13143

'ANNEXURE B'

Information under Section 134 of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014, and forming part of the Directors' Report for the period ended 31st March, 2018.

Energy Conservation measures taken.

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

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

The following measures are taken / being taken:

- Replacement of obsolete systems with improved energy saving systems.
- Use of balancing equipments to optimize production.
- Reduction in contract demand.
- Improve the process parameters to consume less energy.

(3) Impact of measures taken:

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

(4) Total energy consumption and energy consumption per unit of production

Sr. No.	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A.	**POWER AND FUEL CONSUMPTION**		
1.	**Electricity**		
	a. Purchased		
	Units (in '000 kwh)	1845	2028
	Total Amount (Rs.in lakhs)	140.85	151.87
	Rate per unit (Rs./kwh)	7.63	7.49
	b. Own Generation		
	i. Through Diesel Generator		
	Units (in 'ooo kwh)	43	50
	Units per litre of Diesel (kwh)	2.90	2.82
	Cost/Unit (Rs./kwh)	21.75	21.55
2.	**Coal**		
	Quantity	-	-
	Total Cost	-	-
	Average Rate	-	-
3.	**Furnace oil & Diesel oil**		
	Quantity (kl.)	14.40	17.61
	Total Amount (Rs.in lakhs)	9.57	11.34
	Average Rate (Rs./Litre)	66.47	64.43

4. Others - Steam		
a. Purchased		
Quantity (MT)	746	553
Total Amount (Rs. in lakhs)	29.19	20.72
Rate per unit (Rs./kg)	3.91	3.75
b. Own Generation		
Quantity (MT)	0	0
Units per litre of Furnace\Diesel (KG)	0	0
Cost/Unit (Rs./kg)	0	0

B. CONSUMPTION PER UNIT OF PRODUCTION

	Bulk Drugs Per Tonne	Formul-ations per Million Packs	Bulk Drugs Per Tonne	Formul-ations per Million Packs
Electricity - Units ('000 kwh)	357.043	64.262	354.559	47.884
Coal (M.Tonnes) -	-	-	-	
Furnace oil & Diesel oil (kl)	2.951	0.531	3.221	0.435
Steam (M.Tonnes)	152.861	27.512	101.106	13.655

A. Research and Development

Lyka Labs Limited is a reputed pharmaceutical and healthcare company. The Company has a modern well equipped Research and development facility in Mumbai managed by a team of technically qualified and well trained industry professionals.

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

The center is also certified by ISO 9001. 2008.

1. Specific Areas in which R & D work is carried on by the Company are:

- Development of broad range of dosage forms such as traditional solid oral dosage forms, Sustained release tablets, Liquid orals, Oral Jelly, Ready Mix granules, Derma products, Nutraceuticals & Cosmeceuticals.
- Development of Formulations with New Molecules and development of Novel Drug Delivery Systems e.g. Microemulsion based topical formulations, Emulgel based formulations, Nasal Sprays, Topical Foam Formulations, Liposomal Lyophilized Injectables etc.
- Obtaining DCGI permission for new drug molecules.
- Development of Cosmeceutical products for 'P to P business' as well as for Cerabelle Division of Lyka Healthcare such as Day Cream with SPF 25, Hair Protecting Serum with Oat Oil, Advanced Skin lightening cream, Fruit Mix Foaming Face wash, Calamine Lotion etc.
- Development of Neutraceutical products in different segments such as Anti oxidant (Glulathione range of products), Moisturizing, Weight Management etc
- Upgradation of products and processes to improve quality, stability, shelf-life and thus reduce cost.
- Tie ups with Medical Institutions to establish Bio availability /Bio equivalence/ Animal Toxicity studies of new formulations and to carry out clinical trials, Skin Irritation studies and efficacy studies (e.g. for Skin Lightening, Moisturizing etc) for cosmeceuticals, Evaluation of Sun protection factor for sunscreen formulations.

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

- Company has introduced microemulsion based 'Halobetasol propionate Cream 0.05% w/w' in the domestic market for P to P business.
- Many more derma products are under stability for domestic and export market, which will be commercialized after completing stability studies. For e.g. Fluocinolone Acetonide Microemulsion Cream, Fluocinolone Acetonide & Neomycin Sulfate Emulgel.
- Company has introduced many skin care products in domestic market under its own cosmetic division "Cerabelle" under brand name 'Hyglow', 'Gomoist', 'Sunsure' etc. All these products are manufactured at Ankleshwar plant. Also company has offered many of these products to other companies on P to P basis and is on the way to commercialization.
- Many Skin Care products are ready to be commercialized such as Phytoastringent Toner, Anti Pollution Mist, Hydrating Foot Spray, Feminine Hygiene Wash, Fruit Mix Face Wash, I Gold Shimmer Solution, Oat Moisturizing Lotion, Under Eye Roll On.
- Company has introduced "Hair Revitalizing Serum" in the domestic market for P to P business. Also many other Hair Care products are ready for commercialization such as Hair Revitalizing shampoo, Hair Protecting Serum with SPF 15, Hair Mask, Hair Oil with 7 oils.
- Many Neutraceutical products are ready for commercialization such as Glucose Liquid Shot & Glucose Gel (For Diabetic Patients), Glutathione Granules (For Liver Disorder), Hydroxy Tyrosol Capsules (Anti Oxidant).
- The Company derives long term benefits viz. better yield and Quality of the final product with cost effectiveness.

3. Future plans

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

1. For Moderate to severe Plaque Psoriasis
2. Weight Management
3. Treatment of erectile dysfunction
4. Treatment of chronic constipation

The company also aims to focus on Export market for cosmeceutical products.

1. Hyglow Tablets
2. Hyglow Vitamin C Serum
3. Hyglow Daily Foaming Face Wash
4. Hyglow Skin Lightening Cream
5. Hyglow Exfoliating Facial Scrub
6. Gomoist Moisturizing Cream
7. Gomoist Daily Facial Cleanser
8. Gomoist Hydrating Foaming Face Wash
9. Gomoist Moisturizing Lotion
10. Sunsure Day Night Sunscreen
11. Agestop Collagen Boosting Cream

This will help the company to broaden its base for its domestic as well as Export operation

The Company's aims to take Plant Approval from PICS & EU Countries.

4. Achievements / Recognition:

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

ISO 9001 – 2008 Certification.

By the order of the Board
N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

Place: Mumbai
Date: 13th August, 2018

'ANNEXURE C'

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: There are no contracts arrangements/transactions which are not on arm's length.
2. Details of material contracts or arrangement or transactions at arm's length basis.

[Amount in ₹]

a)	Nature of Related Party	Lyka Exports Limited	Lyka BDR International Limited	Lyka Healthcare Limited	Sharex Dynamic (India) Private Limited
b)	Nature of transactions				
	Sale of Goods	-	18,81,14,181	3,37,13,714	-
	Rent Income	50,000	28,75,000	6,50,000	-
	Availing of services	-	-	-	2,13,938
c)	Duration of the contracts/ arrangements/transactions	Continuous Basis	Continuous Basis	Continuous Basis	Continuous Basis
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A	N.A	N.A	N.A
e)	Date(s) of approval by the Board, if any	N.A	N.A	N.A	N.A
f)	Amount paid as advances, if any	N.A	N.A	N.A	N.A

All the related party transactions are on arm's length basis or in ordinary course of business.

By the order of the Board
N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

Place: Mumbai
Date: 13th August, 2018

'ANNEXURE D'

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS :

CIN	L24230GJ1976PLC008738
Registration Date	29/12/1976
Name of Company	LYKA LABS LIMITED
Category/ Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	4801/B & 4802/A GIDC Industrial Estate, Ankleshwar- 393 002, Gujarat. Contact No: 02646 214422
Whether Listed company	Yes Listed on BSE and NSE
Name, Address and Contact details of Registrar and Transfer agent, if any	Sharex Dynamic (India) Private Limited Unit-1, Luthra Industrial Premises, Safed pool, Andheri Kurla Road, Andheri(E), Mumbai-400 072. Contact No. 28515606

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sr. No.	Name and Description of main products /services	NIC Code of the product / service	% of total turnover of the company
1.	Formulation	21001	86%

III. PRINCIPAL OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Lyka BDR International Limited	U24234MH1993PLC072947	Subsidiary	65.22%	2(87)
2.	Lyka Healthcare Limited	U85190MH2013PLC244062	Subsidiary	100%	2(87)
3.	Lyka Exports Limited	U51100GJ1992PLC023975	Subsidiary	72.80%	2(87)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4854850	-	4854850	22.027	4819850	-	4819850	17.128	-4.899
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) B odies Corp.	432415	-	432415	1.962	432415	-	432415	1.537	-0.425
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):	**5287265**	**-**	**5287265**	**23.989**	**5252265**	**-**	**5252265**	**18.665**	**-5.324**
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other…	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**5287265**	**-**	**5287265**	**23.989**	**5252265**	**-**	**5252265**	**18.665**	**-5.324**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	3400	3400	0.015	51505	3400	54905	0.195	0.180
b) Banks /FI	85595	650	86245	0.391	71179	650	71829	0.255	-0.136
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	220626	-	220626	1.001	-	-	-	-	-1.001

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	1000	1000	0.005	157000	1000	158000	0.561	0.556
g) FIIs	62810	500	63310	0.287	1004659	500	1005159	3.572	3.285
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):	**369031**	**5550**	**374581**	**1.699**	**1284343**	**5550**	**1289893**	**4.583**	**2.884**
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	1388495	862	1389357	6.304	2088682	862	2089544	7.426	1.122
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	6828706	261763	7090469	32.171	7491424	252281	7743705	27.518	-4.653
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	4095539	-	4095539	18.582	10087546	-	10087546	35.848	17.266
c) Others (specify)	3797832	4957	3802789	17.254	1672090	4957	1677047	5.959	(11.30)
Sub-total (B) (2):	**16110572**	**267582**	**16378154**	**74.311**	**21339742**	**258100**	**21597842**	**76.751**	**2.44**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**16479603**	**273132**	**16752735**	**76.010**	**22624085**	**263650**	**22887735**	**81.334**	**5.324**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A) +(B) +(C)	**21766868**	**273132**	**22040000**	**100.00**	**27876350**	**263650**	**28140000**	**100.00**	**-**

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

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Narendra Ishwarlal Gandhi Huf	1500776	6.809	2.064	1400776	4.978	0	-1.831
2.	Nehal Narendra Gandhi	1169803	5.308	5.265	1144803	4.068	4.067	-1.24
3.	Narendra Ishwarlal Gandhi	1067629	4.844	4.844	1167629	4.149	4.149	-0.695
4.	Kunal Narendra Gandhi	1116642	5.066	4.809	1106642	3.933	3.731	-1.133
5.	Enai Trading And Investment Pvt.ltd.	432415	1.962	0.907	432415	1.537	0	-0.425
	Total	**5287265**	**23.989**	**17.889**	**5252265**	**18.665**	**11.947**	**-5.324**

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

Sr. No.	For Each of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Shareholding at the beginning of the year	5287265	23.989	5287265	23.989
	Change during the year	10000	0.04	10000	0.04
	Shareholding at the end of the year	5252265	18.665	5252265	18.665

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	MAYANK J SHAH	2000000		31-03-2018				
	-Closing Balance			31-03-2018		No Change	2000000	7.107
2	SHRUTI MAYANK SHAH	15846	0.072	02-06-2017				
	-Closing Balance			31-03-2018	1500000	Buy	1515846	5.387
3	COBRA INDIA (MAURITIUS) LIMITED	1045106	4.742	31-03-2017				
				12-01-2018	-40447	Sold	1004659	4.558
	-Closing Balance			31-03-2018			1004659	3.57
4	AMEE PARIKH	975356	4.425	31-03-2017				
	-Closing Balance			31-03-2018		No Change	975356	3.466
5	DALAL & BROACHA STOCK BROKING PVT. LTD.	782000	3.548	31-03-2017				
				07-04-2017	25	Buy	782025	3.548
				21-04-2017	-25	Sold	782000	3.548
				28-04-2017	2500	Buy	784500	3.559
				05-05-2017	-2500	Sold	782000	3.548
				14-07-2017	11850	Buy	793850	3.602
				21-07-2017	-5316	Sold	788534	3.578
				17-11-2017	3000	Buy	791534	3.591
				01-12-2017	-3000	Sold	788534	3.578
				05-01-2018	500	Buy	789034	3.58
				12-01-2018	-500	Sold	788534	3.578
				02-02-2018	30	Buy	788564	3.578
				09-02-2018	-30	Sold	788534	3.578
				02-03-2018	2200	Buy	790734	3.588
				09-03-2018	-2200	Sold	788534	3.578
				23-03-2018	600	Buy	789134	3.58
	-Closing Balance			31-03-2018	-600	Sold	788534	2.802

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
6	SHREYANS J SHAH -Closing Balance	500000	1.777	31-03-2018 31-03-2018		No Change	500000	1.777
7	M J SHAH -Closing Balance	300000	1.066	31-03-2018 31-03-2018		No Change	300000	1.066
8	VIPUL PRIYAKANT DALAL. -Closing Balance	240121	1.089	31-03-2017 31-03-2018		No Change	240121	0.853
9	RANJEET SINGH SIBIA -Closing Balance	210000	0.953	31-03-2017 31-03-2018		No Change	210000	0.746
10	RAJESH DEVCHAND PASAD -Closing Balance	150924	0.685	31-03-2017 12-01-2018 31-03-2018	-15000	Sold	135924 135924	0.617 0.483
11	RAKESH ARORA -Closing Balance	117000	0.531	31-03-2017 31-03-2018		No Change	117000	0.416
12	RAJALAKSHMI R -Closing Balance	180343	0.818	31-03-2017 05-01-2018 12-01-2018 31-03-2018	-40000 -44000	Sold Sold	140343 96343 96343	0.637 0.437 0.342
13	JAMNOTRI IMPEX PVT.LTD. -Closing Balance	292092	1.325	31-03-2017 28-07-2017 20-10-2017 27-10-2017 31-03-2018	-93141 -108482 -38469	Sold Sold Sold	198951 90469 52000 52000	0.903 0.41 0.236 0.185
14	ABHISHEK SINGHAL -Closing Balance	210000	0.953	31-03-2017 21-04-2017 04-08-2017 11-08-2017 18-08-2017 12-01-2018	-90000 -73358 3358 10000 -60000	Sold Sold Buy Buy Sold	120000 46642 50000 60000 0	0.544 0.212 0.227 0.272 0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Name of the Directors			
		Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. N. I. Gandhi				
	At the beginning of the year	1067629	4.84%	1067629	4.84%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	100000 Purchase	0.45%	100000 Purchase	0.45%
	At the end of the year	1167629	4.15	1167629	4.15
2.	Mrs Nehal N Gandhi				
	At the beginning of the year	1169803	5.30%	1369803	5.30%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	25000 Invocation of pledged shares	0.11%	25000 Invocation of pledged shares	0.11%
	At the end of the year	1144803	4.07%	1144803	4.07%
3.	Mr. Vinod Shanbhag				
	At the beginning of the year	62279	0.28%	62279	0.28%
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	NA	NA	NA	NA
4.	Mr. Yatin Shah				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-

5.	Mr. Atit Shukla				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Ajit Bagadia				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year				
7.	Mr. Piyush Hindia (KMP)-Joint Holder				
	At the beginning of the year	26	0.00	26	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	19	0.00	19	0.00
8.	Mr. Yogesh Shah (KMP)				
	At the beginning of the year	50	0.00	50	0.00
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	50	0.00	50	0.00

V. INDEBTEDNESS

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

	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	998,374,996	115,661,214	6,737,000	1,120,773,210
ii) Interest due but not paid	26,295,243	1,176,328	4,113,701	31,585,272
iii) Interest accrued but not due	-		-	-
Total (i + ii + iii)	**1,024,670,239**	**116,837,542**	**10,850,701**	**1,152,358,482**
Change in indebtedness during the financial year				
• Addition	(115,774,010)	-	-	-
• Reduction	-	(11,311,805)	(4,886,439)	(131,972,254)
Net Change	**(116,300,490)**	**(11,311,805)**	**(4,886,439)**	**(131,972,254)**
Indebtedness at the end of financial year				
i) Principal amount	899,828,951	101,561,656	4,952,000	1,006,342,606
ii) Interest due but not paid	9067279	3,964,081	1,012,262	14,043,622
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**908896230**	**105,525,737**	**5,964,262**	**1,020,386,228**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Narendra Ishwarlal Gandhi Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,20,000
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	13,22,771
	(c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, please specify…	-
	Total	**44,42,771**

B. Remuneration to other directors :

1.	Non executive Director	
Sr. No.	**Particulars of Remuneration**	**Mrs. Nehal Gandhi**
a	Fees for attending Board/Committee meetings	₹ 60000
b	Commission	-
c	Others, please specify	-
	Total (1)	₹ 60000

2.	Independent Director					
Sr. No.	**Particulars of Remuneration**	**Name of Director**				**Total Amount**
		Mr. Vinod Shanbhag	**Mr. Yatin Shah**	**Mr. Ajit Bagadia**	**Mr. Atit Shukla**	
a	Fees for attending Board/ Committee meetings	₹ 2,70,000	₹ 3,90,000	₹ 3,30,000	₹ 3,90,000	₹ 13,80,000
b	Commission	-	-	-	-	-
c	Others, please specify	-	-	-	-	-
	Total (2)	₹ 2,70,000	₹ 3,90,000	₹ 3,30,000	₹ 3,90,000	₹ 13,80,000
	TOTAL B =(1+2)	-	-	-	-	₹ 14,40,000

*Vinod Shanbhag, Director has resigned on 7th December, 2017

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

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			**Total Amount**
		Mr. Kunal Gandhi, Chief Executive Officer	**Mr. Yogesh Shah, Chief Finance Officer**	**Mr. Piyush Hindia, Company Secretary**	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	₹ 3382500	₹ 480000	₹ 866520	₹ 47,29,020
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	₹ 985837	₹ 637800	₹ 592717	₹ 22,16,354
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-			
	- as % of profit	-	-	-	-
	- others, please specify…	-	-	-	-
	Total	**₹ 4368337**	**₹ 1117800**	**₹ 1459237**	**₹ 69,45,374**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

By the order of the Board
N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

Place: Mumbai
Date: 13th August, 2018

ANNEXURE E'
Statement of Subsidiaries Financial
In format of AOC 1

Sr No	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3
1.	Name of Subsidiaries	Lyka BDR International Ltd	Lyka Exports Ltd.	Lyka Healthcare Ltd.
2.	Date of Acquisition	04.05.2009	30.05.2014	05.06.2013
3.	Reporting period for the Subsidiary concerned	April, 17 to Mar, 18	April, 17 to Mar, 18	April, 17 to Mar, 18
4.	Reporting currency and Exchange rate as on the last date of relevant Financial year	Indian Rupees	Indian Rupees	Indian Rupees
5.	Share Capital	22,50,00,000	7,39,54,240	7,55,00,000
6.	Reserve & Surplus	(17,85,90,241)	2,42,80,149	1,89,26,308
7.	Total Asset	31,75,94,760	13,74,63,108	39,85,98,074
8.	Total Liabilities	27,11,85,000	3,92,28,718	30,41,71,766
9.	Investments	-	22,77,884	-
10.	Turnover	21,86,11,779	5,06,23,397	12,47,82,471
11.	Profit/ (Loss) before taxation	(5,28,50,538)	4,94,991	(3,58,70,587)
12.	Provision for Taxation	(27,16,667)	-	(38,55,018)
13.	Profit/ (Loss) after Taxation	(5,01,33,871)	4,94,991	(3,20,15,569)
14.	Proposed Dividend	-	-	-
15.	% of Shareholding	65.22%	72.80%	100%

By the order of the Board
N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

Place: Mumbai
Date: 13th August, 2018

"Annexure F"

DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

Name	% Increase in the remuneration	Ratio of the remuneration of each Directors/to median remuneration of the employees
Shri Narendra Ishwarlal Gandhi	Nil	13.96:1

2) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary of the Company and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:**

Name	% Increase in the remuneration	Ratio of the remuneration of each Directors/to median remuneration of the employees
Shri Narendra Ishwarlal Gandhi	Nil	13.96:1
Mr. Kunal Gandhi	10%	NA
Shri Yogesh Shah	Nil	NA
Shri Piyush Hinida	Nil	NA

3) **The Percentage increase in the median remuneration of employees in the financial year:** 12.75%

4) **The number of permanent employees on the rolls of the Company:** 125

5) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   Average Percentage Increase made in the salaries of Employees other than the managerial personnel in the last financial year i.e 2017-18 was 9.89%. There is no increase in managerial remuneration.

6) **It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company:** Policy is silent on remuneration paid to Directors, Key Managerial Personnel and other Employees.

'ANNEXURE G'

CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Company presents the Report on Corporate Governance for the Financial year ended 31st March, 2018 containing the matters detailed in the said Regulations with respect to Corporate Governance requirements.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

The Company has code of conduct for employees including Directors. These codes are available on the Company's website. The Company's Corporate Governance philosophy has been further strengthened through Lyka Code of Conduct for prevention of Insider Trading and the code of corporate Disclosure policy ("Insider Trading Code").

A report on Corporate Governance is given hereunder:

2. BOARD OF DIRECTORS

a) As on 31st March, 2018, the Company has five Directors consisting of a Managing Director, a Non-Executive Women Director and three Non-Executive & Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act.

The composition of the Board of Directors of the Company as on March 31, 2018 is given below:

Name	Category	Shareholding as on 31st March, 2018
Shri Narendra I Gandhi	Chairman & Managing Director	1167629
Smt Nehal N Gandhi	Non Executive Director	1144803
Shri Yatin N Shah	Non Executive Independent Director	0
Shri Atit N Shukla	Non Executive Independent Director	0
Shri Ajit S. Bagadia	Non Executive Independent Director	0

b) None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

i. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

ii. The attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2018 are given herein below. Other directorships do not include directorships of private Limited companies, foreign companies and companies under Section 8 of the Act Chairmanships/ Memberships of Board Committees shall only include Audit Committee and Stakeholders' Relationship

Committee. During the financial year 2017-18, Eight Board Meetings were held on 1st April, 2017, 29th May, 2017 , 4th July, 2017 , 29th July, 2017 , 16th August, 2017 , 30th August, 2017, 24th November, 2017 and 12th February, 2018. Details of Board Meetings are given in the appended table:

Name	No. of Board Meetings Attended during the year 2017-2018	Whether attended last AGM held on 29th September, 2017	No. of Directorships in other Companies as on 31st March, 2018	No. of Committee positions in other public companies as on 31st March, 2018	
				Member	Chairman
Shri Narendra I Gandhi *	6	No	4	2	1
Smt Nehal N Gandhi*	2	No	1	Nil	Nil
Shri Yatin N Shah	8	Yes	Nil	Nil	Nil
Shri Atit N Shukla	8	No	Nil	Nil	Nil
Shri Ajit S. Bagadia	7	Yes	Nil	Nil	Nil
Shri Vinod Shanbhag **	6	Yes	NA	NA	NA

*None of Directors are related except Shri. Narendra I Gandhi and Smt. Nehal N Gandhi.

**Shri Vinod Shanbhag has resigned from directorship on 7th December, 2017.

h. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

i. The Board periodically reviews the compliance of applicable laws.

j. Familiarisation Policy for Independent Directors has been given on the Company's Website

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee is as set out in Regulations 18 of the Listing Regulations, 2015 with the Stock Exchanges and Section 177 of the Companies Act, 2013, Which inter alia includes:

(i) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

(ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(iii) Examination of the financial statement and the auditors' report thereon;

(iv) approval or any subsequent modification of transactions of the company with related parties;

(v) Scrutiny of inter-corporate loans and investments;

(vi) Valuation of undertakings or assets of the company, wherever it is necessary;

(vii) Evaluation of internal financial controls and risk management systems;

(viii) Monitoring the end use of funds raised through public offers and related matters.

(ix) Review of status of outstanding statutory dues and employee's dues and to recommend payment thereof.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the financial reporting process.

As on 31st March, 2018, the Audit Committee comprise of four Directors, out of which three are Independent Directors.

In the financial year 2017-18, five meeting were held on 29th May, 2017; 4th July, 2017; 30th August, 2017; 24th November, 2017; and 12th February, 2018.

The Details of Composition of Audit Committee and the number of Meetings held and attended by the Members during the financial year 2017- 2018 are given in below mentioned table:

Name	Category	Number of meeting during the financial year	
		Held	Attended
Shri.Ajit S. Bagadia (Chairman)	Non-executive Independent director	5	4
*Shri. Vinod S. Shanbhag (Member)	Non-executive Independent director	5	3
Shri. Yatin N. Shah (Member)	Non-executive Independent director	5	5
Shri. Atit N. Shukla (Member)	Non-executive Independent director	5	5
Shri. Narendra. I. Gandhi (Member)	Chairman and Managing Director	5	3

*Shri Vinod Shanbhag has resigned from directorship on 7th December, 2017.

PERFORMANCE EVALUATION

The Board had evaluated performance of Directors after seeking inputs from all the directors on the basis of factors which include participation and contribution by a director, commitment, active participation and geniune efforts towards safeguarding the interest of the Stakeholders, integrity and maintenance of confidentiality.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, one meeting of Independent Director was held on 12th February, 2018 and Independent Director have reviewed all the matters as per Schedule IV of the Companies Act, 2013.

4. NOMINATION AND REMUNERATION COMMITTEE

The function of this committee is to ensure remuneration to Directors, Key Managerial Personnel and Senior Management by maintaining the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the Company's goal.

Pursuant to the regulation 19(4) read with part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the role of the Nomination & Remuneration Committee shall include the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

(2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(3) Devising a policy on diversity of Board of Directors;

The Details of Composition of Nomination & Remuneration Committee and the number of Meetings held and attended by the Members during the financial year 2017- 2018 are given in below mentioned table.

Composition of Nomination and Remuneration Committee:

Name	Category
Shri. Yatin N. Shah (Chairman)	Non-executive Independent director
*Shri. Vinod S. Shanbhag (Member)	Non-executive Independent director
Shri. Atit N. Shukla (Member)	Non-executive Independent director
Shri.Ajit S. Bagadia(Member)	Non-executive Independent director
Shri. Narendra. I. Gandhi (Member)	Chairman and Managing Director

*Shri Vinod Shanbhag has resigned from directorship on 7th December, 2017.

During the year under review, no meeting of Nomination and remuneration Committee were held.

REMUNERATION OF DIRECTORS:

Nomination and Remuneration Committee has formulated the policy for Remuneration of Directors, Key Managerial Personnel (KMP) and other senior Employees and Payment to Managing Director shall be governed by Schedule V of the Companies Act, 2013.

As per policy, remuneration to Non-Executive and Independent Directors shall include sitting fees for attending Meetings of Board and Audit Committee as decided by the Board within the limit prescribed under Companies Act, 2013.

Details of remuneration paid to Executive Director and Non-Executive Directors during the year ended 31st March, 2018 is given as under

Name of Director	Sitting fees (Rs.)	Salary (Rs.)	Total (Rs.)
Shri Narendra I. Gandhi	-	44,42,771	44,42,771
Smt Nehal N Gandhi	60,000		60,000
*Shri Vinod S. Shanbhag	2,70,000		2,70,000
Shri Yatin N. Shah	3,90,000		3,90,000
Shri Atit N. Shukla	3,90,000		3,90,000
Shri Ajit S. Bagadia	3,30,000		3,30,000

*Shri Vinod Shanbhag has resigned from directorship on 7th December, 2017.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee are in line with the provisions of Regulation 20 of Listing Regulations, 2015 and section 178 of the Companies Act, 2013.

The broad terms of reference of the Stakeholders' Relationship Committee are as under:

a. Review status of the grievances of security holders of the Company including redressal of investor complaints such as transfer, non-receipt of Annual Reports, etc.

b. Consider and approve issue of share certificates (including issue of duplicate share certificates), transfer and transmission of securities, etc.

The Composition of Stakeholder Relationship Committee:

Name	Chairman/Members
*Shri Vinod S. Shanbhag	Chairman
Shri Narendra. I. Gandhi	Member
Shri Yatin N. Shah	Member
Shri Atit N. Shukla	Member
Shri Ajit S. Bagadia	Member

*Shri Vinod Shanbhag has resigned from directorship on 7th December, 2017.

Shri. D. J. Darji, Company Secretary is Compliance Officer of the Committee.

During the year under review, no complaints were received.

7. **GENERAL BODY MEETINGS:**

a. Special Resoultion Passed and Particulars of The last 3 (Three) Annual General Meetings held so far:

Financial Year	Date	Time	Items of Special Resolution at each Meeting	Venue
2014-15	30th December, 2015	12.45 p.m.	1. Approval of pay ment of remunderation to CEO 2. Related Party Transaction.	4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar - 393 002, Gujarat.
2015-16	28th September, 2016	12.30 p.m.	1. Issue & allotment of further securities 2. Approval of Related Party Transactions	
2016-17	29th September, 2017	12.45 p.m.	1. Preferenial issue of warrants to promoter; 2. Ratification of Non Disclosure of ultimate beneficiaries; 3. Authority for Sale of Office Premises at Andheri. 4. Approval of Related Party Transactions.	

b. Details of special resolution proposed to be conducted through postal ballot:

No special resolution was proposed to be conducted through postal ballot during the year ended 31st March, 2018.

8. **MEANS OF COMMUNICATION:**

a. The Unaudited quarterly/half yearly results are announced within 45 (forty-five) days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

b. The financial results are published in a National English and Gujarat Daily Newspaper.

c. The Company's financial results are also uploaded on the Company's website i.e. www.lykalabs. com.

Green Initiative:

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the Company will send Annual Report for the Financial Year 2017 - 18 in electronic mode to those members whose email id are registered with the Registrar and Transfer Agents. Physical copies will be sent to those Members whose email ids are not registered.

9. **GENERAL SHAREHOLDER INFORMATION:**

a. The Thirty Ninth Annual General Meeting (AGM) of the Company for the financial year 2017-2018 is scheduled on Saturday, 29th September, 2018 at 12.30 pm at its Registered Office at 4801/B & 4802/A, G.I.D.C industrial Estate, Ankleshwar-393 002, Gujarat.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Obligation and Disclosure Requirement Regulations, 2015, the Company has also extended e-voting facility to its Members to enable them to cast their votes electronically on the proposed resolutions in the Notice of the Thirty Ninth AGM, instead of Voting in the Annual General Meeting. The Instructions for e-voting are mentioned under "Notes" to the Notice of 39th AGM.

Those Shareholders/ Members, who cannot attend the AGM in person, can appoint a proxy to represent

them in the AGM, for which the Shareholder/ Member needs to fill in a proxy form and send it to the Company at its Registered Office address on or before 12.30 PM on 27th September, 2018.

Date of Book Closure:

The dates of Book Closure shall be from 22nd September, 2018 to 29th September, 2018 (both days inclusive).

b. Financial Calendar (Tentative):

Results for Quarter ending 30th June, 2018- by 14th August, 2018

Results for Quarter ending September, 2018- by 14th November, 2018

Results for Quarter ending December, 2018- by 14th February, 2019.

Audited Results for Quarter and financial year ending March, 2019 – by 30th May, 2019.

c. Dividend Payment Date: No dividend is recommended.

d. Listing on Stock Exchange:

The Company's equity shares are listed on the Bombay Stock Exchange Limited. (BSE) and National Stock Exchange of India Limited (NSE). The following are the details of the Company's shares:

Type of Shares	Equity Shares
International Securities Identification Number (ISIN)	INE 933A01014
BSE- Stock Code	500259
NSE- Stock Code	Lykalabs
BSE Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001; www.bseindia.com.
NSE Address	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051; www.nseindia.com.
Annual Listing Fees	Annual Listing fees for financial year 2017-18 is paid by the Company.

e. Corporate Identity Number (CIN)

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

f. Market Price Data: High, Low during each month of the Financial Year 2017-18.

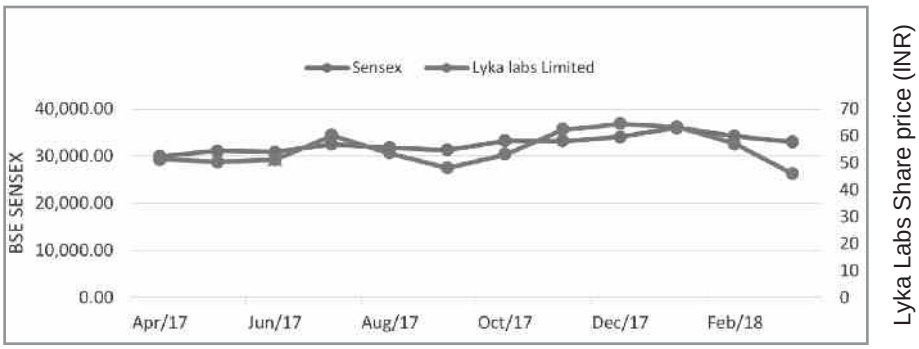
The Company's monthly high and low quotations at the NSE and BSE are given hereunder.

The equity shares of the Company are listed on the Stock Exchanges for Financial Year 2017-18. The Share price data for each month during the financial year 2017-18 on the Bombay Stock Exchange and National Stock Exchange of India Limited are as mentioned below:

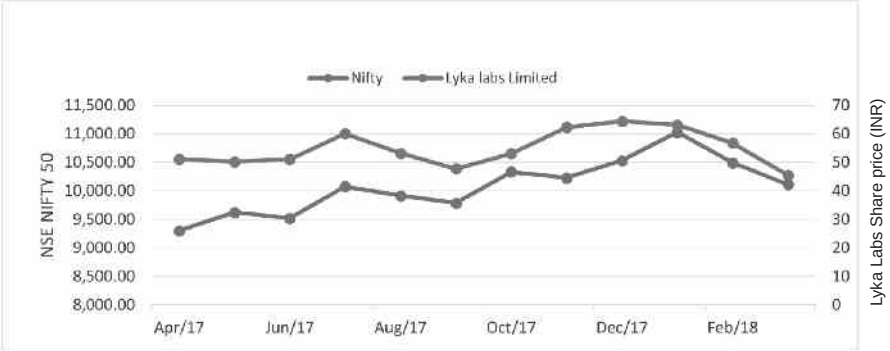
Stock Exchange	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
Month	High Price	Law Price	High Price	Law Price
Apr-17	58	50.2	57.8	50.60
May-17	54	45	53.05	45.75
Jun-17	53	38.65	52.9	40.00
Jul-17	62.8	46	62.8	46.00
Aug-17	64.9	48.1	65.1	45.65

Sep-17	54.9	45.45	55.05	45.75
Oct-17	56.5	47.1	56.6	47.55
Nov-17	71.4	52.75	71.45	52.30
Dec-17	68.25	56.1	69.4	55.85
Jan-18	81.9	62	81.5	62.05
Feb-18	63.9	54.15	64	54.00
Mar-18	57.7	44	57.7	43.85

a) Company's Share price performance Versus BSE Sensex



b) Company's Share price performance Versus CNX Nifty



g. Registrar and Transfer System Agent

Name	Sharex Dynamic (India) Pvt. Ltd
Address	Unit-1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri(E), Mumbai- 400072
Contact no	28515606, 28515644
Fax No	28512885
Email Id	sharexindia@vsnl.com
Website	www.sharexindia.com

h. Share Transfer System

Shares are sent for transfer in physical form to Registrar & Share Transfer Agent and valid transfers are processed within 15 days from the receipt of proper documents subsequent to approval by the Share Transfer Committee. Share Transfers which are under objection are returned within 7 days. The Share Transfer Committee meets on a need basis to approve share transfers/ transmissions.

h. Distribution of Shareholding

No. Equity Shares held	Shareholders		Shareholding	
	Numbers	Percentage	Numbers	Percentage
001 to 500	17518	84.26	25657040	9.12
501 to 1000	1652	7.95	14062040	5.00
1001 to 2000	728	3.50	11487980	4.08
2001 to 3000	244	1.17	6412610	2.78
3001 to 4000	124	0.60	4506280	1.60
4001 to 5000	133	0.64	6391440	2.27
5001 and 10000	204	0.98	15307690	5.44
10000 and above	188	0.90	197574920	70.21
Total	**20791**	**100**	**281400000**	**100**

j. Dematerialization of Shares and liquidity

As of 31st March, 2018, 99.06% of the Company's shares representing 27876350 shares were held in dematerialized form and the balance 0.94% representing 263605 shares were held in physical form.

k. Plant Location:

The Company's plant is located at Ankleshwar, District Bharuch, Gujarat.

l. Address for correspondence:

Registered Office: 4801/B & 4801/A, G.I.D.C., Industrial Estate, Ankleshwar- 393 002,

Contact no. 02646 21422/220549 Fax: 02646-250692

Email: enquiry@lykalabs.com

Admin Office: Ground floor, Spencer Building, 30, Forjett Street, Grant Road (West), Mumbai-400036. Contact No: 022-66112200

Fax: 022-6611 2249

Email: companysecretary@lykalabs.com.

10. OTHER DISCLOSURE

a. Related Party Transactions

There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company at large. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website www.lykalabs.com

b. Details of Non Compliance

The Penalty of Rs. 4,82,040/- & Rs. 8,99,207/- is levied by the Bombay Stock Exchange Limited and National Stock Exchange India Limited respectively for delay in Listing of Application for 6100000 Equity Shares. The Company has since then paid the penalties and got listed 6100000 Equity Shares Allotted on preferential basis on Stock Exchanges i.e. BSE and NSE

c. Whistle Blower Policy

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

e. Material Subsidiary

The Company has formulated a Policy on material subsidiary and the same is displayed on the Company's website www.lykalabs.com.

f. Mandatory requirements:

The Company is complying with the mandatory requirements as required under Listing Regulations with the Stock Exchanges where the company's equity shares are listed.

g. Non- Mandatory requirements:

1. Chairman of the Board: The Chairman of the Board is Executive.
2. Shareholder Rights

   The Company's Quarterly, Half yearly and Annually/Yearly results are published in leading English and Gujarati daily newspapers. The same are also posted on the website of the Company i.e. www.lykalabs.com.
3. Audit Qualification: Audit Qualification and its explanation is mentioned in the Report of the Board of Directors.
4. Separate Posts of Chairman and CEO/Managing Director: The Chairman is also a Managing Director of the Company.
5. Reporting of Internal Auditors: The Internal Auditors report on quarterly basis are reviewed by the Audit Committee.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors including the Managing Director, Non-Executive Director, Independent Directors and Senior Managerial Personnel. The Code of conduct is available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

N. I. Gandhi
Chairmen & Managing Director
(DIN No. : 00021530)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Lyka Labs Limited
CIN- L2430GJ1976PLC008738

I have examined the compliance of conditions of Corporate Governance by Lyka Labs Limited ('the Company'), for the financial year ended 31st March, 2018 as prescribed in Regulations 17-27, Clauses (b) to (i) of sub Regulations (2) of regulation 46 and paras C, D & E of Schedule V to the Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulation, 2015 ('Listing Regulation').

I state that the compliance of the conditions of Corporate Governance is the responsibility of the Management, and my examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provision of Listing Regulations.

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

For Kaushal Doshi & Associates
Company Secretaries

Kaushal Doshi
(Proprietor)
ACS- 32178 / COP- 13143

Place : Mumbai
Date- 13th August, 2018

"ANNEXURE H"
MANAGEMENT DISCUSSION AND ANALYSIS

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume of generic drugs. Indian pharmaceutical market is highly fragmented. India enjoys an important position in the global pharmaceuticals sector and has been witnessing double digit growth over last five years.

Branded generics which constitute over 80% of the market in value terms will continue to play a significant role. However, traditional business models will be challenged in the content of price controls, stricter regulations on marketing practices and emergence of digital alternatives.

In August, 2017, Government of India issued a draft Pharmaceutical Policy 2017, for stakeholder opinion. The draft pharma policy makes an attempt to streamline the system of manufacturing and marketing of medicines to achieve the primary goals of the health policy – universal health coverage and delivery of quality health care services to all at affordable costs. Various companies and industry associations have given their suggestions to the Government of India on implementation of those proposals.

The Industry continues to face challenges on account of price controls, which were expanded significantly with the implementation of The Drug Price Control Order 2013 (DPCO), and their scope as increased further following the updates of the National List of Essential Medicines (NLEM).

The consumption of medicines globally is expected to reach US$ 1.5 trillion, which could be up nearly US$ 300 billion from 2017 spending level and at CAGR in the range of 3 – 6 %. This growth will be primarily given by new medicines in developed market and increased volume in emerging markets.

Worldwide pharmaceutical R&D spend totaled US$ 165 billion in 2017 representing an increase of 3.9% over the previous year. Going forward, R&D spend is forecast to grow at a CAGR of 3.1 % to 2024. This is lower than the CAGR of 3.6% between 2010 and 2017. Similarly, the average annual proportion of forecast R&D spend to pharmaceutical revenue is expected to be 18.9%, lower than the 19.5 % observable between 2016 – 2017. This reduction signals expectations that proportionally either companies will be improving R&D efficiencies or perhaps that less revenue will be directed towards replenishing pipelines.

The Indian pharma industry, is expected to grow over 15 per cent per annum between 2015 and 2020. India's pharmaceutical exports stood at US$ 16.4 billion in 2017-18 and are expected to grow by 30 per cent over the next three years to reach US$ 20 billion by 2020, according to the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL).

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at ₹ 12,600 crore (US$ 1.89 billion).

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new products is likely to be reduced to boost investments and new innovations in the market.

Further, the year 2017-18 witnessed major structural reforms in Tax in India that translated into marginal revenue de-growth in India. The US business impacted on account of market / channel consolidation which has put pricing pressure on one hand while more and more generic players continue to be contributor to the competition and during the year 2017-18, US Business stands at 17% of the Global Revenues.

The implementation of the Goods and Services Tax (GST) is expected to be a game-changer for the Indian Pharmaceuticals industry. It will lead to tax-neutral inter-state transactions between two dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

OPPPORTUNITIES

With upgradation of Company's present manufacturing facility it will help the Company to get its Plant approval from authorities and regulated markets and thus open up opportunity to offer products in such markets.

Company's efforts in development of lyposomal technology is likely to yield benefits in coming years.

THREATS

P2P customers shifting manufacturing of their current out sourced products to its own facility may have adverse impact on our earnings.

RISKS AND CONCERNS

Companies situated in tax free zones enjoy tax benefits which help them to offer lower price as compared to price charged by the Company. As a result, the Company's business of P2P and job work gets affected.

Competition in the international market, encouragement of Domestic manufacturing companies by the respective countries and fluctuation in the exchange rate might affect sales and profitability of Lyka BDR International Limited a subsidiary which in turn might affect the consolidated sales and profitability of the Company.

Strengthening of our currency vis-a-vis US dollar may have adverse impact on our earnings.

CAUTIONARY STATEMENT

Statements in the "Management Discussions and Analysis" describing the Company's objectives, estimates, expectations or projections may be "forward looking statements", within the meaning of applicable laws and regulations and the actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company exports its products, litigation and other such factors, besides the normal business hazards.

By Order of the Board

Place: Mumbai
Date: 13th August, 2018

N. I. Gandhi
Chairman & Managing Director
(DIN: 00021530)

INDEPENDENT AUDITOR'S REPORT

To the Members of LYKA LABS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of LYKA LABS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended (in which are incorporated the accounts of the Company's branch at Ankleshwar audited by another auditor after making such changes as were considered necessary for the purpose of incorporation), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Standalone Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financials in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Standalone Financial Statements.

Basis for Qualified Opinion

1. **Interest on Borrowings:**

   Attention is drawn to Note no. 47 of the Ind AS Standalone Financial Statements regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non- provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

   Further the company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs.

INDEPENDENT AUDITOR'S REPORT (Cont...)

Further there is non-provision of penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

These non-provisions/reversals of provision for interest is not in compliance with Ind AS 109 Financial Instruments.

Accordingly loss for the year is understated by Rs. 1365.95 Lakhs.

2. **Inventories:**

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 174.06 Lakhs as on 31st March 2018, which are valued at cost (Refer Note no. 44 of Ind AS Standalone Financial Statements). This is not in accordance with Ind AS 2 Inventories, which requires such inventories to be valued at lower of cost or net realizable value. Accordingly, we are unable to quantify the impact of increase in the loss for the year ended 31st March, 2018.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the branch auditor provided to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph,* the aforesaid Ind AS Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2018, its loss, its changes in equity and its cash flows for the year then ended.

Emphasis of Matters

1. **Pledged shares of a Director encashed by a Lender**

We draw attention to Note No 41 regarding claims from a Director aggregating to Rs. 128.25 Lakhs being the value of equity shares of the Company pledged as security.

2. **Scheme of Arrangements**

We draw attention to Note No.42 (a) & (b) regarding the status of the schemes of arrangement with Lyka Exports Limited and Lyka Healthcare Limited.

3. **Capital Expenditure:**

We draw attention to Note No.43 (ii) regarding the review of the portfolio of products under development and applied research.

Our opinion is not qualified in respect of all these matters.

Other Matters

We did not audit the Ind AS Standalone Financial Statements of a Branch included in the Ind AS Standalone Financial Statements of the Company, whose financial statements reflect total assets of Rs. 8575.88 Lakhs as at 31st March, 2018 as well as total revenues of Rs. 3669.48 Lakhs for the year ended on that date, as considered in the Ind AS Standalone Financial Statements. These financial statements and other financial information have been audited by another auditor whose report has been furnished to us by the Management, and our opinion on these Ind AS Standalone Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such auditor.

The audit of Financial Statements for the year ended 31st March, 2017, was carried out and reported by predecessor auditor, vide their modified audit report dated 29th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone IndAS Financial Statements.

Our audit report is not qualified in respect of this matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report (Refer Other Matters);

   (d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (e) Subject to our observations in "Basis of Qualified Opinion" para above, in our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act ;

   (f) On the basis of the written representations received from the Directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 36(i) to (vii) of other notes to the Standalone Ind AS Financial Statements.

      (ii) The Company does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      (iv) The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration No: 106201W

Abhay R. Mehta
PARTNER
MEMBERSHIP NO. 046088

Place: Mumbai

Date: 29th May, 2018

INDEPENDENT AUDITOR'S REPORT (Cont...)

Annexure – A to the Auditors' Report

Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification, of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties including leasehold land, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the company.

(ii) As explained to us, inventories, excluding inventories with third parties, were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventories lying with third parties, these have substantially been confirmed by them.

(iii) During the year, the Company has not granted loan to any party covered in the register maintained under section 189 of the Act and hence clause 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and security provided by it.

(v) The Company had received an Order of Company Law Board (CLB) dated 22nd January, 2016, granting extension of time for repayment of Fixed Deposits. During the year, the Company has repaid deposits that were claimed aggregating to Rs. 17.85 Lakhs. As regards the balance of unclaimed Fixed Deposits Rs. 49.52 Lakhs, the same shall be paid as and when claimed. Refer Note No. 37

(vi) We have broadly reviewed the books of accounts and records maintained by the Company relating to the manufacture of Bulk Drugs and Formulations pursuant to the order made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(vii) According to the information and explanations given to us and as per relevant records produced before us in respect of statutory and other dues:

(a) During the year, the Company has not been regular in depositing undisputed statutory dues relating to Provident Fund, Professional Tax, E.S.I.C., Service Tax, Income-tax, Value Added Tax and Sales Tax. The arrears of the said dues as at the last day of the financial year and outstanding for more than six months from the date they become payable are as follows:

Sr. No.	Nature of Dues	Amount (Rs. in Lakhs)
1	Professional Tax	1.81
2	Sales Tax deferral Scheme-SICOM	50.14

(b) Following disputed dues have not been deposited since the matters are pending with the respective forums:

Sr. No.	Nature of dues	Amount (₹ in Lakhs)*	Period to which the amount relates	Name of Forum
1.	Demand under Drugs Price Control Order	1,061.96	Demands raised in 1987, 1990 and 1995	Gujarat High Court
2.	Purchase Tax	16.00	1991-96	Maharashtra Sales Tax Appellate Tribunal
3.	Excise duty	11.22	2006-2007	Commissioner of Central Excise and Service Tax
		60.15	2008-2013	Customs, Excise & Service Tax Appellate Tribunal
		83.75	Since September 1995 to February 2000	Customs, Excise & Service Tax Appellate Tribunal
4.	Bombay Sales Tax	61.86	1998-99	Bombay High Court
5.	Maharashtra Value Added Tax	30.54	2005-06	Sales Tax Appellate Tribunal
		34.14	2007-08	Deputy Commissioner of Sales Tax Appeals
6.	Central Sales Tax	17.95	1998-99	Sales Tax Appellate Tribunal
		46.68	2005-06	
		5.92	2006-07	
		59.45	2007-08	Deputy Commissioner of Sales Tax Appeal
		16.18	2010-11	
		38.12	2011-12	Joint Commissioner of Sales Tax Appeal
7.	Service Tax	16.29	2011-12	Commissioner of Service Tax Appeal
8.	Gujarat Sales Tax	39.60	2002-03	Commissioner of Sales Tax Appeal
		57.87	2011-12	
		143.02	2012-13	
9.	Income Tax	812.48	A.Y. 2001-02	Commissioner of Income Tax Appeals
		264.18	A.Y. 2002-03	
		44.63		
		717.50	A.Y. 2004-05	
		150.01		
		80.85	A.Y. 2010-11	
		155.40	A.Y. 2011-12	
		61.77	A.Y. 2014-15	

(* net of amounts paid under protest)

INDEPENDENT AUDITOR'S REPORT (Cont...)

(viii) Based on our audit procedures and according to the information and explanations given by the management, in respect of:

a. Loan from Banks: The Company, has defaulted in repayment of dues to Banks, the defaults whereof are stated hereunder:

[₹ in Lakhs]

Period of Default	Principal Amount		Interest		
	Dena Bank	Bank of Maharashtra	Dena Bank	Bank of Maharashtra	Kapol Bank
February,2016	-	-	-	15.18	-
March, 2016	-	-	-	16.30	-
April, 2016	-	-	-	15.51	-
May,2016	-	-	-	16.14	-
June, 2016	-	30,00	-	15.72	-
July, 2016	-	40.00	-	13.09	-
August, 2016	-	-	-	13.09	-
September, 2016	-	30.00	-	13.09	-
October, 2016	-	50.00	-	13.09	-
November, 2016	-	-	-	13.09	-
December, 2016	-	480.00	-	13.09	-
January, 2017	-	50.00	49.77	12.66	-
February, 2017	1,000,00	-	49.77	12.66	-
March, 2017	255.47	30.00	49.77	12.66	-
April, 2017		50.00	64.45	12.80	-
May, 2017		-	66.59	12.80	-
June, 2017	255.47	30.00	64.45	12.80	-
July, 2017		-	66.59	12.80	-
August, 2017		-	66.59	12.80	-
September, 2017	255.47	30.00	64.45	12.80	-
October, 2017		-	50.02	12.94	-
November, 2017		-	48.41	12.52	-
December, 2017	355.47	30.00	50.02	12.94	-
January, 2018		-	50.02	12.94	-
February, 2018		-	50.02	12.94	-
March, 2018	255.47	30.00	50.02	12.94	5.26
Total	**2,377.35**	**880.00**	**840.94**	**891.47**	**5.26**

b. Debentures : The Company has received Order of National Company Law Tribunal (Ahmedabad Bench) dated 22nd May, 2017, granting extension of time for repayment of Debentures Refer Note No. 38.

(ix) Based on our audit procedures and according to the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer during the year. The Company has availed the term loans from Banks in earlier years which were applied for the purpose for which those were raised.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has paid/provided managerial remuneration which is in accordance with the provisions of section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards (Refer Note No. 50)

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made a preferential allotment of equity shares during the year which is in accordance with the provisions of section 42 and the amount raised is used for the purpose as stated in the objects of the issue.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with them and hence clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration No: 106201W

Abhay R. Mehta
PARTNER
MEMBERSHIP NO. 046088

Place: Mumbai

Date: 29th May, 2018

INDEPENDENT AUDITOR'S REPORT (Cont...)

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of LYKA LABS LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on consideration of report of another auditor, as referred to in the Other Matters paragraph, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is so far as it relates to financial statements of a branch of the Company is based on the corresponding reports of the auditor of such branch.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration No: 106201W

Abhay R. Mehta
PARTNER
MEMBERSHIP NO. 046088

Place: Mumbai

Date: 29th May, 2018

Lyka Labs Limited

Balance Sheet as at 31st March, 2018

[₹ in Lakhs]

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	**7,678.19**	8,166.08	8,451.02
(b) Capital Work- In- Progress	3	**1,666.25**	1,669.63	1,624.61
(c) Intangible assets	4	**438.10**	460.50	428.18
(d) Intangible assets under development	4	**976.53**	753.64	569.23
(e) Financial Assets				
(i) Investments	5	**6,245.30**	6,245.30	6,254.79
(ii) Other Financial Assets	6	**1,510.38**	1,437.12	1,389.26
(f) Other Non Current Assets	7	**193.19**	327.04	440.03
(g) Non Current Tax Assets	8	**380.92**	336.65	216.64
(h) Deferred tax assets(net)	9	**140.84**	102.58	65.54
Total Non-Crrent Assets		**8,470.63**	8,448.69	8,366.26
Current Assets				
(a) Inventories	10	**729.90**	925.16	696.42
(b) Financial Assets				
(i) Investments	5	**0.06**	-	-
(ii) Trade Receivables	11	**3,014.19**	2,422.06	1,943.43
(iii) Cash and Cash Equivalents	12	**52.71**	145.74	173.41
(iv) Loans	13	**654.40**	652.88	654.98
(v) Other Financial Assets	14	**205.10**	205.78	299.24
(c) Other Current Assets	15	**645.73**	427.73	374.68
Total Current Assets		**5,302.09**	4,779.35	4,142.16
Total Assets		**24,531.79**	24,277.90	23,581.46
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	**2,814.00**	2,204.00	2,204.00
(b) Other Equity	17	**6,864.14**	5,157.17	5,181.35
		9,678.14	7,361.17	7,385.35
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	**471.35**	3,548.15	2,581.46
(ii) Other Financial Liabilities	19	**31.88**	12.22	10.82
(b) Provisions	20	**254.16**	219.52	207.11
		757.39	3,779.89	2,799.39
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	**3,558.64**	3,766.63	4,616.59
(ii) Trade Payable	22	**2,183.97**	2,810.93	2,366.85
(iii) Other Financial Liabilities	23	**8,023.06**	5,935.91	5,120.28
(b) Other Current Liabilities	24	**168.18**	510.63	1,202.78
(c) Provisions	25	**162.41**	112.74	90.22
		14,096.26	13,136.84	13,396.72
Total Equity and Liabilities		**24,531.79**	24,277.90	23,581.46

See accompanying notes to the financial statements

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Place : Mumbai
Date : 29th May, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

[₹ in Lakhs]

Particulars	Notes No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME			
Revenue from Operations	26	**3,995.08**	7,363.98
Other Operating Income	27	**254.01**	1,099.98
		4,249.09	8,463.97
Other Income	28	**189.21**	170.60
Total Income		**4,438.30**	8,634.57
EXPENSES			
Cost of Materials Consumed	29	**1,848.03**	3,536.67
Purchases of Stock-in-Trade		**134.25**	273.06
Changes in Inventories			
of Finished Goods, Work in Progress and Stock in Trade	30	**171.25**	(178.71)
Excise Duty		**81.00**	663.25
Employee Benefits Expense	31	**1,089.96**	999.30
Finance Costs	32	**775.94**	1,654.06
Depreciation and Amortization Expense	3 & 4	**630.89**	552.55
Other Expenses	33	**976.30**	993.75
Total Expenses		**5,707.62**	8,493.93
(Loss)/Profit before Exceptional items		**(1,269.32)**	140.64
Exceptional items	34	**147.12**	(196.32)
(Loss) before tax		**(1,122.20)**	(55.68)
Tax Expense:			
Deferred Tax		**38.26**	37.05
(Loss) for the year		**(1,083.94)**	(18.63)
Other Comprehensive Loss:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans (net of tax)		**(29.71)**	(5.55)
Total Other Comprehensive Loss for the year		**(1,113.65)**	(24.18)
Earnings per share (of Rs. 10 /- each):			
Basic / Diluted		**(4.24)**	(0.13)
See accompanying notes to the financial statements			

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2018

A.Equity Share Capital (Refer note 16)

[₹ in Lakhs]

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Balance at the beginning of the reporting year/period	**22040000**	**2,204.00**	**22040000**	**2,204.00**	**21580000**	**2,158.00**
Changes in equity share capital during the year	**6100000**	**610.00**	**-**	**-**	**460000**	**46.00**
Balance at the end of reporting year/period	**28140000**	**2,814.00**	**22040000**	**2,204.00**	**22040000**	**2,204.00**

B.Other Equity (Refer note 17)

[₹ in Lakhs]

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Money received against share warrants (Refer note no.16.2)	Total
	Retained Earnings	Securities Premium Account	Capital Reserve	General Reserve	Remeasurement of the defined benefit plan		
Balance as at 1st April, 2016	**(2,573.38)**	**6,751.47**	**50.68**	**952.57**	**-**	**-**	**5,181.34**
Profit/(Loss) for the year	(18.63)	-	-	-	-	-	**(18.63)**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	(5.55)	-	**(5.55)**
Balance as at 31st March, 2017	**(2,592.01)**	**6,751.47**	**50.68**	**952.57**	**(5.55)**	**-**	**5,157.16**
Profit/(Loss) for the year	(1,083.94)	-	-	-	-	-	**(1,083.94)**
Add/(Less) : On allotment of Equity Shares	-	2,745.00	-	-	-	75.63	**2,820.63**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	(29.71)	-	(29.71)
Balance as at 31st March, 2018	**(3,675.95)**	**9,496.47**	**50.68**	**952.57**	**(35.26)**	**75.63**	**6,864.14**

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Cash Flow Statement for the year ended 31st March, 2018

[₹ in Lakhs]

Particulars	Current Year ended 31st March, 2018	Previous Year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Loss for the year before tax	**(1,122.20)**	**(55.68)**
Adjusted for		
Depreciation	**630.89**	**552.55**
Interest Income	**(7.06)**	**(8.17)**
Loss on sale of Investment	**-**	**1.61**
Loss on sale of fixed assets	**1.51**	**11.20**
Finance Cost	**775.94**	**1,654.06**
Provision for Doubtful Trade Receivables/Advances/Deposits	**56.78**	**18.61**
Provision/ Credit Balance no longer required Written Back	**(54.22)**	**(150.75)**
Exchange rate fluctuation	**-**	**(5.50)**
Non Payable interest written back	**(344.35)**	**-**
Fair Value Gained on Investment valued as FVTPL	**-**	**(1.77)**
VAT paid under Amnesty Scheme	**81.61**	**128.63**
Irrecoverable Advances written off	**39.84**	**15.22**
Operating profit before working capital change	**58.74**	**2,160.01**
Changes in Working Capital :		
(Increase) / Decrease in Trade and other receivables	**(592.13)**	**(478.63)**
(Increase) / Decrease in Other Current Assets	**(218.02)**	**(53.04)**
(Increase) / Decrease in Other Current Financial Assets	**(0.89)**	**95.56**
(Increase) / Decrease in Other Non-Current Financial Assets	**(73.26)**	**(38.37)**
(Increase) / Decrease in Other Non-Current Assets	**172.10**	**75.94**
(Increase) / Decrease in Inventories	**195.26**	**(228.74)**
Increase / (Decrease) in Other Non-Current Financial Liabilities	**19.66**	**1.40**
Increase / (Decrease) in Other Current Liabilities	**(342.45)**	**(692.15)**
Increase / (Decrease) in Other Current Financial Liabilities	**2,087.15**	**815.63**
Increase / (Decrease) in Non-Current Provisions	**34.64**	**12.41**
Increase / (Decrease) in Current Provisions	**19.96**	**16.97**
Increase / (Decrease) in Trade Payables	**(626.95)**	**444.08**
Cash generated from operations	**733.81**	**2,131.07**
Exchange rate fluctuation	**-**	**5.50**
Net Income Tax Payment	**(44.27)**	**(120.01)**
Net cashflow from operating activities (A)	**689.54**	**2,016.56**
B. Cashflow from Investing activities		
Purchase of fixed assets	**(346.21)**	**(571.63)**
Proceeds from sale of Investments	**-**	**7.88**
Proceeds from sale of fixed assets	**4.59**	**31.06**
Interest Received	**7.06**	**8.17**
Net cash used in Investing activities (B)	**(334.56)**	**(524.52)**

Lyka Labs Limited

Cash Flow Statement for the year ended 31st March, 2018 (Cont...)

[₹ in Lakhs]

Particulars	Current Year ended 31st March, 2018	Previous Year ended 31st March, 2017
C. Cashflow from Financing activities		
Proceed from / Repayment of Non Current Borrowings Net	**(3,076.80)**	**966.69**
Proceed from / Repayment of Current Borrowings Net	**(207.99)**	**(849.96)**
Proceeds from Issue of Equity Shares	**610.00**	-
Securites Premium Received	**2,745.00**	-
Money Received Against Share warrant	**75.63**	-
Interest Paid	**(593.85)**	**(1,636.44)**
Net cash used in Financing activities (C)	**(448.01)**	**(1,519.71)**
Net decrease in cash and cash equivalents (A+B+C)	**(93.03)**	**(27.67)**
Cash and Cash Equivalents at the beginning of the year		
Cash and Cash Equivalents	**66.44**	**18.59**
Earmarked Balances	**79.30**	**154.82**
	145.74	**173.41**
Cash and Cash Equivalents at the end of the year		
Cash and Cash Equivalents	**7.71**	**66.44**
Earmarked Balances	**45.00**	**79.30**
	52.71	**145.74**

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS , ESTIMATES AND ASSUMPTIONS:

A. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation of Ind-AS Financial Statements

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

For all periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31 March 2018 are the first time Company has prepared in accordance with Ind-AS. Refer to note 56 for information on how the Company adopted IndAS, including the details of the first time adoption exemptions availed by the company.

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

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

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

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

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

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

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

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

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

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

2.3 PROPERTY, PLANT AND EQUIPMENT:

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

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

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

2.4 DEPRECIATION:

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

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

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

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

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

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

2.5 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

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

2.6 INTANGIBLE ASSETS AND AMORTISATION THEREOF:

2.6.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

b) Its intention to complete the asset.

c) Its ability to use or sell the asset.

d) How the asset will generate future economic benefits.

e) The availability of adequate resources to complete the development and to use or sell the asset.

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

2.6.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognised if

(a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) The cost of the asset can be measured reliably.

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

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

2.6.3. AMORTISATION OF INTANGIBLE ASSETS:

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

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

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

2.7 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS

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

2.8 INVENTORIES

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

- Stores and Spares (excluding capital spares) are charged to consumption as and when purchased.

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

2.9 REVENUE RECOGNITION

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

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

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

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

2.10 FINANCIAL INSTRUMENTS:

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

FINANCIAL ASSETS:

- Initial Recognition and Measurement:

  All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
- Subsequent Measurement:

  For purposes of subsequent measurement, financial assets are classified in three categories:
- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)
- Financial Assets at Amortised Cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to

measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

- Financial Assets at FVTPL:

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

DERECOGNITION:

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

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

   a. The Company has transferred substantially all the risks and rewards of the asset, or

   b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT OF FINANCIAL ASSETS:

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

- Financial assets at amortised cost.
- Trade Receivables

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are

expected to be realised from the asset.

FINANCIAL LIABILITIES:

- Initial Recognition and Measurement:

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

- Subsequent Measurement:

This is dependent upon the classification thereof as under:

- Loans and Borrowings:

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

Derecognition:

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

OFFSETTING OF FINANCIAL INSTRUMENTS:

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

EQUITY INSTRUMENTS:

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

2.11 EMPLOYEE BENEFITS

- Defined Contribution Plan:

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

- Defined Benefit Plan:

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

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

2.12 BORROWING COST

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

2.13 LEASES:

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

As a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

2.14 FOREIGN CURRENCY TRANSACTIONS:

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

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

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

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

2.15 TAXES ON INCOME:

Current Income Taxes:

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

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically

evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

Minimum Alternate Tax (MAT):

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

2.16 PROVISIONS AND CONTINGENT LIABILITIES:

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

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

2.17 EARNINGS PER SHARE:

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

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

2.18 CASH AND CASH EQUIVALENT:

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

2.19 CASH FLOW STATEMENT:

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

2.20 COMMITMENTS:

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

(a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.21 SEGMENT REPORTING:

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

B. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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

2.23 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:

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

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

a) Estimation of current tax expense and deferred tax:

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

b) Recognition of deferred tax assets/ liabilities:

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

c) Estimation of Provisions & Contingent Liabilities:

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

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

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

e) Estimation of Provision for Inventory:

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

f) Estimation of Defined Benefit Obligation:

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

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

h) Estimated fair value of Financial Instruments.

The fair value of financial instruments that are not traded in an active market is determined

using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and there is no impact on the company's financial statements due to the said changes.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The company is in the process of evaluating the impact of above on its Financial Statements.

3. Property Plant and Equipment

Carrying amounts of :

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Land	2,883.37	2,946.20	2,993.40
Buildings	3,039.72	3,260.53	3,360.67
Plant and Machinery	1,522.10	1,678.02	1,804.74
Computers	12.85	13.18	14.28
Vehicles	94.18	116.86	99.56
Furnitures and Fixtures	118.69	148.64	175.89
Office Equipments	7.28	2.66	2.48

(₹ In Lakhs)

Particulars	Land	Buildings	Plant and Machinery	Computers	Vehicles	Furnitures and Fixtures	Office Equipments	Total
Gross Block								
(Cost or Deemed Cost)								
Balance as at 1st April, 2016	2,993.40	3,360.67	1,804.74	14.28	99.56	175.89	2.48	8,451.02
Additions	-	63.94	91.67	4.84	79.15	8.88	0.45	248.93
Disposals	-	-	-	-	(67.30)	(0.55)	-	(67.85)
Balance as at 31st March, 2017	**2,993.40**	**3,424.61**	**1,896.41**	**19.12**	**111.41**	**184.22**	**2.93**	**8,632.10**
Additions	-	0.11	66.08	5.70	-	6.28	5.05	83.22
Disposals	-	-	(6.01)	-	(22.50)	(8.14)	-	(36.65)
Balance as at 31st March, 2018	**2,993.40**	**3,424.73**	**1,956.48**	**24.82**	**88.91**	**182.36**	**7.98**	**8,678.67**
Accumulated Depreciation and Impairment								
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-
Depreciation for the year	47.20	164.08	218.39	5.94	20.14	35.58	0.27	491.60
Disposals	-	-	-	-	(25.59)	-	-	(25.59)
Balance as at 31st March, 2017	**47.20**	**164.08**	**218.39**	**5.94**	**(5.45)**	**35.58**	**0.27**	**466.01**
Depreciation for the year	62.83	220.92	219.60	6.03	19.37	35.84	0.43	565.02
Disposals	-	-	(3.61)	-	(19.19)	(7.75)	-	(30.55)
Balance as at 31st March, 2018	**110.03**	**385.00**	**434.30**	**11.97**	**(5.27)**	**63.67**	**0.70**	**1,000.48**
Carrying amounts of :								
Balance as at 1st April, 2016	**2,993.40**	**3,360.67**	**1,804.74**	**14.28**	**99.56**	**175.89**	**2.48**	**8,451.02**
Balance as at 31st March, 2017	**2,946.20**	**3,260.53**	**1,678.02**	**13.18**	**116.86**	**148.64**	**2.66**	**8,166.09**
Balance as at 31st March, 2018	**2,883.37**	**3,039.72**	**1,522.10**	**12.85**	**94.18**	**118.69**	**7.28**	**7,678.19**

Building includes Rs. 26.92 Lakhs (as at 31st March, 2017 Rs.26.92 Lakhs and as at 1st April, 2016 Rs. 26.92 Lakhs) for premises in a co-operative society against which shares of the face value of Rs.1,250 are held under the bye laws of the society.

(For details of security created against the Property Plant and Equipment, refer note no. 18)

Details of Tangible Capital Work in Progress (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**1,669.63**	1,624.61
Capitalised	**(13.75)**	(79.14)
Additions during the year	**10.37**	124.16
Closing Balance	**1,666.25**	1,669.63

4. Intangible Assets

Carrying amounts of : (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Internally Developed Intangible Assets (Research and development expenditure)	**356.54**	366.41	321.06
Computer Software	**81.55**	94.09	107.12

Particulars	Internally Developed Intangible Assets (Research and development expenditure)	Computer Software	Total
Gross Block			
(Cost or Deemed Cost)			
Balance as at 1st April, 2016	**420.52**	**138.42**	**558.94**
Additions	93.28	-	93.28
Disposals	-	-	-
Balance as at 31st March, 2017	**513.80**	**138.42**	**652.22**
Additions	42.93	**0.53**	43.47
Disposals	-	-	-
Balance as at 31st March, 2018	**556.73**	**138.95**	**695.69**
Accumulated Amortisation and Impairment			
Balance as at 1st April, 2016	**99.47**	**31.29**	**130.76**
Amortisation for the year	**47.92**	13.04	60.96
Balance as at 31st March, 2017	**147.39**	**44.33**	**191.72**
Amortisation for the year	**52.80**	13.07	65.87
Balance as at 31st March, 2018	**200.19**	**57.40**	**257.59**
Carrying amounts of :			
Balance as at 1st April, 2016	**321.06**	**107.12**	**428.18**
Balance as at 31st March, 2017	**366.41**	**94.09**	**460.50**
Balance as at 31st March, 2018	**356.54**	**81.55**	**438.10**

Details of Intangible Assets under Development (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**753.64**	569.23
Capitalised	**(42.93)**	(93.27)
Additions during the year	**265.82**	277.68
Closing Balance	**976.53**	753.64

Notes to the Financial Statements for the year ended March 31, 2018

5. Non-Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No of Shares/units	Amount	No of Shares/units	Amount	No of Shares/units	Amount
Investments :						
(a) Investments in Equity Shares of Subsidiaries (Unquoted) (At cost):						
(i) Equity Shares of Rs. 10 each fully paid up in Lyka BDR International Ltd.	**14674995**	**1,469.05**	14674995	1,469.05	14674995	1,469.05
(ii) Equity Shares of Rs. 10 each fully paid up in Lyka Healthcare Ltd.	**7550000**	**3,005.00**	7550000	3,005.00	7550000	3,005.00
(iii) Equity Shares of Rs. 10 each fully paid up in Lyka Exports Ltd	**5383636**	**1,771.25**	5383636	1,771.25	5383636	1,771.25
(b) Other Investments (Quoted) - FVTPL :						
Equity Shares of Rs. 10 each fully paid up in Gujarat Themis Biosyn Ltd	-	-	-	-	16500	4.49
(c) Other Investments (Unquoted) - FVTPL :						
Equity Shares of Rs. 10 each fully paid up in Kapol Co-operative Bank Ltd	-	-	-	-	5000	5.00
		6,245.30		**6,245.30**		**6,254.79**

Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No of Shares/units	Amount (Rs.)	No of Shares/units	Amount (Rs.)	No of Shares/units	Amount (Rs.)
Investments at FVTPL:						
Investments in Mutual Fund:						
(i) Debt Mutual Fund						
Birla Sun Life Plus Collection A/c	**12.664**	**0.03**	-	-	-	-
HDFC Liquid Fund	**0.768**	**0.03**	-	-	-	-
Total	**13.432**	**0.06**	**-**	**-**	**-**	**-**

6. Other Non- current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Security Deposit	**477.93**	404.67	356.81
Others - Deposit with Drug Price Equalisation Account	**1,032.45**	1,032.45	1,032.45
Total	**1,510.38**	1,437.12	1,389.26

7. Other Non-Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Capital Advances	**67.06**	63.59	95.38
Balance with Government Authorities	**126.13**	263.45	344.65
Total	**193.19**	327.04	440.03

8. Non-Current Tax Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Tax and Tax deducted at source	**380.92**	336.65	216.64
Total	**380.92**	336.65	216.64

9. Deferred Tax Assets (net)

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Assets	**167.74**	115.26	85.59
Less: Deferred Tax Liabilities	**(26.90)**	(12.68)	(20.05)
Total	**140.84**	**102.58**	**65.54**

(₹ In Lakhs)

Deferred Tax Assets/(Liabilities) in relation to:	FY 2017-18			FY 2016-17		
	Opening Balance	Recognised in Profit or Loss	Closing Balance	Opening Balance	Recognised in Profit or Loss	Closing Balance
Fair Value Adjustments	**23.34**	**(17.83)**	**5.51**	30.26	(6.91)	23.34
ECL Provisions	**41.03**	**17.55**	**58.58**	35.28	5.75	41.03
Property, Plant and Equipment	**38.21**	**38.54**	**76.75**	0.00	38.21	38.21
Total	**102.58**	**38.26**	**140.84**	65.54	37.05	102.58

10. Inventories

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials	**146.85**	169.20	152.96
Packing Material	**343.96**	345.63	311.84
Work-in-Progress	**201.94**	372.14	156.75
Finished Goods	**37.15**	38.19	74.87
Total	**729.90**	925.16	696.42

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to Rs. 19.94 lakh (Previous year - Rs. 43.13 lakhs). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

11. Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured)			
Considered Good	**3,014.19**	2,422.06	1,943.43
Considered Doubtful	**189.56**	720.03	701.42
Less: Provision for Expected Credit Loss	**(189.56)**	(720.03)	(701.42)
Total	**3,014.19**	**2,422.06**	**1,943.43**

Notes to the Financial Statements for the year ended March 31, 2018

12. Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(A) Cash and Cash Equivalents			
Balances with Banks	**6.86**	65.99	17.51
Cash on hand	**0.85**	0.45	1.08
(B) Bank Balances other than Cash and Cash Equivalents			
Deposits with Banks held as margin money	**45.00**	79.30	154.82
Total	**52.71**	145.74	173.41

13. Current Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Loan to Employees	**4.35**	2.83	4.93
Loan to Subsidiaries	**650.00**	650.00	650.00
Loan to Others	**0.05**	0.05	0.05
Total	**654.40**	**652.88**	654.98

14. Other Current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Deposits	**60.53**	54.68	56.46
Others	**144.57**	151.10	242.78
Total	**205.10**	205.78	299.24

15. Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Advances	**518.65**	176.64	146.02
Prepaid Expenses	**31.08**	157.02	131.86
Balance with Government Authorities	**96.00**	94.07	96.80
Total	**645.73**	427.73	374.68

16. Share Capital

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity Shares of Rs. 10/- each	**30000000**	**3,000.00**	30000000	3,000.00	30000000	3,000.00
Redeemable Preference Shares of Rs. 100/- each	**200000**	**200.00**	200000	200.00	200000	200.00
	30200000	**3,200.00**	**30200000**	**3,200.00**	**30200000**	**3,200.00**
Issued, Subscribed and Fully Paid						
Equity Shares of Rs. 10/- each	**28140000**	**2,814.00**	22040000	2,204.00	22040000	2,204.00
Total	**28140000**	**2,814.00**	**22040000**	**2,204.00**	**22040000**	**2,204.00**

16.1 Rights, preferences and restriction attached to equity shares :

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

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

16.2 Terms of warrants issued:

Each warrant is entitled to be converted in equity shares of Rs.10/- each

Warrant does not bear any interest.

The warrants will be converted into equal no. of shares within a period of 18 months from the date of allotment upon receipt of balance amount of 75% of issue price. In the event of non receipt of balance amount of issue price, the subscription money paid on warrant shall be forfeited. All the outstanding warrants in respect of which the holder has not exercised option shall lapse on the completion of 18 months from the date of allotment.

The shares so allotted on conversion of warrants shall rank pari pasu in all respect in existing equity shares.

The shares so allotted on conversion of warrants shall remain under lock-in period of three years from the date of trading approval granted by the stock exchange.

The warrant holders shall have no right or privileges.

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Balance as at the beginning of the Year/Period	**22040000**	**108570**	22040000	108570	21580000	108570
Add : Issued during the Year / Period	**6100000**	-	-	-	460000	-
Balance as at the end of the Year / Period	**28140000**	**108570**	**22040000**	**108570**	22040000	18570

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No of Shares held	% of Shares	No of Shares held	% of Shares	No of Shares held	% of Shares
Equity Shares of Rs. 10/- each						
Narendra I Gandhi (HUF)	-	-	1500776	6.81%	1500776	6.81%
Kunal Narendra Gandhi	-	-	1116642	5.07%	1151642	5.23%
Nehal Narendra Gandhi	-	-	1169803	5.31%	1369803	6.22%
Mayank J. Shah	**2000000**	**7.11%**	-	-	-	-
Shruti Mayank Shah	**1515846**	**5.39%**	-	-	-	-
Prasham M. Shah	**1500000**	**5.33%**	-	-	-	-
10% Cumulative Redeemable Preference Shares						
Dr. D. B. Parikh	**108570**	**100%**	**108570**	100.00%	108570	100.00%

16.5 40 Lakhs Equity shares of Rs.10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

16.6 The Company has allotted 4.60 Lakhs 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.

17. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Reserve	**50.68**	50.68	50.68
Securities Premium Account	**9496.47**	6,751.47	6,751.47
General Reserve	**952.57**	952.57	952.57
Retained Earning	**(3711.21)**	(2,597.55)	(2,573.37)
Money Received against Share Warrants (Refer Note No. 16.2)	**75.63**	-	-
Total	**6864.14**	**5,157.17**	**5,181.35**

Nature of Reserves:

Capital Reserves

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

Securities Premium

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

General Reserves

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

18. Non Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loan:			
Term Loans from Banks	**359.10**	3,412.21	2,482.98
Finance Lease Obligations	**25.30**	51.53	16.52
Unsecured Loan:			
10% Redeemable Preference Shares of Rs. 100/- each (for terms of preference shares Refer Note no. 18.3)	**86.95**	84.41	81.96
Total	**471.35**	**3,548.15**	**2,581.46**

18.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 21)

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

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

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

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

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

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

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

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

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly instalments of Rs. 100 Lakhs each and subsequently 10 quarterly instalments of Rs.140 Lakhs 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 registered mortgage of Company's immovable properties at Ankleshwar and Valsad.

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

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly instalment of Rs.50 Lakhs 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 51 equal monthly instalments of Rs. 12.16 Lakhs each. Interest rate is @15%. **

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

18.2 7 Lease obligations repayable in equated monthly instalments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

18.3 108,570 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.

18.4 Details of continuing default as at 31st March, 2018 is as follows:
Principal Amount: Rs. 2570.38 Lakhs, period of default: From June 2016 to March 2018
Interest Amount: Rs. 814.26 Lakhs, period of default: From February 2016 to March 2018

19. Other Non-current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposit	**31.88**	12.22	10.82
Total	**31.88**	**12.22**	**10.82**

20. Non-Current Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits:			
Provision for Leave Encashment	**74.40**	57.21	53.92
Provision for Gratuity	**179.76**	162.31	153.19
Total	**254.16**	**219.52**	**207.11**

21. Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loans			
From Bank			
Loans repayable on demand	**2,478.65**	2,615.44	2,576.30
Term Loan	**-**	-	1,450.00
Unsecured			
Loans and Advances from related parties	**868.50**	563.01	47.78
Inter Corporate Deposits	**147.12**	215.08	62.33
Short Term Loans	**64.37**	373.10	480.18
Total	**3,558.64**	**3,766.63**	**4,616.59**

21.1 Details of terms of repayment and securities provided in respect of Current Borrowings from bank:

(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 registered mortgage of Company's immovable properties at Ankleshwar and Valsad.

21.2 Interest on Loans from related parties ranges between 10.25 % and 18% (simple Interest).

21.3 Interest on Inter Corporate Deposits is 21% (simple interest).

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

22. Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	**62.86**	76.34	123.90
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**2,121.11**	2,734.59	2,242.95
Total	**2,183.97**	**2,810.93**	**2,366.85**

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	**62.86**	76.34	123.89
Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount	**2.53**	1.78	-
Payment made to suppliers (Other than interest) beyond the appointed date, during the year	**-**	-	-
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	**-**	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	**-**	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for payments already made	**-**	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	**2.53**	1.78	-

23. Other Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-Term Debt			
(i) Debentures - Privately Placed Non Convertible	**12.00**	724.00	863.00
(ii) Term Loan from Banks	**6,097.35**	3,137.57	1,723.30
(iii) Finance Lease Obligations	**25.88**	33.29	33.47
(iv) Fixed Deposits	**49.52**	67.37	691.52
Interest Accrued and due	**140.44**	465.16	304.01
Book Overdraft	**235.05**	203.94	281.31
Employee dues	**155.19**	231.35	183.59
Retention Money Payable	**0.02**	4.79	4.79
Creditors for :			
(i) Expenses	**128.28**	109.30	106.65
(ii) Capital Expenditure	**65.09**	70.74	105.97
(iii) Trade Acceptances	**1,024.72**	764.32	657.43
Other Outstanding Liabilities	**89.52**	124.08	141.77
Interest accrued but not due	**-**	-	23.47
Total	**8,023.06**	5,935.91	5,120.28

24. Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Payables			
(i) Statutory dues	**155.81**	505.19	261.92
(ii) Unclaimed Preference Share Dues	**-**	-	1.75
(iii) Advance from Customers	**12.37**	5.44	939.10
Total	**168.18**	510.63	1,202.77

25. Current Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits:			
Provision for Bonus	**33.02**	22.62	22.47
Provision for Gratuity	**119.93**	84.64	66.05
Provision for Leave Encashment	**6.22**	-	-
Provision for Superannuation	**3.24**	5.48	1.70
Total	**162.41**	**112.74**	**90.22**

26. Revenue From Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sale of products	**3,995.08**	7,363.98
Total	**3,995.08**	**7,363.98**

Notes to the Financial Statements for the year ended March 31, 2018

26.1 Details of sale of Products

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Bulk Drugs	**331.83**	870.83
Formulations	**3,450.77**	6,551.90
Pharma Chemicals	**225.75**	0.00
Less: Discount	**(13.27)**	(58.75)
	3,995.08	**7,363.98**

27. Other Operating Revenue

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Processing charges received	**236.47**	270.11
Royalty Received	**13.90**	29.56
Sale of Dossiers	**-**	575.00
Sale of Trade Marks	**-**	225.00
Export Incentives	**3.64**	0.31
Total	**254.01**	**1,099.98**

28. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income	**7.06**	8.17
Insurance Claim	**-**	0.04
Rent Received	**87.21**	31.90
Foreign Exchange Fluctuation	**-**	5.50
Sundry Credit Balances/Excess Provision Written Back (net)	**54.22**	104.49
Miscellaneous Income	**40.72**	18.73
Fair Value Gained on Investment valued as FVTPL	**-**	1.77
Total	**189.21**	**170.60**

28.1 Interest Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Interest from banks on deposits	**4.51**	7.92
(ii) Other interest	**2.55**	0.25
Total	**7.06**	**8.17**

29. Cost of material consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening stock of raw material and packing material	**514.83**	464.80
Add: Purchases	**1,824.01**	3,586.70
Less: Closing stock of raw material and packing material	**(490.81)**	(514.83)
Total	**1,848.03**	**3,536.67**

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

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
As at the beginning of the year:		
Finished Goods	**38.19**	74.87
Work-in-Progress	**372.14**	156.75
Total Opening Stock (a)	**410.33**	**231.62**
As at the end of the year:		
Finished Goods	**37.14**	38.19
Work-in-Progress	**201.94**	372.14
Total Closing Stock (b)	**239.08**	**410.33**
Net decrease/(increase) in Finished Goods, work-in-progress and stock in trade(a)-(b)	**171.25**	**(178.71)**

31. Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and Wages	**844.85**	813.50
Contribution to Provident and Other Funds		
a) Provident / ESI Fund	**64.15**	67.99
b) Superannuation Fund	**4.83**	5.39
Provision for Gratuity	**60.24**	33.89
Provision for Leave Encashment	**27.68**	8.05
Staff Welfare Expenses	**88.21**	70.48
Total	**1,089.96**	**999.30**

32. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Expenses on :		
(i) Borrowings From Banks		
Term Loans	**70.74**	674.74
Working Capital	**0.58**	220.64
(Net of capitalised of Rs. NIL, Previous Period Rs. 79.60)		
(ii) Debentures	**47.57**	90.82
(iii) Borrowing Others		
Bill Discounting charges	**213.72**	273.58
Bank Charges	**43.79**	98.29
Others	**237.07**	153.19
Commission for L/C	**162.47**	142.80
Total	**775.94**	**1,654.06**

Notes to the Financial Statements for the year ended March 31, 2018

33. Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Consumption of Stores and Spare Parts	**15.67**	8.69
Power and Fuel	**179.60**	183.93
Processing Charges	**31.24**	49.17
Rent including Lease Rentals	**26.53**	(31.07)
Repairs and Maintenance - Buildings	**15.59**	16.49
Repairs and Maintenance - Machinery	**23.33**	25.43
Repairs and Maintenance - Others	**20.62**	19.74
Insurance	**17.62**	20.44
Rates and Taxes	**14.54**	12.25
Communication Expenses	**11.36**	13.70
Travelling and Conveyance	**100.82**	114.57
Advertisement and Sales Promotion	**15.13**	36.40
Legal and Professional Charges	**127.72**	92.60
Payments to Auditors (Refer Note No.56)	**26.86**	38.07
Irrecoverable Advances written off	**1.20**	18.22
Miscellaneous Expenses	**277.26**	340.61
ECL Provision Expenses	**56.78**	18.61
Directors Fees	**14.43**	15.90
Total	**976.30**	**993.75**

34. Exceptional Items

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Non Receivable Interest from Bank Written Off	**88.80**	-
Non Recoverable margin amount Written off	**6.96**	-
Non Payable Interest to Banks Written back	**(344.35)**	-
Irrecoverable Debts/Advances Written off	**-**	54.88
Loss on sale of Fixed Assets (Net)	**-**	11.20
Loss on Sale of Investments	**-**	1.61
VAT paid under Amnesty Scheme	**81.61**	128.63
Short Provision of expenses in earlier years no Longer Required Written Back	**19.86**	-
Total	**(147.12)**	**196.32**

Other Notes:

35. Estimated amounts of commitments remaining to be executed as on 31stMarch, 2018 are as follows:

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Against purchase of Capital goods.	**92.10**	46.90	56.38

(36) Contingent Liabilities are not provided for in respect of following:

(i) Demands were raised against the Company aggregating to Rs. 680.62 Lakhs (as at 31st March 2017 Rs. 680.62 Lakhs and as at 1st April 2016 Rs. 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Company. In the earlier years, the Company had received recovery notices for recovery of Rs. 2,094.41 Lakhs(as at 31st March 2017 Rs. 2,094.41 Lakhs and as at 1st April 2016 Rs. 2,094.41 Lakhs) to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Company depositing certain amounts against the said demands. Accordingly, the Company has deposited Rs. 1,032.45 Lakhs (as at 31st March 2017 Rs. 1,032.45 Lakhs and as at 1st April 2016 Rs. 1,032.45 Lakhs).

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

(ii) (a) The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals)Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of Rs. 1,324.08 Lakhs (as at 31st March 2017 Rs. 1,324.08 Lakhs and as at 1st April 2016 Rs. 1,324.08 Lakhs) for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 85.45 Lakhs (as at 31st March 2017 Rs. 85.45 Lakhs and as at 1st April 2016 Rs. 85.45 Lakhs) against which Company has made payment of Rs. 45.81 Lakhs (as at 31st March 2017 Rs. 85.45 Lakhs and as at 1st April 2016 Rs. 85.45 Lakhs) under protest. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of Rs. 45.81 Lakhs (as at 31st March 2017 Rs. 45.81 Lakhs and as at 1st April 2016 Rs. 45.81 Lakhs) are considered by the Company as good and recoverable.

(b) There are disputed Sales Tax demands in respect of prior years amounting to Rs. 549.96 Lakhs (as at 31st March 2017 Rs. 834.34 Lakhs and as at 1st April 2016 Rs. 677.71 Lakhs) against which the Company has made payment of Rs. 22.22 lakhs (as at 31st March 2017 Rs. 95.32 Lakhs and as at 1st April 2016 Rs. 69.02 Lakhs) under protest. The Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of Rs. 22.22 Lakhs (as at 31st March 2017 Rs. 95.32 Lakhs and as at 1st April 2016 Rs.45.85 Lakhs) are considered by the Company as good and recoverable.

(iii) The Company has received notices from Central Excise department raising demands as stated below:

(a) Rs. 108.75 Lakhs (as at 31st March 2017 Rs. 108.75 Lakhs and as at 1st April 2016 Rs. 108.75 Lakhs) against which the Company has paid Rs. 25.00 Lakhs (as at 31st March 2017 Rs. 25.00 Lakhs and as at 1st April 2016 Rs. 25.00 Lakhs). The matter is sub-judice and the payment of Rs. 25.00 Lakhs (as at 31st March 2017 Rs. 25.00 Lakhs and as at 1st April 2016 Rs. 25.00 Lakhs) is considered by the Company as good and recoverable.

(b) Rs. 71.37 Lakhs (as at 31st March 2017 Rs. 71.37 Lakhs and as at 1st April 2016 Rs.71.37 Lakhs) relating to disputed Central Excise duty, the matter is sub-judice.

(iv) Disputed Service Tax demand amounts to Rs. 18.10 Lakhs (as at 31st March 2017 Rs. 18.10 Lakhs and as at 1st April 2016 Rs. 18.10 Lakhs) against which the Company has made payment of Rs. 1.81 Lakhs (as at 31st March 2017 Rs. 1.81 Lakhs and as at 1st April 2016 Rs. NIL). The matter is sub-judice, and the payment of Rs. 1.81 Lakhs (as at 31st March 2017 Rs. 1.81 Lakhs and as at 1st April 2016 Rs. NIL) is considered by the Company as good and recoverable.

(v) The Company has received orders from Income Tax Department raising demands aggregating to Rs. 2,402.26 Lakhs (as at 31st March 2017 Rs. 2,325.04 Lakhs and as at 1st April 2016 Rs. 2,325.04 Lakhs) relating to prior years against which the Company has paid Rs. 115.45 Lakhs (as at 31st March 2017 Rs. 100.00 Lakhs and as at 1st April 2016 Rs. 100.00 Lakhs). The matter is sub-judice and the payment of Rs. 115.45 Lakhs (as at 31st March 2017 Rs. 100.00 Lakhs and as at 1st April 2016 Rs.100.00 Lakhs) is considered by the Company as good and recoverable.

(vi) Rs. 7.95 Lakhs (as at 31st March 2017 Rs. 7.95 Lakhs and as at 1st April 2016 Rs. 7.95 Lakhs) being claims against the Company not acknowledged as debt.

(vii) Employee (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to Rs. 429.55 Lakhs (as at 31st March 2017 Rs. 427.32 Lakhs and as at 1st April 2016 Rs. 424.57 Lakhs) as the matter is sub-judice.

(viii) Bank Guarantees provided by a Bank on behalf of the Company Rs. 56.92 Lakhs (as at 31st March 2017 Rs. 58.84 Lakhs and as at 1st April 2016 Rs. 96.33 Lakhs).

(ix) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs. 135.71 Lakhs (as at 31st March 2017 Rs. 124.86 Lakhs and as at 1st April 2016 Rs. 114.00 Lakhs).

(37) Fixed Deposits:

During the year, the Company has repaid deposits that were claimed aggregating to Rs. 17.85 Lakhs as regard the balance of unclaimed deposits of Rs. 49.52 Lakhs shall be paid as and when claimed.

The additional liability of interest, if any, arising on account of delayed payment/ non-payment shall be provided for in the year in which the said liability is settled.

(38) Debentures:

The Company has repaid Debentures as per Order of National Company Law Tribunal (Ahmedabad Bench) dated 22nd May, 2017 as follows:

Sr. No.	Outstanding Debentures	Amount (₹ In Lakhs)	Payable by
1	Upto 31st March, 2015	375.00	30th July, 2017
2	From 1st April, 2015 to 31st July, 2015	209.75	31st December, 2017
3	From 1st August, 2015 to 30th April, 2016	139.25	30th March, 2018
	***Total**	**724.00**	

*Out of Rs. 724.00 Lakhs debentures paid by the Company during the year, Rs 12.00 Lakhs is outstanding due to cheques returned Undelivered/ Unclaimed.

(39) Rs. 502.50 Lakhs (Previous Year Rs. 502.50 Lakhs) placed with the Managing Director, as security deposit for residential accommodation/garage taken on leave and license, which has been given by the Company to him, in accordance with the terms of his reappointment. The Company has been legally advised that the provisions of section 185 of the Companies Act, 2013 are not attracted in respect of the same.

(40) The balances relating to Trade Receivables, Trade Payables, Group Companies and Loans and Advances as on 31stMarch,2018 are subject to confirmation and adjustments, if any, on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained and shall be adjusted in the year in which the confirmation process is completed.

(41) Pledged shares of a Director encashed by a Lender:

During the year, the Company has received claims from a Director aggregating to Rs. 128.25 Lakhs being the value of 225,000 equity shares of the Company pledged as security for finance supposed to have been provided by a Finance Company to the Company. These pledged shares were allegedly invoked by the said Finance Company. Further, the said Director has claimed the interest on the same, post invocation of the pledged shares.

Pending receipt of documentary evidence to substantiate the above claims, the Company has debited to Finance Company with Rs. 128.25 Lakhs. However, the said Finance Company has not confirmed the same for which no provision has been made in the books. The Company is in the process of resolving the counter claims of both the parties.

(42) Investments in Subsidiaries:

(a) The Board of Directors at their meeting held on 10th March, 2016 resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st April, 2015 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956

as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1st April, 2017 by the Board of Directors at their meeting held on 30th August, 2017.

(b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1st April 2017 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6th February 2018 and ordered to call Equity/Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March 2018 for approving the arrangement

The Equity / Preference Shareholders at the meetings convened, approved the arrangements of merger. The Unsecured Creditors at their meeting also approved the arrangement of merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Company for re-convening meeting of Secured Creditors on 2nd July, 2018.

(43) Capital Expenditure:

(i) Tangible Project Capital Work-in-Progress Rs. 1,666.25 Lakhs as at 31st March,2018, (as at 31st March 2017 Rs. 1669.63 Lakhs and as at 1st April 2016 Rs. 1,624.60 Lakhs) includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 262.44 Lakhs (as at 31st March 2017 Rs. 258.15 Lakhs and as at 1st April 2016 Rs. 213.69 Lakhs) and interest amount of Rs. 299.66 Lakhs (as at 31st March 2017 Rs. 299.66 Lakhs and as at 1st April 2016 Rs. 235.56 Lakhs) which is pending allocation to Fixed Assets on completion of the project.

(ii) The Company has incurred direct expenditure and allocable indirect expenditure up to 31st March,2018 in respect of "new product development and applied research" aggregating to Rs. 976.53 Lakhs (as at 31st March 2017 Rs. 753.64 Lakhs and as at 1st April 2016 Rs. 569.22 Lakhs) including finance cost of Rs. 76.12 Lakhs (as at 31st March 2017 Rs. 214.40 Lakhs and as at 1st April 2016 Rs. 220.88 Lakhs) which is carried forward under "Capital Work in Progress – Intangibles", to be recognized as "Self-Generated Intangible Assets" upon successful development of respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned.

During the year, the Company has capitalized Rs. 42.93 Lakhs (as at 31st March 2017 Rs. 93.27 Lakhs and as at 1st April 2016 Rs. 33.22 Lakhs) as "Self-Generated Intangible Assets" upon successful development of respective products.

(44) During the year, inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 Lakhs as on 31st March 2018, which are valued at cost. The Company is evaluating to utilize/realise the same.

(45) The Company has provided Rs. 76.89 Lakhs (Previous Year Rs. 109.24 Lakhs) being interest / damages on an estimated basis in respect of delays in depositing statutory dues with Government, Semi-Government and Local Authorities beyond the time allowed.

(46) Employment and Retirement Benefits :

(i) The actuarial valuation of the present value of the defined benefit obligation in respect of Gratuity has been carried out as at 31st March, 2018. The following tables set out the amounts recognized in the financial statements as at 31st March,2018 for the defined benefit plans.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	**Liability recognized in Balance Sheet**		
	Change in Benefit Obligation		
	Present Value of Obligations as at 1st April, 2017	**257.22**	232.85
	Service Cost	**13.49**	11.47
	Interest Cost	**17.74**	17.92
	Actuarial Loss on Obligations	**29.71**	0.15
	Benefits Paid	**(15.52)**	(5.17)
	As at 31st March, 2018	**302.64**	257.22
	Less : Fair Value of Plan Assets	**-**	-
	As at 1st April, 2017	**10.25**	13.61
	Expected Return on Plan assets	**0.71**	1.16
	Employers' Contribution	**-**	1.00
	Actuarial (Loss) on Plan Assets	**-**	(5.51)
	Benefits Paid	**(8.01)**	-
	As at 31st March, 2018	**2.95**	10.25
	Net Liability	**299.69**	246.96
b)	**Expense during the year/period**		
	Service Cost	**13.49**	11.47
	Interest Cost	**17.02**	17.92
	Expected Return on Plan Assets	**-**	(1.16)
	Actuarial Loss/(Gain) on Obligations	**29.73**	5.66
	Total	**60.24**	33.89
c)	**Principal Actuarial Assumptions**		
	Rate of Discounting	**7.6%**	6.9%
	Rate of Return on Plan Assets	**7.5%**	7.5%
	Salary Growth Rate	**3.0%**	3.0%

(ii) The actuarial valuation of the present value of the defined benefit obligation in respect of Compensated Absence Liabilities has been carried out as at 31st March,2018. The following tables set out the amounts recognized in the financial statements as at 31st March, 2018 for the defined benefit plan.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	**Liability recognized in Balance Sheet**		
	Change in Benefit Obligation		
	Present value of obligations as at 1st April, 2017	**85.80**	78.15
	Service Cost	**26.66**	4.40
	Interest Cost	**5.92**	6.01
	Actuarial (Gain) on Obligations	**(2.92)**	(0.25)
	Benefits Paid	**(4.27)**	(2.51)
	As at 31st March, 2018	**111.19**	85.80
	Less : Fair Value of Plan Assets	**-**	-
	As at 1st April, 2017	**28.60**	24.23
	Expected Return on Plan Assets	**1.97**	2.13
	Employers' Contribution	**-**	3.00
	Benefits Paid	**-**	(0.75)
	As at 31st March, 2018	**30.57**	28.60
	Net Liability	**80.62**	57.20
b)	**Expense during the year/period**		
	Service Cost	**26.66**	4.40
	Interest Cost	**3.94**	6.01
	Expected Return on Plan Assets	**-**	(2.12)
	Actuarial (Gain) on Obligations	**(2.92)**	(0.25)
	Total	**27.68**	8.04
c)	**Principal Actuarial Assumptions**		
	Rate of Discounting	**7.60%**	6.90%
	Rate of Return on Plan Assets	**7.50%**	7.50%
	Salary Growth Rate	**3.00%**	3.00%

Sensitivity Analysis:

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

Particulars	31st March, 2018	31st March, 2017
Defined Benefit Obligation (Base)	302.64	257.21

Particulars	31st March, 2018		31st March, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**315.04**	**291.27**	269.30	246.22
(% change compared to base due to sensitivity)	**4.1%**	**-3.8%**	4.7%	-4.3%
Salary Growth Rate (- / + 1%)	**290.67**	**315.49**	245.72	269.65
(% change compared to base due to sensitivity)	**-4.0%**	**4.3%**	-4.5%	4.8%
Attrition Rate (- / + 50% of attrition rates)	**295.34**	**308.21**	251.52	261.77
(% change compared to base due to sensitivity)	**-2.4%**	**1.8%**	-2.2%	1.8%
Mortality Rate (- / + 10% of mortality rates)	**302.50**	**302.77**	256.90	257.53
(% change compared to base due to sensitivity)	**0.0%**	**0.0%**	-0.1%	0.1%

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

(47) During the year, the Company has applied to two of its banks for settlement of principal / interest amount. The management has accordingly reversed interest on term loan provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and has not provided interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs. 941.56 Lakhs.

Further the Company has reversed interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is also no provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

(48) Assets taken on operating lease:

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Not later than one year	**73.62**	-
Later than one year but not later than five years	**289.11**	-
Later than five years	**-**	-
Total	**362.73**	**-**

(49) Segment Disclosures :

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

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

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

The company caters mainly to the needs of Indian market and the export turnover being below 10% of the total turnover of the Company, there is no reportable geographical segment.

c. Revenues from two customers of the company were approximately Rs. 1794.77 Lakhs and Rs. 423.29 Lakhs representing approximately 42% and 10% of the Company's total revenues, for the year ended 31st March, 2018.

Revenues from two customers of the company were approximately Rs. 2410.88 Lakhs and Rs. 1618.50 Lakhs representing approximately 31% and 21% of the Company's total revenues, for the year ended 31st March, 2017.

(50) Disclosure of related parties/ related party transactions pursuant to Ind AS 24 "Related Party Disclosures" :

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

Category	Name of the Related Party	Relationship
1	Lyka BDR International Limited Lyka Healthcare Limited Lyka Exports Limited	Subsidiaries
2	Mr. N. I. Gandhi (Chairman and Managing Director) Mr. Kunal N. Gandhi (Chief Executive Officer) Mr. Yogesh Shah (Chief Financial Officer) Mr. D. J. Darji (Company Secretary)	Key Management Personnel (KMP)
3	Mrs. Nehal N. Gandhi (Non – Executive Director) Mrs. Alisha K. Gandhi	Relative of KMP
4	Enai Trading & Investment Private Limited	Entities owned by/over which KMP is able to exercise significant influence

(b) Disclosure of related party transactions

(₹ In Lakhs)

Sr. No.	Subsidiaries	KMP	Relative of KMP	Entities Owned by KMP	Total
Sale of goods	2,218.28	-	-	-	**2,218.28**
Reimbursement of Expenses	7.70	-	-	-	**7.70**
Rent Income	35.75	-	-	-	**35.75**
Other Income	8.08	-	-	-	**8.08**
Remuneration (Payments/Provisions)	-	113.88	11.83	-	**125.71**
Directors Sitting Fees	-	-	0.60	-	**0.60**
Interest Paid	-	67.17	49.74	0.09	**117.00**
Loan Received	-	667.62	349.30	-	**1016.92**
Loan Repaid	-	620.32	61.84	2.00	**682.16**

(c) Balance for the year ended

(₹ In Lakhs)

Description	Related party	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Loans & Advances given	Subsidiary	**650.00**	650.00
Sundry Debtors	Subsidiary	**2338.89**	1715.16
Security Deposit- given	KMP	**502.50**	502.50
Unsecured Loan- from	Entities owned by/over which KMP is able to exercise significant influence	**19.79**	2.37
	Relative of KMP	**395.19**	104.33
	KMP	**449.30**	413.21
Investment	Subsidiary	**6245.29**	6245.29

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

(51) Earnings per Share: (EPS)

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Adjusted Loss for the year (Rs. in Lakhs) **(A)**	**(1,094.80)**	(29.49)
Weighted Average number of Equity Shares **(B)**	**25833699**	22040000
Face value of Equity Share (Rs.) **(C)**	**10**	10
Basic and Diluted Earnings Per Share (Rs.) **(D=A/B)**	**(4.24)**	(0.13)

52. Taxtation:

Current tax :

In view of Current year business loss, unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the year.

Deferred Tax:

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2018 and 31st March 2017.

(₹ In Lakhs)

Particulars	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
Accounting (Loss)/Profit before tax (before exceptional items)	**(1,122.20)**	140.64
At India's statutory income tax rate of 30.90%	**(346.76)**	43.46
Deferred Tax impact on:		
Financial Assets/Liabilities recognised at Amortised Cost	**(17.83)**	(6.91)
ECL on Trade Receivables	**17.55**	5.75
Revaluation of fixed assets	**38.55**	38.21
Less: Deferred Tax Assets not recognised on account of absence of reasonable certainity of future taxable profits	**346.76**	(43.46)
Income tax expenses reported in the Statement of Profit and loss	**38.26**	37.05

Details of unabsorbed losses along with expiry of the same on which no deferred tax has been created:

(₹ In Lakhs)

Assessment Year	Unabsorbed business losses	Year of expiry
2014-15	1156.98	2022-23

53 DISCLOSURES ON FINANCIAL INSTRUMENTS

a Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2018.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets	-	-	-	-
Investments in subsidiaries	-	-	6,245.30	6,245.30
Investments-Others	-	0.06	-	0.06
Other Financial Assets	-	-	1,715.48	1,715.48
Trade Receivables	-	-	3,014.19	3,014.19
Loans	-	-	654.40	654.40
Total	**-**	**0.06**	**11,629.37**	**11,629.43**
Financial Liabilities				
Other Financial Liabilities	-	-	1,870.19	1,870.19
Borrowings	-	-	10,214.75	10,214.75
Trade Payable	-	-	2,183.97	2,183.97
Total	**-**	**-**	**14,268.91**	**14,268.91**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2017.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries	-	-	6,245.30	6,245.30
Other Financial Assets	-	-	1,642.91	1,642.91
Trade Receivables	-	-	2,422.06	2,422.06
Loans	-	-	652.88	652.88
Total	**-**	**-**	**10,963.15**	**10,963.15**
Financial Liabilities				
Other Financial Liabilities	-	-	1,985.89	1,985.89
Borrowings	-	-	11,277.02	11,277.02
Trade Payable	-	-	2,810.93	2,810.93
Total	**-**	**-**	**16,073.84**	**16,073.84**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 1st April, 2016.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries	-	-	6,245.30	6,245.30
Other Investment	-	9.49	-	9.49
Other Financial Assets	-	-	1,688.50	1,688.50
Trade Receivables	-	-	1,943.43	1,943.43
Loans	-	--	654.98	654.98
Total	**-**	**9.49**	**10,532.21**	**10,541.70**
Financial Liabilities				
Other Financial Liabilities	-	-	1,819.81	1,819.81
Borrowings	-	-	10,509.34	10,509.34
Trade Payable	-	-	2,366.85	2,366.85
Total	**-**	**-**	**14,696.00**	**14,696.00**

b. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

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

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

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

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

Particulars	As at 31st March, 2018		Total
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value			
FVTPL financial investments	-	-	-
Mutual Fund	0.06	-	0.06

Particulars	As at 31st March, 2017		Total
	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value			
FVTPL financial investments	-	-	-
Mutual Fund	-	-	-

Particulars	As at 1st April, 2016		Total
	Quoted (Level 1)	Significant unobservable input (Level 3)	
Assets measured at fair value			
FVTPL financial investments	-	-	-
Quoted Equity Instruments	4.49	5.00	9.49

c Valuation technique to determine fair value

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

(i) The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The fair value of Mutual Fund Investment under Level-2 are based on NAV published. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on cost which is considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

d. Market Risk

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

Foreign currency risk management

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

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

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

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

Particulars	Currency	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivable	USD	-	-	75,000
Trade Payable	USD	**(42,600)**	(2,37,625)	(3,39,625)
Net		**(42,600)**	(2,37,625)	(2,64,625)
Forward Contracts to Sell (Hedge of Receivables)		-	-	-
Net Exposure	USD	**(42,600)**	**(2,37,625)**	**(2,64,625)**

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

Foreign currency sensitivity analysis

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

Particulars	Currency	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on profit before tax			
INR/USD - Increase by 5%	USD	**59,748**	(43,73,879)
INR/USD - Decrease by 5%	USD	**(59,748)**	43,73,879

Interest rate risk management

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

Interest rate sensitivity

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

Particulars	Change in interest rate	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest expense	100 basis point	**(1)**	(9)
	100 basis point	**1**	9

e Credit risk

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

Trade Receiveble

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

Financial instruments and cash deposits

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

Liquidity risk

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

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

(₹ In Lakhs)

Particulars	Year	< 1 year	More than 1 year	Total
Financial Liabilities				
Trade Payables	31st March 2018	2,184	-	**2,184**
	31st March 2017	2,811	-	**2,811**
	1st April 2016	2,367	-	**2,367**
Borrowings	31st March 2018	9,743	471	**10,214**
	31st March 2017	7,729	3,548	**11,277**
	1st April 2016	7,928	2,581	**10,509**
Other Financial Liabilities	31st March 2018	1,838	32	**1,870**
	31st March 2017	1,974	12	**1,986**
	1st April 2016	1,809	11	**1,820**

f Excessive risk concentration

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

54 Capital Management

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Short Term Debt (including current maturities of long term loan)	**9,743.39**	7,728.86	7,927.88
Long Term Debt	**471.35**	3,548.15	2,581.46
Trade Payables	**2,183.97**	2,810.93	2,366.85
Less: Cash and cash equivalents	**52.71**	145.74	173.41
Net Debt	**12,346.00**	**13,942.20**	**12,702.78**
Equity	**2,814.00**	**2,204.00**	**2,204.00**
Capital and net debt	**15,160.01**	**16,146.20**	**14,906.77**
Net Debt to Capital Ratio (Debt/Equity plus debt)	**0.81**	**0.86**	**0.85**

There are no statutorily imposed restrictions in respect of the Company's Capital.

55 Disclosures required by Ind AS 101, First Time Adoption of Indian Accounting Standards:

55.1 Reconciliation of Statement of Total Equity as at April 1, 2016 and March 31, 2017

(₹ In Lakhs)

	Note no. of 55.3	As at 31st March, 2017	As at 1st April, 2016
Total Equity (Shareholders' Fund) under previous GAAP		**6,707.19**	**6,650.30**
Add/(Less): Ind-AS Adjustments on account of:			
Financial Assets/Liabilities measured at amortised cost	a	(322.04)	(344.41)
Restatement of Fair value of investments	b	-	(1.77)
Derecognition of assets under Ind AS	c	(1,669.10)	(1,669.10)
ECL on Financial Assets	d	(132.78)	(114.18)
Borrowings recognised as per EIR	e	27.49	27.49
Redeemable Preference Shares classified as liability under Ind AS	f	(81.96)	(81.96)
Transition adjustment to PPE on account of considering fair value as deemed cost		2,729.79	2,853.44
Deferred Tax Adjustment	g	102.58	65.54
Total adjustments to equity		**653.98**	**735.06**
Total equity under Ind AS		**7,361.17**	**7,385.35**

Reconciliation of Total Comprehensive Income for the year ended on March 31, 2017

(₹ In Lakhs)

	Note no. of 55.3	As at 31st March, 2017
Total Profit as per Previous GAAP		**56.90**
Restatement of fair value of financial assets/liability measured at amortise cost	a	44.86
Restatement of Fair value of investments	b	1.77
ECL on Financial Assets	d	(18.61)
Borrowings recognised as per EIR	e	(22.48)
Incremental Depreciation on fair value as deemed cost for selective items of PPE		(123.66)
Actuarial loss/(Gain) on Employee Defined Benefit Plans recognised in Other Comprehensive Income	h	5.55
Deferred Tax Adjustment	g	37.04
Total adjustments to equity		**(75.53)**
Total (Loss) as per Ind AS		**(18.63)**
Add:/(Less):Other Comprehensive Income Item	h	
Actuarial Gain/Loss on Employee Benefits (net of taxes)		(5.55)
Total Comprehensive Income as per Ind AS		**(24.18)**

55.2 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

55.3 Reconciliation Explanations:

a Remeasurements of financial assets and liabilities measured at amortised cost

Under Indian GAAP, the Security deposits/ Rent deposits receivable/payable are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Security deposits/ Rent deposits are Financial Asset as the lease agreement/work contracts give a contractual right to the company to receive

cash. Security deposit/ Rent deposit satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the same have been valued at amortised cost. The same has resulted in decrease in equity under Ind-AS by Rs. 322.04 Lakhs and Rs. 344.41 Lakhs respectively as at 31st March, 2017 and 1st April, 2016.

b Restatement of fair value of investments

The company has invested in certain equity instruments. In previous GAAP, the same was measured at cost. As per Ind AS, investments are required to be measured at fair value. The same has resulted in decrease in equity under Ind-AS by Rs. 1.77 Lakhs as at 1st April, 2016. The same being sold within the year ending 31st March, 2017, there was no adjustment in equity as at 31st March, 2017.

c Derecognition of assets under Ind AS

The company has derecognised its certain loans and advances, certain trade receivables, certain trade advances given and certain tangible and intangible capital work-in-progress, as they did not meet the recognition criteria. In previous GAAP, the same was measured at cost. The same has resulted in decrease in equity under Ind-AS by Rs. 1669.10 Lakhs as at 31st March, 2017 and 1st April, 2016.

d ECL on Trade Receivables

As per Ind AS 109, the financial assets are subject to provision of expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the company has made provision of ECL on Trade Receivables following simplified approach. The same has resulted in decrease in equity under Ind-AS by Rs 132.79 Lakhs and Rs 114.18 Lakhs respectively as at 31st March, 2017 and 1st April, 2016.

e Borrowings recognised as per EIR

Under Indian GAAP, the term loans are recorded at contracted rate. As per Ind AS, Borrowings are to be recognised as per effective interest rate. The same has resulted in decrease in equity under Ind-AS by Rs 27.49 Lakhs as at 31st March, 2017 and 1st April, 2016.

f Redeemable Preference Shares classified as liability under Ind AS

Under the previous GAAP, Cumulative redeemable preference shares were classified as equity. As per Ind AS, the same is to be treated as a liability, since the company has contractual obligation to redeem the preference shares. The same has resulted in decrease in equity under Ind-AS by Rs. 81.96Lakhs as at 31st March, 2017 and 1st April, 2016.

g Deferred Tax impact on Ind-AS adjustments

Various transitional adjustments resulted in temporary differences between taxable profits and accounting profits. Tax adjustments includes deferred tax impact on account of difference between previous GAAP and Ind AS on the adjustments discussed above. The same has resulted in increase in equity under Ind-AS by Rs. 102.58 Lakhs and Rs. 65.54 Lakhs respectively as at 31st March, 2017 and 1st April, 2016.

h Remeasurement of defined benefit obligation

Under the previous GAAP, actuarial gain and losses are charged to profit or loss, however under Ind-AS, they form part of remeasurement of defined benefit liability/assets and are recognised in OCI.

55.4 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time adoption of Indian Accounting Standards:

The Company has adopted Ind AS with effect from 1 April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1 April 2016 and all the periods presented have been restated accordingly.

Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

i) Deemed Cost:

Ind AS 101 permits a first time adopter to elect to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment, and intangible assets on the date of transition.

ii) Investments in subsidiary and associate:

The company has elected to consider the carrying cost of equity investments in subsidiary and associate as per the previous GAAP as the deemed cost at the date of transition.

iii) Designation of previously recognised financial instruments:

a) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' or 'fair value through profit and loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain investments at fair value through other comprehensive income and fair value through profit and loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

iv) Leases:

Ind AS17 - Leases requires an entity to assess whether a contract or an arrangement is in the nature of lease arrangement. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and recognised arrangements having embedded leases based on facts and circumstances existing as at the date of Transition.

Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a) Estimates:

The estimates as at 1st April 2016 and 31st March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b) Derecognition of financial assets:

The Company has elected to apply the Derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and movement of financial assets and liabilities:

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

(56) Payments to Auditors:

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i)	Audit Fees (including Rs. 2.10 Lakhs to Branch Auditors - Previous Year Rs. 2.70 Lakhs)	**19.09**	28.57
(ii)	As Advisor for Company Law Matters (including Rs. Nil to Branch Auditors- Previous Year Rs. Nil)	**3.35**	4.03
(iii)	Tax Audit Fees (including Rs. 0.50 Lakhsto Branch Auditors – Previous Year Rs. 0.50 Lakhs)	**4.15**	4.52
(iv)	For other services (certification work etc.) (including Rs. Nil to Branch Auditors- Previous Year Rs. Nil)	**0.27**	0.12
(v)	Reimbursement of Expenses (including Rs. Nil to Branch Auditors- Previous Year Rs. Nil)	-	0.83
	Total	**26.86**	**38.07**

(57) The Company has regrouped/reclassified the Previous Year's figures in order to conform to the figures of the Current Year.

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of LYKA LABS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of LYKA LABS LIMITED ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended (in which are incorporated the accounts of 3 subsidiaries and the Holding Company's branch at Ankleshwar audited by other auditors after making such changes as were considered necessary for the purpose of incorporation), and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Basis for Qualified Opinion

1. **Interest on Borrowings:**

   Attention is drawn to Note no. 47 of the Consolidated Ind AS Financial Statements regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non- provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

   Further the Group has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs.

   Further there is non-provision of penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

   These non-provisions/reversals of provision for interest is not in compliance with Ind AS 109 Financial Instruments.

   Accordingly loss for the year is understated by Rs. 1365.95 Lakhs.

2. **Inventories:**

   Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 204.68 lakhs as on 31st March 2018, which are valued at cost (refer note no. 44 of the Consolidated Ind AS Financial Statements). This is not in accordance with Ind AS 2 Inventories, which requires such inventories to be valued at lower of cost or net realizable value. Accordingly, we are unable to quantify the impact of increase in loss for the year ended 31st March, 2018.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate Ind As Financial Statements provided to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid the Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated state of affairs of the group as at 31st March, 2018, their Consolidated loss, Consolidated changes in equity and their Consolidated cash flows for the year then ended.

Emphasis of Matters

1. **Pledged shares of a Director encashed by a Lender**

   We draw attention to Note No 41 of the Consolidated Ind AS Financial Statements regarding claims from a Director aggregating to Rs. 128.25 Lakhs being the value of equity shares of the Holding Company pledged as security.

2. **Scheme of Arrangements**

   We draw attention to Note No. 42(a) & (b) of the Consolidated Ind AS Financial Statements regarding the status of the scheme of arrangements with Lyka Exports Limited and Lyka Healthcare Limited.

3. **Capital Expenditure**

   We draw attention to Note No. 43 (ii) of the Consolidated Ind AS Financial Statements regarding review of the portfolio of products under development and applied research.

Our opinion is not qualified in respect of the above matters.

Other Matters

1. We did not audit the financial statements of a branch of the Holding Company and three subsidiaries, whose financial statements reflect total assets of Rs. 17,112.49 Lakhs as at 31st March, 2018 and total revenues of Rs 7700.28 Lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors.

   Our opinion on the Consolidated Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matter with respect to our reliance on work done and report of other auditors.

2. The audit of the Consolidated Financial Statements for the year ended 31st March 2017, was carried out and

INDEPENDENT AUDITOR'S REPORT (Cont...)

reported by predecessor auditor, vide their unmodified audit report dated 29th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of these Consolidated Ind AS Financial Statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements;
   - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of other auditors;
   - (c) The reports on the accounts of the branch offices of the Holding Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report (Refer Other Matters para above);
   - (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
   - (e) Subject to our observations in "Basis of Qualified Opinion" para above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016;
   - (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and report of the statutory auditors of its Subsidiary Companies, none of the directors of the these entities is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
   - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A"; which is based on the auditor's report of the Holding Company and Subsidiary Companies; and
   - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - (i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No.36 (i) to (viii) to the Consolidated Ind AS Financial Statements.
     - (ii) The Group does not have any long-term contracts including derivative contracts and hence there are no material foreseeable losses.
     - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March 2018.
     - (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016 which are not relevant to these Consolidated Ind AS Financial Statements. Hence, reporting under this clause is not applicable.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration No: 106201W

Abhay R. Mehta
PARTNER
MEMBERSHIP NO. 046088

Place: Mumbai
Date: 29th May, 2018

Annexure – A to the Auditors' Report

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of **LYKA LABS LIMITED** ("the Holding Company") and its Subsidiary Companies, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

INDEPENDENT AUDITOR'S REPORT (Cont...)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us and based on consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its Subsidiary Companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to financial statements of three subsidiaries and a branch of the Holding Company is based on the corresponding reports of the auditors of such companies and a branch.

For MEHTA CHOKSHI & SHAH
CHARTERED ACCOUNTANTS
Firm Registration No: 106201W

Abhay R. Mehta
PARTNER
MEMBERSHIP NO. 046088

Place: Mumbai

Date: 29th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ In Lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	**7,735.23**	8,238.24	8,517.53
(b) Capital Work- In- Progress	3	**1,666.25**	1,669.63	1,624.61
(c) Intangible assets	4	**4,410.05**	5,051.26	4,758.65
(d) Intangible assets under development	4	**1,121.40**	753.64	569.23
(e) Financial Assets				
(i) Investments	5	**22.78**	26.12	41.49
(ii) Other Financial Assets	6	**1,522.86**	1,439.49	1,391.12
(f) Other Non Current Assets	7	**1,188.52**	1,092.40	1172.12
(g) Non Current Tax Assets	8	**380.92**	336.65	311.43
(h) Deferred tax assets(net)	9	**395.23**	290.22	195.93
Total Non-Current Assets		**18,443.24**	**18,897.65**	**18,582.11**
Current Assets				
(a) Inventories	10	**1,119.69**	1,324.07	1,081.16
(b) Financial Assets				
(i) Investments	5	**0.06**	-	-
(ii) Trade Receivables	11	**2,049.62**	2,917.24	3,247.33
(iii) Cash and cash equivalents	12	**242.87**	512.19	555.52
(iv) Loans	13	**62.37**	54.06	12.20
(v) Other Financial Assets	14	**205.10**	213.70	385.29
(c) Other Current Assets	15	**1386.01**	1257.46	696.80
Total Current Assets		**5,065.72**	**6,278.72**	**5978.30**
Total Assets		**23,508.96**	**25,176.37**	**24,560.41**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	**2,814.00**	2,204.00	2,204.00
(b) Other Equity	17	**2,485.73**	1,566.97	2,265.44
Equity attributable to owners of the company		**5,299.73**	3,770.97	4,469.44
(c) Non-controlling Interest		**523.83**	702.73	811.53
Total Equity		**5,823.56**	**4,473.70**	**5,280.97**
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	**493.16**	3,577.23	2,585.92
(ii) Other Financial Liabilities	19	**66.88**	141.89	126.00
(b) Provisions	20	**363.25**	438.77	291.70
Total Non-Current Liabilities		**923.29**	**4,157.89**	**3,003.62**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	**4,582.04**	5,023.05	6,112.78
(ii) Trade Payables	22	**2,470.94**	3,916.18	3,407.62
(iii) Other Financial Liabilities	23	**8,577.78**	6,417.91	5,693.59
(b) Other Current Liabilities	24	**659.80**	888.91	612.78
(c) Provisions	25	**471.55**	298.73	449.05
Total Current Liabilities		**16,762.11**	**16,544.78**	**16,275.82**
Total Equity and Liabilities		**23,508.96**	**25,176.37**	**24,560.41**
See accompanying notes to the consolidated financial statements				

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Lyka Labs Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ In Lakhs)

Particulars	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME			
Revenue from Operations	26	**5716.97**	10365.08
Other Operating Income	27	**344.63**	1306.28
		6061.60	11671.36
Other Income	28	**213.31**	223.69
Total Income		**6274.91**	**11895.05**
EXPENSES			
Cost of Materials Consumed	29	**1848.03**	3536.67
Purchases of Stock-in-Trade		**909.54**	2040.99
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in Traded	30	**180.36**	(192.88)
Excise Duty		**81.00**	663.25
Employee Benefits Expense	31	**1698.31**	1724.28
Finance Costs	32	**958.08**	1872.00
Depreciation and Amortization Expense	3 & 4	**1128.16**	1025.35
Other Expenses	33	**1699.40**	1622.01
Total Expenses		**8502.88**	**12291.67**
(Loss) before Exceptional items		**(2227.97)**	(396.62)
Exceptional items (Net)	34	**223.50**	(413.65)
(Loss) before tax		**(2004.47)**	(810.27)
Tax Expense:			
Deferred Tax		**103.98**	150.61
(Loss) for the Year		**(1900.49)**	(659.66)
Other Comprehensive (Loss) / Income			
(i) Items that will not be reclassified to profit or loss			
Gains and losses from investments in equity instruments measured at fair value through OCI (Net of Tax)		**(3.34)**	(0.84)
Remeasurement of Defined Benefit Obligation-OCI (Net of Tax)		**(41.89)**	(10.93)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.03**	0.26
Total Other Comprehensive Income		**(44.20)**	(11.51)
Total Comprehensive Income for the Year		**(1944.69)**	(671.17)
Attributable to:			
Owners of the Parent		**(1765.79)**	(562.37)
Non-controlling Interest		**(178.90)**	(104.73)
Of the Total Comprehensive Income above, Profit for the year attributable to:			
Owners of the Parent		**(1727.48)**	(553.83)
Non-controlling Interest		**(173.01)**	(105.83)
Of the Total Comprehensive Income above, Other Comprehensive Income for the year attributable to:			
Owners of the Parent		**(38.31)**	(8.55)
Non-controlling Interest		**(5.89)**	(2.96)
Earnings per share (of Rs. 10 /- each):	51		
Basic		**(6.71)**	(2.57)
Diluted		**(6.71)**	(2.57)
See accompanying notes to the consolidated financial statements			

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

A.Equity Share Capital (Refer note 16)

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No. of Shares	Rs in Lakhs	No. of Shares	Rs in Lakhs	No. of Shares	Rs in Lakhs
Balance at the beginning of the reporting year	**22040000**	**2,204.00**	22040000	2,204.00	21580000	2,158.00
Changes in equity share capital during the year	**6100000**	**610.00**	-	-	460000	46.00
Balance at the end of reporting year/period	**28140000**	**2,814.00**	22040000	2,204.00	22040000	2,204.00

B.Other Equity (Refer note 17)

(₹ In Lakhs)

Particulars	Attributable to the Owners of the Company						Money received against share warrants (Refer note no.16.2)	Non-contr-olling Interest	Total
	Reserves and surplus					Items of Other Comprehensive Income			
	Retained Earnings	Securities Premium Account	Capital Reserve	General Reserve	Revaluation Reserve	Remeasurement of the defined benefit plan			
Balance as at 1st April, 2016	**(5908.19)**	**6751.47**	**49.13**	**952.57**	**420.47**	**-**	**-**	**811.52**	**3076.97**
(Loss) for the year	(553.83)	-	-	-	(136.10)	-	-	(105.83)	(795.76)
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(8.55)	-	(2.96)	(11.51)
Balance as at 31st March, 2017	**(6462.02)**	**6751.47**	**49.13**	**952.57**	**284.37**	**(8.55)**	**-**	**702.73**	**2269.70**
(Loss) for the year	(1727.48)	-	-	-	(136.09)	-	-	(173.01)	(2036.59)
Securities Premium on allotment of Equity Shares	-	2745.00	-	-	-	-	75.63	-	2820.63
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(38.31)	-	(5.89)	(44.20)
Balance as at 31st March, 2018	**(8189.49)**	**9496.47**	**49.13**	**952.57**	**148.28**	**(46.86)**	**75.63**	**523.83**	**3009.56**

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Lyka Labs Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2018

[₹ in Lakhs]

Particulars	Current Year ended 31st March, 2018	Previous Year ended 31st March, 2017
A. Cash Flow from Operating Activities		
(Loss)/Profit for the year before tax	**(2004.46)**	**(810.26)**
Adjusted for		
Depreciation	**1128.16**	**1025.35**
Interest Income	**(33.25)**	**(14.57)**
Loss on sale of Investment	**-**	**1.61**
Loss on sale of fixed assets	**1.52**	**21.15**
Finance Cost	**958.08**	**1872.00**
Provision for Doubtful Trade Receivables/Advances/Deposits	**246.62**	**100.13**
Provision/ Credit Balance no longer required Written Back	**(53.85)**	**(130.86)**
Exchange rate fluctuation	**(22.79)**	**(5.50)**
Non Payable interest written back	**(344.35)**	**-**
VAT paid under Amnesty Scheme	**81.61**	**128.63**
Irrecoverable Advances written off	**116.82**	**54.87**
Operating profit before working capital change	**74.11**	**2242.55**
Changes in Working Capital :		
(Increase) / Decrease in Trade and other receivables	**867.62**	**330.09**
(Increase) / Decrease in Other Current Assets	**468.32**	**(821.94)**
(Increase) / Decrease in Other Current Financial Assets	**(552.43)**	**1091.59**
(Increase) / Decrease in Other Non-Current Financial Assets	**(80.03)**	**(33.00)**
(Increase) / Decrease in Other Non-Current Assets	**(201.14)**	**(726.66)**
(Increase) / Decrease in Inventories	**204.38**	**(242.91)**
Increase / (Decrease) in Other Non-Current Financial Liabilities	**(75.01)**	**15.89**
Increase / (Decrease) in Other Current Liabilities	**(229.10)**	**276.13**
Increase / (Decrease) in Other Current Financial Liabilities	**2159.87**	**724.32**
Increase / (Decrease) in Non-Current Provisions	**(254.41)**	**38.27**
Increase / (Decrease) in Current Provisions	**172.82**	**(150.32)**
Increase / (Decrease) in Trade Payables	**(1445.24)**	**508.55**
Cash generated from operations	**1109.76**	**3252.56**
Exchange rate fluctuation	22.79	5.50
Net Income Tax Payment	**(44.27)**	**(120.01)**
Net Cash Flow from Operating Activities (A)	**1088.28**	**3138.05**
B. Cashflow from Investing activities		
Purchase of fixed assets	**(361.15)**	**(1338.66)**
Proceeds from sale of Investments	-	**7.88**
Proceeds from sale of fixed assets	**11.32**	**49.41**
Interest Received	**33.25**	**14.57**
Net cash used in Investing activities (B)	**(316.58)**	**(1266.80)**

Consolidated Cash Flow Statement for the year ended 31st March, 2018 (Cont...)

[₹ in Lakhs]

Particulars	Current Year ended 31st March, 2018	Previous Year ended 31st March, 2017
C. Cashflow from Financing activities		
Proceed from / (Repayment) of Non Current Borrowings Net	**(3084.08)**	**991.31**
Proceed from / (Repayment) of Current Borrowings Net	**(441.01)**	**(1089.73)**
Proceeds from Issue of Equity Shares	**610.00**	-
Securites Premium Received	**2745.00**	-
Money Received Against Share warrant	**75.63**	-
Interest Paid	**(946.56)**	**(1816.16)**
Net cash used in Financing activities (C)	**(1041.02)**	**(1914.59)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(269.32)**	**(43.33)**
Cash and Cash Equivalents at the beginning of the year		
Cash and Cash Equivalents	**342.26**	**52.60**
Earmarked Balances	**169.93**	**502.92**
	512.19	**555.52**
Cash and Cash Equivalents at the end of the year		
Cash and Cash Equivalents	**17.40**	**342.26**
Earmarked Balances	**225.47**	**169.93**
	242.87	**512.19**

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Notes to the Consolidated Financial Statements For the year ended 31st March, 2018

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

A. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation of Ind-AS Consolidated financial statements

These Ind-AS consolidated financial statements of Lyka Labs Limited("the Company") and its subsidiaries (hereinafter referred to as "the Group"), have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These consolidated financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind-AS. Refer to note 55 for information on how the Group adopted IndAS, including the details of the first time adoption exemptions availed by the Group.

The Ind-AS consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.11 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

2.2 Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controllinginterests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the lossof control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest inthe previous subsidiary, then such interest is measured at fair value at the date that

control is lost. Subsequently,it is accounted for as an equity accounted investee depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-grouptransactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains orlosses arising from transactions with equity accounted investees are eliminated against the investment to theextent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for asequity transactions.

2.3 CURRENT AND NON-CURRENT CLASSIFICATION OF ASSETS AND LIABILITIES AND OPERATING CYCLE:

An asset is considered as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

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

2.4 PROPERTY, PLANT AND EQUIPMENT:

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

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

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

2.5 DEPRECIATION:

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

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

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

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

production.

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

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

2.6 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

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

2.7 INTANGIBLE ASSETS AND AMORTISATION THEREOF:

2.7.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):

i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the group can demonstrate all the following:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

b) Its intention to complete the asset.

c) Its ability to use or sell the asset.

d) How the asset will generate future economic benefits.

e) The availability of adequate resources to complete the development and to use or sell the asset.

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

2.7.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognized if

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

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

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

2.7.3. AMORTISATION OF INTANGIBLE ASSETS:

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

Estimated useful life of the following assets of Lyka BDR Limited, Lyka Healthcare Limited and Lyka Exports Limited (Subsidiary Companies) are different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013:

Class of Assets	Useful life in years
Registration Rights	15
Technical and Marketing Know-How	20
Brands	20

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

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

2.8 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Carrying amount of tangible and intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is

higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.9 INVENTORIES

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

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

2.10 REVENUE RECOGNITION

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

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

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

- Dividend Income:

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

2.11 FINANCIAL INSTRUMENTS:

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

FINANCIAL ASSETS:

Initial Recognition and Measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

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

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

Financial Assets at Amortized Cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity Instruments at FVTOCI:

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

Financial Assets at FVTPL:

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

DERECOGNITION:

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

i) The rights to receive cash flows from the asset have expired, or

ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

a. The Group has transferred substantially all the risks and rewards of the asset, or

b. The Grouphas neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT OF FINANCIAL ASSETS:

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

- Financial assets at amortized cost.
- Trade Receivables

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the

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

FINANCIAL LIABILITIES:

Initial Recognition and Measurement:

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

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

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

Derecognition:

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

OFFSETTING OF FINANCIAL INSTRUMENTS:

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

EQUITY INSTRUMENTS:

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

2.12 EMPLOYEE BENEFITS

- Defined Contribution Plan:

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

- Defined Benefit Plan:

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

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

2.13 BORROWING COST

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that

necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

2.14 LEASES:

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

As a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

2.15 FOREIGN CURRENCY TRANSACTIONS:

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

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

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

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

2.16 TAXES ON INCOME:

Current Income Taxes:

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

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

Deferred Taxes:

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable

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

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

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

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

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

Minimum Alternate Tax (MAT):

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

2.17 PROVISIONS AND CONTINGENT LIABILITIES:

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

When the Group expects some or all of a provision to be reimbursed, the same is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

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

2.18 EARNINGS PER SHARE:

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

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

2.19 CASH AND CASH EQUIVALENT:

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

2.20 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and

tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.21 COMMITMENTS:

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

(a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.22 SEGMENT REPORTING:

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

2.23 ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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

2.24 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:

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

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

a) Estimation of current tax expense and deferred tax:

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

b) Recognition of deferred tax assets/ liabilities:

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

c) Estimation of Provisions & Contingent Liabilities:

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

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

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

e) Estimation of Provision for Inventory:

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

f) Estimation of Defined Benefit Obligation:

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

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

h) Estimated fair value of Financial Instruments.

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

2.25 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and there is no impact on the Group's consolidated financial statements due to the said changes.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The Group is in the process of evaluating the impact of above on its consolidated financial statements.

3. Property Plant and Equipment

Carrying amounts of :

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Leasehold Land	**2883.37**	2946.20	2993.40
Buildings	**3040.71**	3261.54	3361.72
Plant and Machinery	**1527.06**	1678.74	1805.72
Computers	**13.78**	18.25	21.72
Vehicles	**136.93**	173.22	145.30
Furnitures and Fixtures	**124.24**	155.42	184.34
Office Equipments	**9.14**	4.87	5.34

(₹ In Lakhs)

Particulars	Leasehold Land	Buildings	Plant and Machinery	Computers	Vehicles	Furnitures and Fixtures	Office Equipments	Total
(Cost or Deemed Cost)								
Balance as at 1st April, 2016	2993.40	3361.72	1805.72	21.72	145.30	184.34	5.34	8517.53
Additions	-	63.94	91.67	6.84	129.88	8.98	1.18	302.49
Disposals	-	-	-	-	(120.47)	(0.55)	-	(121.03)
Balance as at 31st March, 2017	**2993.40**	**3425.66**	**1897.38**	**28.56**	**154.70**	**192.77**	**6.52**	**8699.00**
Additions	-	0.11	70.89	5.70	-	6.56	5.91	89.17
Disposals	-	-	(6.01)	(0.92)	(35.31)	(27.63)	(2.82)	(72.69)
Balance as at 31st March, 2018	**2993.40**	**3425.77**	**1962.26**	**33.34**	**119.39**	**171.70**	**9.61**	**8715.48**
Accumulated Depreciation and Impairment								
Balance at 1st April, 2016	-	-	-	-	-	-	-	-
Depreciation for the year	47.20	164.12	218.64	10.31	31.95	37.35	1.65	511.22
Disposals	-	-	-	-	(50.47)	-	-	(50.46)
Balance as at 31st March, 2017	**47.20**	**164.12**	**218.64**	**10.31**	**(18.52)**	**37.35**	**1.65**	**460.76**
Depreciation for the year	62.83	220.94	220.18	9.25	27.28	37.26	1.61	579.36
Disposals	-	-	(3.61)	-	(26.30)	(27.16)	(2.79)	(59.86)
Balance as at 31st March, 2018	**110.03**	**385.06**	**435.20**	**19.56**	**(17.54)**	**47.46**	**0.47**	**980.26**
Carrying amounts of :								
Balance as at 1st April, 2016	**2993.40**	**3361.72**	**1805.72**	**21.72**	**145.30**	**184.34**	**5.34**	**8517.53**
Balance as at 31st March, 2017	**2946.20**	**3261.54**	**1678.74**	**18.25**	**173.22**	**155.42**	**4.87**	**8238.24**
Balance at 31st March, 2018	**2883.37**	**3040.71**	**1527.06**	**13.78**	**136.93**	**124.24**	**9.14**	**7735.23**

Building includes Rs. 26.92 Lakhs(Previous Year Rs. 26.92 Lakhs) for premises in a co-operative society against which shares of the face value of Rs.1,250 are held under the bye laws of the society.

For details of security created against the Property Plant and Equipment, refer note no. 18

3. Property Plant and Equipment (Cont...)

Details of Tangible Capital Work in Progress (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**1,669.63**	1,624.61
Capitalised	**(13.75)**	**(79.14)**
Additions during the year	**10.37**	124.16
Closing Balance	**1,666.25**	1,669.63

4. Intangible Assets

Carrying amounts of : (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Internally Developed Intangible Assets (Research and development)	**356.54**	366.41	321.06
Computer Software	**84.56**	98.30	112.52

(₹ In Lakhs)

Particulars	Internally Developed Intangible Assets (Research and development)	Computer Software	Intangible Assets (Trade Mark/Brand)	Technical and Marketing Knowhow	Registration Rights	Total
(Cost or Deemed Cost)						
Balance as at 1st April, 2016	**321.06**	**112.52**	**2,731.25**	**0.00**	**1,593.82**	**4,758.65**
Additions	93.27	1.62	238.50	609.50	-	942.89
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2017	**414.33**	**114.14**	**2,969.75**	**609.50**	**1,593.82**	**5,701.54**
Additions	42.93	1.08	-	-	-	44.02
Disposals	-	-	-	-	-	-
Balance as at 31st March, 2018	**457.26**	**115.22**	**2,969.75**	**609.50**	**1,593.82**	**5,745.56**
Accumulated Amortisation and Impairment						
Balance as at 1st April, 2016	**-**	**-**	**-**	**-**	**-**	**-**
Amortisation for the year	47.92	15.84	155.14	7.64	423.74	650.28
Balanceas at 31st March, 2017	**47.92**	**15.84**	**155.14**	**7.64**	**423.74**	**650.28**
Amortisation for the year	52.80	14.82	163.39	30.48	423.74	685.22
Balance as at 31st March, 2018	**100.72**	**30.66**	**318.53**	**38.12**	**847.48**	**1,335.51**
Carrying amounts of :						
Balance as at 1st April, 2016	**321.06**	**112.52**	**2,731.25**	**-**	**1,593.82**	**4,758.65**
Balance as at 31st March, 2017	**366.41**	**98.30**	**2,814.61**	**601.86**	**1,170.08**	**5,051.26**
Balance as at 31st March, 2018	**356.54**	**84.56**	**2,651.22**	**571.38**	**746.34**	**4,410.05**

Details of Intangible Assets under Development (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**753.64**	569.23
Capitalised	**(42.93)**	(93.27)
Additions during the year	**410.69**	277.68
Closing Balance	**1,121.40**	753.64

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

5. Non-Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No of Shares/units	Amount	No of Shares/units	Amount	No of Shares/units	Amount
Investments :						
Unquoted, Fully Paid up Equity Shares from wholly Owned Subsidiary (Inoperative)						
Lyka Animal Healthcare Ltd	**49994**	**5.00**	49994	5.00	49994	5.00
Other Investments (Unquoted)- FVTPL						
The Kapol Co-op Bank Ltd	-	-	-	-	1,00,000	10.00
Janata Sahakari Bank Ltd	**100**	**0.01**	100	0.01	100	0.01
Other Investments (Quoted) - FVTOCI :						
Equity Shares of Rs. 10 each fully paid up in Relic Technologies Ltd	**130827**	**15.83**	130827	18.97	130827	20.67
Equity Shares of Rs. 10 each fully paid up in Paramount Printpackaging Ltd	**10,000**	**0.08**	10,000	0.09	10,000	0.13
Equity Shares of Rs. 10 each fully paid up in Themis Medicare Ltd	**334**	**1.86**	334	2.05	334	1.19
Equity Shares of Rs. 10 each fully paid up in Gujarat Themis Biosyn Ltd					16,500	4.49
		22.78		26.12		41.49

Current Investments

(₹ In Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April, 2016	
	No of Shares/units	Amount	No of Shares/units	Amount	No of Shares/units	Amount
Investments at FVTPL:						
Investments in Mutual Fund:						
(i) Debt Mutual Fund						
Birla Sun Life Plus Collection A/c	**12.664**	**0.03**	-	-	-	-
HDFC Liquid Fund	**0.768**	**0.03**	-	-	-	-
Total		**0.06**				

6. Other Non- current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Security Deposit	**490.41**	407.04	358.67
Others - Deposit with Drug Price Equalisation Account	**1032.45**	1032.45	1032.45
Total	**1522.86**	1439.49	1391.12

7. Other Non-Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Capital Advances	**67.06**	63.59	95.38
Balance with Government Authorities	**379.35**	292.34	344.65
Others	**742.11**	736.47	732.09
Total	**1188.52**	**1092.40**	**1172.12**

8. Non-Current Tax Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Tax and Tax deducted at source	**380.92**	336.65	311.43
Total	**380.92**	336.65	311.43

9. Deferred Tax Assets (net)

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Assets	**423.65**	305.92	219.09
Less: Deferred Tax Liabilities	**(28.42)**	(15.70)	(23.16)
Total	**395.23**	290.22	195.93

(₹ In Lakhs)

Deferred Tax Assets/(Liabilities) in relation to:	As at 31st March 2018			As at 31st March 2017		
	Opening Balance	Recognised in Profit or Loss	Closing Balance	Opening Balance	Recognised in Profit or Loss	Closing Balance
Fair Value Adjustments	**53.27**	**10.36**	**63.63**	49.41	3.86	53.27
Provision for Expected Credit Loss	**41.03**	**17.55**	**58.58**	35.28	5.75	41.03
Property, Plant and Equipment	**36.35**	**40.00**	**76.35**	(1.69)	38.04	36.35
Brought forward losses and depreciation	**246.18**	**181.00**	**427.18**	101.90	144.28	246.18
43B Disallowances	**26.31**	**15.67**	**41.98**	11.02	15.29	26.31
	403.14	**264.58**	**667.72**	195.92	207.22	403.14

10. Inventories

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials (Refer Note No. 44)	**146.85**	169.20	152.95
Packing Material (Refer Note No. 44)	**343.96**	345.63	311.85
Work-in-Progress	**201.94**	372.14	156.75
Finished Goods	**426.94**	437.10	459.61
Total	**1119.69**	1324.07	1081.16

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to Rs. 51.66 lakh (Previous year - Rs. 43.13 lakh). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

11. Trade Receivables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured)			
Considered Good	**2049.62**	2917.24	3247.33
Considered Doubtful	**370.77**	808.61	1082.17
Less: Provision for Expected Credit Loss	**(370.77)**	(808.61)	(1082.17)
Total	**2049.62**	2917.24	3247.33

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

12. Cash and Cash Equivalents

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(A) Cash and Cash Equivalents			
Balances with Banks	**13.06**	341.67	51.16
Cash on hand	**4.34**	0.59	1.44
(B) Bank Balances other than Cash and Cash Equivalents			
Deposits with Banks held as margin money	**225.47**	169.93	502.92
Total	**242.87**	512.19	555.52

13. Current Loans

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Loan to Employees	**22.87**	5.79	12.15
Loan to Others	**39.50**	48.27	0.05
Total	**62.37**	54.06	12.20

14. Other Current Financial Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
Deposits	**60.53**	54.68	116.29
Others	**144.57**	159.02	266.49
Advances to related parties	**-**	-	2.51
Total	**205.10**	**213.70**	**385.29**

15. Other Current Assets

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Advances	**913.98**	484.46	320.94
Prepaid Expenses	**31.09**	169.65	145.97
Balance with Government Authorities	**117.20**	339.60	137.47
Others	**323.74**	263.75	92.42
Total	**1386.01**	**1257.46**	**696.80**

16. Share Capital

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised						
Equity Shares of Rs. 10/- each	30,000,000	3,000.00	30,000,000	3,000.00	30,000,000	3,000.00
Redeemable Preference Shares of Rs. 100/- each	**200,000**	**200.00**	**200,000**	**200.00**	**200,000**	**200.00**
	30,200,000	**3,200.00**	**30,200,000**	**3,200.00**	**30,200,000**	**3,200.00**
Issued, Subscribed and Fully Paid						
Equity Shares of Rs. 10/- each	**28,140,000**	**2,814.00**	**22,040,000**	**2,204.00**	**22,040,000**	**2,204.00**
Total	**28,140,000**	**2,814.00**	**22,040.000**	**2,204.00**	**22,040.000**	**2,204.00**

16.1 Rights, preferences and restriction attached to equity shares :

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

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

16.2 Terms of warrants issued:

Each warrant is entitled to be converted in equity shares of Rs.10/- each

Warrant does not bear any interest.

The warrants will be converted into equal no. of shares within a period of 18 months from the date of allotment upon receipt of balance amount of 75% of issue price. In the event of non receipt of balance amount of issue price, the subscription money paid on warrant shall be forfeited. All the outstanding warrants in respect of which the holder has not exercised option shall lapse on the completion of 18 months from the date of allotment.

The shares so allotted on conversion of warrants shall rank pari pasu in all respect in existing equity shares.

The shares so allotted on conversion of warrants shall remain under lock-in period of three years from the date of trading approval granted by the stock exchange.

The warrant holders shall have no right or privileges.

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Equity Shares	Preference Shares	Equity Shares	Preference Shares	Equity Shares	Preference Shares
Balance as at the beginning of the Year / Period	22,040,000	1.09	22,040,000	1.09	21,580,000	1.09
Add : Issued during the Year / Period	6,100,000	-	-	-	460,000	-
Balance as at the end of the Year / Period	28,140,000	1.09	22,040,000	1.09	22,040,000	1.09

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No of Shares held	% of Shares	No of Shares held	% of Shares	No of Shares held	% of Shares
Equity Shares of Rs. 10/- each						
Narendra I Gandhi (HUF)	--	--	1500776	6.81%	1500776	6.81%
Kunal Narendra Gandhi	--	--	1116642	5.07%	1151642	5.23%
Nehal Narendra Gandhi	--	--	1169803	5.31%	1369803	6.22%
Mayank J. Shah	**2000000**	**7.11%**	-	-	-	-
Shruti Mayank Shah	**1515846**	**5.39%**	-	-	-	-
Prasham M. Shah	**1500000**	**5.33%**	-	-	-	-
10% Cumulative Redeemable Preference Shares						
Dr. D. B. Parikh	108570	100%	108570	100.00%	108570	100.00%

16.5 40 Lakhs Equity shares of Rs. 10/- each were issued on 07.12.2005 by conversion of Global Depository Receipts.

16.6 The Company has alloted 4.60 Lakhs 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

17. Other Equity

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Reserve	**49.13**	49.13	49.13
Securities Premium Account	**9496.47**	6751.47	6751.47
General Reserve	**952.57**	952.57	952.57
Retained Earning	**(8236.35)**	(6470.57)	(5908.20)
Revaluation reserve	**148.28**	284.37	420.47
Money Received against Share Warrants (Refer Note No. 16.2)	**75.63**	-	-
Non Controlling Interest	**523.83**	702.73	811.53
Total	**3009.56**	**2269.70**	**3076.97**

Nature of Reserves:

Capital Reserves

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

Revaluation Reserves

This reserve represents revaluation of Intangible asset (Registration Rights) in earlier years.

Securities Premium

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

General Reserves

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

18. Non Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loan:			
Term Loans from Banks	**380.91**	3,441.29	2,482.98
Finance Lease Obligations	**25.30**	51.53	20.98
Unsecured Loan:			
10% Redeemable Preference Shares of Rs. 100/- each (for terms of preference shares Refer Note no. 18.3)	**86.95**	84.41	81.96
Total	**493.16**	3,577.23	2,585.92

18.1 Details of terms of repayment and security provided for in respect of the Long-Term Borrowings as follows : (Including Current Maturities of Term Loans from Banks and finance lease obligation - Refer Note No. 21)

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

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

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

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

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

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

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

(i) Term loan WCTL (Fresh) from Dena Bank repayable in 6 quarterly installments of Rs. 100 Lakhs each and subsequently 10 quarterly installments of Rs.140 Lakhs 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 registered 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 Lakhs each. Interest rate is MCLR + 3.5 % + 1 %.*

(k) Term Loan from Bank of Maharashtra repayable in 4 quarterly installment of Rs. 50 Lakhs 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 51 equal monthly installments of Rs. 12.16 Lakhs each. Interest rate is @15%.**

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

18.2 7 Lease obligations repayable in equated monthly installments upto March 2020 secured by respective Vehicles. Rate of interest ranges from 8.37% to 18.01%.

18.3 108,570 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.

18.4 Details of continuing default as at 31st March, 2018 is as follows:

Principal Amount: Rs.2570.38 lakh, period of default: From June 2016 to March 2018

Interest Amount: Rs. 814.26 lakh, period of default: From February 2016 to March 2018

19. Other Non-current Financial Liabilities (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security Deposit	**66.88**	141.89	126.00
Total	**66.88**	141.89	126.00

20. Non Current Provisions (₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits:			
Provision for Leave Encashment	**134.62**	114.85	97.16
Provision for Gratuity	**218.83**	194.51	189.54
Provision for Superannuation	**9.80**	7.40	5.00
Provision for Taxation	**-**	122.00	-
Total	**363.25**	**438.76**	**291.70**

21. Current Borrowings

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Loans			
From Banks			
Loans repayable on demand	**3,374.30**	3,806.31	3,915.22
Term Loan	**-**	-	1,575.64
Unsecured			
Loans and Advances from related parties	**885.96**	596.94	47.78
Inter Corporate Deposits	**206.41**	246.70	93.95
Short Term Loans	**115.37**	373.10	480.19
Total	**4,582.04**	**5,023.05**	**6,112.78**

21.1 Details of terms of repayment and securities provided in respect of Current Borrowings from bank:

(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 registered mortgage of Company's immovable properties at Ankleshwar and Valsad.

21.2 Interest on Loans from related parties ranges between 15 % and 18% (simple Interest).

21.3 Interest on Inter Corporate Deposits is 21% (simple interest).

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

22. Trade Payables

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Total outstanding dues of Micro Enterprises and Small Enterprises	**62.85**	840.30	123.90
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**2,408.09**	3,075.88	3,283.72
Total	**2,470.94**	3,916.18	3,407.62

23. Other Current Financial Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-Term Debt			
(i) Debentures - Privately Placed Non Convertible	**12.00**	724.00	863.00
(ii) Term Loan from Banks	**6,104.63**	3,137.57	1,737.53
(iii) Finance Lease Obligations	**25.88**	33.29	33.47
(iv) Fixed Deposits	**49.52**	67.37	691.52
Interest Accrued and due	**151.69**	484.52	325.61
Book Overdraft	**235.05**	203.94	281.31
Employee dues	**156.38**	259.33	195.19
Retention Money Payable	**0.02**	4.79	4.79
Creditors for :			
(i) Expenses	**454.70**	176.27	387.37
(ii) Capital Expenditure	**65.12**	281.44	105.97
(iii) Trade Acceptances	**1,024.72**	764.32	800.71
Other Outstanding Liabilities	**298.07**	281.07	267.12
Total	**8,577.78**	**6,417.91**	**5,693.59**

24. Other Current Liabilities

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Payables			
(i) Statutory dues	**177.69**	532.49	291.30
(ii) Unclaimed Preference Share Dues	**-**	-	1.75
(iv) Advance from Customers	**482.11**	356.42	319.73
Total	**659.80**	888.91	612.78

25. Current Provisions

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Employee Benefits:			
Provision for Bonus	**33.02**	22.62	22.47
Provision for Gratuity	**153.69**	104.04	89.39
Provision for Leave Encashment	**11.53**	4.26	3.89
Provision for Superannuation	**3.24**	5.48	1.70
(ii) Provision for Tax	**270.07**	162.33	331.60
Total	**471.55**	**298.73**	**449.05**

26. Revenue From Operations

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Sale of products	**5,716.97**	10,365.08
Total	**5,716.97**	10,365.08

26.1 Details of Sale of Product

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Bulk Drug	**339.09**	747.00
Formulations	**5,152.14**	9,618.08
Pharma Chemical	**225.74**	-
	5,716.97	**10,365.08**

27. Other Operating Revenue

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Processing charges received	**236.47**	270.11
Royalty	**13.89**	29.56
Sale of Dossiers	**-**	575.00
Sale of Trade Marks	**-**	225.00
Export Incentives	**94.27**	206.61
Total	**344.63**	**1,306.28**

Notes to the Consolidated Financial Statements for the year ended March 31, 2018

28. Other Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Income	**33.25**	14.57
Insurance Claim	**-**	0.22
Rent Received	**46.03**	-
Foreign Exchange Fluctuation	**22.79**	5.50
Sundry Credit Balances/Excess Provision Written Back (net)	**53.85**	130.86
Miscellaneous Income	**57.39**	72.54
Total	**213.31**	**223.69**

28.1 Interest Income

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Interest from banks on deposits	**24.26**	7.92
(ii) Other interest	**2.55**	0.25
Total	**26.81**	**8.17**

29 Cost of material consumed

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening stock of raw material and packing material	**514.83**	464.80
Add: Purchases	**1,824.01**	3,586.70
Less: Closing stock of raw material and packing material	**(490.81)**	(514.83)
Total	**1,848.03**	**3,536.67**

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

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
As at the beginning of the year:		
Finished Goods	**437.10**	459.61
Work-in-Progress	**372.14**	156.75
Total Opening Stock (a)	**809.24**	**616.36**
As at the end of the year:		
Finished Goods	**426.94**	437.10
Work-in-Progress	**201.94**	372.14
Total Closing Stock (b)	**628.88**	809.24
Net decrease/(increase) in Finished Goods, work-in-progress and stock in trade(a)-(b)	**180.36**	(192.88)

31. Employee Benefit Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salaries and Wages	**1,412.78**	1,489.30
Contribution to Provident and Other Funds		
a) Provident / ESI Fund	**94.57**	109.12
b) Superannuation Fund	**4.83**	5.39
Provision for Gratuity	**67.05**	37.15
Provision for Leave Encashment	**27.68**	8.05
Staff Welfare Expenses	**91.40**	75.27
Total	**1,698.31**	**1,724.28**

32. Finance Costs

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Expenses on :		
(i) Borrowings From Banks		
Term Loans	**76.89**	652.26
Working Capital	**110.10**	368.11
(Net of capitalised of Rs. NIL, Previous Year Rs. 79.60 Lakhs)		
(ii) Debentures	**47.57**	90.82
(iii) Borrowing Others		
Bill Discounting charges	**213.72**	273.58
Bank Charges	**43.79**	98.71
Others	**303.54**	244.22
Commission for Letter of Credit	**162.47**	144.30
Total	**958.08**	**1,872.00**

33. Other Expenses

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Consumption of Stores and Spare Parts	**15.67**	8.69
Power and Fuel	**186.30**	189.79
Processing Charges	**31.24**	49.17
Rent including Lease Rentals	**47.26**	34.19
Repairs and Maintenance - Buildings	**15.59**	16.49
Repairs and Maintenance - Machinery	**23.33**	25.43
Repairs and Maintenance - Others	**20.62**	19.74
Insurance	**17.74**	21.83
Rates and Taxes	**16.31**	12.25
Communication Expenses	**24.88**	16.43
Travelling and Conveyance	**258.42**	321.88
Advertisement and Sales Promotion	**23.18**	36.74
Sundry balances written off	**1.20**	-
Legal and Professional Charges	**166.51**	125.17
Payments to Auditors (Refer Note no. 56)	**35.26**	48.64
Miscellaneous Expenses	**652.11**	626.34
Directors Fees	**14.43**	15.90
Expected Credit Loss Provision Expenses	**149.35**	53.33
Total	**1,699.40**	**1,622.01**

34. Exceptional Items

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Non Receivable Interest from Bank Written Off	**88.80**	-
Non Recoverable margin amount Written off	**6.96**	-
Non Payable Interest to Banks Written back	**(344.35)**	-
Irrecoverable Debts/Advances Written off	**-**	54.88
Loss on sale of Fixed Assets (Net)	**-**	11.20
Loss on Sale of Investments	**-**	1.61
VAT paid under Amnesty Scheme	**81.61**	128.63
Short Provision of expenses in earlier years no Longer Required Written Back	**19.86**	-
Quality Claims	**(76.38)**	217.33
Total	**(223.50)**	**413.65**

Other Notes:

35 Estimated amounts of commitments remaining to be executed as on 31st March, 2018 are as follows:

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Against purchase of Capital goods.	**92.10**	46.90	56.38

(36) Contingent Liabilities are not provided for in respect of following:

(i) Demands were raised against the Holding Company aggregating to Rs. 680.62 Lakhs (as at 31st March 2017 Rs. 680.62 Lakhs and as at 1st April 2016 Rs. 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Holding Company. In the earlier years, the Holding Company had received recovery notices for recovery of Rs. 2,094.41 Lakhs(as at 31st March 2017 Rs. 2,094.41 Lakhs and as at 1st April 2016 Rs. 2,094.41 Lakhs) to be deposited into "Drug Price Equalisation Account".

The Holding Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Holding Company depositing certain amounts against the said demands. Accordingly, the Holding Company has deposited Rs. 1,032.45 Lakhs (as at 31st March 2017 Rs. 1,032.45 Lakhs and as at 1st April 2016 Rs. 1,032.45 Lakhs).

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

(ii) (a) The Holding Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals)Baroda, dated 24th January, 2011 in respect of Holding Company's appeal against the demand for Gujarat Sales Tax of Rs. 1,324.08 Lakhs (as at 31st March 2017 Rs. 1,324.08 Lakhs and as at 1st April 2016 Rs. 1,324.08 Lakhs)for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 85.45 Lakhs(as at 31st March 2017 Rs. 85.45 Lakhs and as at 1st April 2016 Rs. 85.45 Lakhs) against which Holding Company has made payment of Rs. 45.81 Lakhs (as at 31st March 2017 Rs. 85.45 Lakhs and as at 1st April 2016 Rs. 85.45 Lakhs) under protest. The Holding Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of Rs. 45.81 Lakhs (as at 31st March 2017 Rs. 45.81 Lakhs and as at 1st April 2016 Rs. 45.81 Lakhs) are considered by the Holding Company as good and recoverable.

(b) There are disputed Sales Tax demands in respect of prior years amounting to Rs. 549.96 Lakhs (as at 31st March 2017 Rs. 834.34 Lakhs and as at 1st April 2016 Rs. 677.71 Lakhs) against which the Holding Company has made payment of Rs. 22.22 Lakhs (as at 31st March 2017 Rs. 95.32 Lakhs and as at 1st April 2016 Rs. 69.02 Lakhs) under protest. The Holding Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of Rs. 22.22 Lakhs (as at 31st March 2017 Rs. 95.32 Lakhs and as at 1st April 2016 Rs. 45.85 Lakhs) are considered by the Holding Company as good and recoverable.

(c) Lyka BDR International Ltd. (Subsidiary Company) has received notice from Maharashtra Value Added Tax for Rs. 9.98 Lakhs. The matter is sub-judice.

(iii) The Holding Company has received notices from Central Excise department raising demands as stated below:

(a) Rs. 108.75 Lakhs(as at 31st March 2017 Rs. 108.75 Lakhs and as at 1st April 2016 Rs.108.75 Lakhs) against which the Holding Company has paid Rs. 25.00 Lakhs (as at 31st March 2017 Rs. 25.00 Lakhs and as at 1st April 2016 Rs. 25.00 Lakhs). The matter is sub-judice and the payment of Rs. 25.00 Lakhs (as at 31st March 2017 Rs. 25.00 Lakhs and as at 1st April 2016 Rs.25.00 Lakhs) is considered by the Holding Company as good and recoverable.

(b) Rs. 71.37 Lakhs (as at 31st March 2017 Rs. 71.37 Lakhs and as at 1st April 2016 Rs.71.37 Lakhs) relating to disputed Central Excise duty, the matter is sub-judice.

(iv) Disputed Service Tax demand amounts to Rs. 18.10 Lakhs (as at 31st March 2017 Rs. 18.10 Lakhs and as at 1st April 2016 Rs.18.10 Lakhs), against which the Holding Company has made payment of Rs. 1.81Lakhs (as at 31st March 2017 Rs. 1.81 Lakhs and as at 1st April 2016 Rs.NIL). The matter is sub-judice, and the payment of Rs. 1.81 (as at 31st March 2017 Rs. 1.81 Lakhs and as at 1st April 2016 Rs.NIL) is considered by the Holding Company as good and recoverable.

(v) The Holding Company has received orders from Income Tax Department raising demands aggregating to Rs. 2,402.26 Lakhs(as at 31st March 2017 Rs. 2,325.04 Lakhs and as at 1st April 2016 Rs. 2,325.04 Lakhs) relating to prior years against which the Holding Company has paid Rs. 115.45 Lakhs (as at 31st March 2017 Rs. 100.00 Lakhs and as at 1st April 2016 Rs. 100.00 Lakhs). The matter is sub-judice and the payment of Rs. 115.45 Lakhs (as at 31st March 2017 Rs. 100.00 Lakhs and as at 1st April 2016 Rs.100.00 Lakhs) is considered by the Holding Company as good and recoverable.

(vi) Lyka Healthcare Ltd. (Subsidiary Company) has received order from Income Tax Department raising a demand of Rs. 100.77 Lakhs in respect of earlier year. The matter is sub-judice.

(vii) Rs. 7.95 Lakhs (as at 31st March 2017 Rs. 7.95 Lakhs and as at 1st April 2016 Rs. 7.95 Lakhs) being claims against the Holding Company not acknowledged as debt.

(viii) Employee (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to Rs. 429.55 Lakhs (as at 31st March 2017 Rs. 427.32 Lakhs and as at 1st April 2016 Rs. 424.57 Lakhs) as the matter is sub-judice.

(ix) Bank Guarantees provided by a Bank on behalf of the Holding Company Rs. 56.92 Lakhs (as at 31st March 2017 Rs. 58.84 Lakhs and as at 1st April 2016 Rs. 96.33 Lakhs).

(x) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs. 135.71 Lakhs (as at 31st March 2017 Rs. 124.86 Lakhs and as at 1st April 2016 Rs. 114.00 Lakhs).

(37) Fixed Deposits:

During the year, the Holding Company has repaid deposits that were claimed aggregating to Rs. 17.85 Lakhs. As regards the balance of unclaimed deposits Rs. 49.52 Lakhs the same shall be paid as and when claimed.

The additional liability of interest, if any, arising on account of delayed payment/ non-payment shall be provided for in the year in which the said liability is settled.

(38) Debentures:

The Holding Company has repaid Debentures as per Order of National Company Law Tribunal (Ahmedabad Bench) dated 22nd May, 2017 as follows:

Sr. No.	Outstanding Debentures	Amount (₹ In Lakhs)	Payable by
1	Upto 31st March, 2015	375.00	30th July, 2017
2	From 1st April, 2015 to 31st July, 2015	209.75	31st December, 2017
3	From 1st August, 2015 to 30th April, 2016	139.25	30th March, 2018
	***Total**	**724.00**	

*Out of Rs. 724.00 Lakhs debentures paid by the Holding Company during the year, Rs 12.00 Lakhs is outstanding due to cheques returned undelivered/ Unclaimed.

(39) Rs. 502.50 Lakhs (Previous Year Rs. 502.50 Lakhs) placed with the Managing Director, as security deposit for residential accommodation/garage taken on leave and license, which has been given by the Holding Company to him, in accordance with the terms of his reappointment. The Holding Company has been legally advised that the provisions of section 185 of the Companies Act, 2013 are not attracted in respect of the same.

(40) The balances relating to Trade Receivables, Trade Payables, Group Companies and Loans and Advances as on 31st March, 2018 are subject to confirmation and adjustments, if any, on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained and shall be adjusted in the year in which the confirmation process is completed.

(41) Pledged shares of a Director encashed by a Lender

During the year, the Holding Company has received claims from a Director aggregating to Rs. 128.25 Lakhs being the value of 225,000 equity shares of the Holding Company pledged as security for finance supposed to have been provided by a Finance Company to the Holding Company. These pledged shares were allegedly invoked by The said Finance Company. Further, the said Director has claimed the interest on the same, post invocation of the pledged shares.

Pending receipt of documentary evidence to substantiate the above claims, the Holding Company has debited to Finance Company with Rs. 128.25 Lakhs. However, the said Finance Company has not confirmed the same for which no provision has been made in the books. The Holding Company is in the process of resolving the counter claims of both the parties.

(42) Investments in Subsidiaries:

(a) The Board of Directors at their meeting held on 10th March, 2016 resolved to merge Holding Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st April, 2015 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1st April, 2017 by the Board of Directors at their meeting held on 30th August, 2017.

(b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Holding Company's subsidiary Lyka Healthcare Limited with it effective from 1st April 2017 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order

dated 6th February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March 2018 for approving the arrangement

The Equity / Preference Shareholders at the meetings convened, approved the arrangements of merger. The Unsecured Creditors at their meeting also approved the arrangement of merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Holding Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Holding Company for reconvening meeting of Secured Creditors on 2nd July, 2018.

(43) Capital Expenditure:

(i) Tangible Project Capital Work-in-Progress Rs. 1,666.25 Lakhs as at 31stMarch,2018, (as at 31st March 2017 Rs. 1669.63 Lakhs and as at 1st April 2016 Rs. 1,624.60 Lakhs) includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 262.44 Lakhs (as at 31st March 2017 Rs. 258.15 Lakhs and as at 1st April 2016 Rs. 213.69 Lakhs) and interest amount of Rs. 299.66 Lakhs(as at 31st March 2017 Rs. 299.66 Lakhs and as at 1st April 2016 Rs. 235.56 Lakhs) which is pending allocation to Fixed Assets on completion of the project.

(ii) The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31stMarch,2018 in respect of “new product development and applied research” aggregating to Rs. 976.53 Lakhs (as at 31st March 2017 Rs. 753.64 Lakhs and as at 1st April 2016 Rs. 569.22Lakhs) including finance cost of Rs. 76.12 Lakhs (as at 31st March 2017 Rs. 214.40 Lakhs and as at 1st April 2016 Rs. 220.88 Lakhs) which is carried forward under “Capital Work in Progress – Intangibles”, to be recognized as “Self-Generated Intangible Assets” upon successful development of respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned.

During the year, the Holding Company has capitalized Rs. 42.93 Lakhs (as at 31st March 2017 Rs. 93.27 Lakhs and as at 1st April 2016 Rs. 33.22 Lakhs) as “Self-Generated Intangible Assets” upon successful development of respective products.

(iii) Lyka BDR International Limited (Subsidiary Company) has considered capitalization of expenses related to obtaining fresh as wall as renewal of Registration Rights of Rs. 144.87 Lakhs during the year (previous year nil) and same has been shown as intangible assets under developments.

(44) During the year, inventories include slow/non-moving raw-material and packing materials procured during the earlier years amounting to 204.68 Lakhs as on 31st March 2018, which are valued at cost. The Holding Company is evaluating to utilize/realize the same.

(45) The Holding Company has provided Rs. 76.89 Lakhs (Previous Year Rs. 109.24 Lakhs) being interest / damages on an estimated basis in respect of delays in depositing statutory dues with Government, Semi-Government and Local Authorities beyond the time allowed.

(46) Employment and Retirement Benefits.

(i) The actuarial valuation of the present value of the defined benefit obligation in respect of Gratuity has been carried out as at 31st March, 2018. The following tables set out the amounts recognized in the financial statements as at 31stMarch, 2018 for the defined benefit plans.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	**Liability recognized in Balance Sheet**		
	Change in Benefit Obligation		
	Present Value of Obligations as at 1stApril, 2017	**298.21**	265.65
	Service Cost	**26.54**	17.79
	Interest Cost	**20.48**	20.33
	Actuarial Loss/(Gain) on Obligations	**33.70**	2.94
	Benefits Paid	**(17.55)**	(8.50)
	As at 31st March, 2018	**361.38**	**298.21**
	Less : Fair Value of Plan Assets		
	As at 1st April, 2017	**18.99**	22.24
	Expected Return on Plan assets	**1.34**	1.88
	Employers' Contribution	**0.00**	4.00
	Actuarial (Loss) on Plan Assets	**(0.13)**	(5.79)
	Benefits Paid	**(10.04)**	(3.33)
	As at 31st March, 2018	**10.16**	**19.00**
	Net Liability	**351.22**	**279.21**
b)	**Expense during the year/period**		
	Service Cost	**26.27**	17.79
	Interest Cost	**19.76**	20.34
	Expected Return on Plan Assets	**0.00**	(1.16)
	Actuarial Loss/(Gain) on Obligations	**33.22**	8.01
	Total	**79.25**	**44.98**
c)	**Principal Actuarial Assumptions**		
	Rate of Discounting	**7.60%**	6.90%
	Rate of Return on Plan Assets	**7.50%**	7.50%
	Salary Growth Rate	**3.00%**	3.00%

(ii) The actuarial valuation of the present value of the defined benefit obligation in respect of Compensated Absence Liabilities has been carried out as at 31stMarch, 2018. The following tables set out the amounts recognized in the financial statements as at 31st March, 2018 for the defined benefit plan.

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a)	**Liability recognized in Balance Sheet**		
	Change in Benefit Obligation		
	Present value of obligations as at 1st April, 2017	**161.72**	155.11
	Service Cost	**46.96**	25.40
	Interest Cost	**10.72**	11.23
	Actuarial (Gain) on Obligations	**(9.31)**	(10.01)
	Benefits Paid	**(17.08)**	(20.01)
	As at 31st March, 2018	**193.01**	**161.72**
	Less : Fair Value of Plan Assets		
	As at 1st April, 2017	**28.59**	24.23
	Expected Return on Plan Assets	**1.97**	2.12
	Employers' Contribution	**12.81**	20.50
	Benefits Paid	**(12.81)**	(18.25)
	As at 31st March, 2018	**30.56**	**28.60**
	Net Liability	**162.44**	**133.13**
b)	**Expense during the year**		
	Service Cost	**46.96**	25.40
	Interest Cost	**8.74**	11.23
	Expected Return on Plan Assets	**-**	(2.12)
	Actuarial (Gain) on Obligations	**(9.31)**	(10.01)
	Total	**46.39**	**24.50**
c)	**Principal Actuarial Assumptions**		
	Rate of Discounting	**7.60%**	6.90%
	Rate of Return on Plan Assets	**7.50%**	7.50%
	Salary Growth Rate	**3.00%**	3.00%

Sensitivity Analysis:

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

Particulars	31st March, 2018	31st March, 2017
Defined Benefit Obligation (Base)	**345.19**	298.21

Particulars	31st March, 2018		31st March, 2017	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	**377.85**	**345.98**	314.39	283.72
(% change compared to base due to sensitivity)	**9.46**	**0.23**	5.43	(4.86)
Salary Growth Rate (- / + 1%)	**345.97**	**377.61**	283.54	314.34
(% change compared to base due to sensitivity)	**0.23**	**9.39**	(4.92)	5.41
Attrition Rate (- / + 50% of attrition rates)	**307.21**	**320.63**	261.97	272.51
(% change compared to base due to sensitivity)	**(11.00)**	**(7.11)**	(12.15)	(8.62)
Mortality Rate (- / + 10% of mortality rates)	**314.65**	**314.95**	267.50	268.16
(% change compared to base due to sensitivity)	**(8.85)**	**(8.76)**	(10.30)	(10.08)

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

(47) During the year, the Holding Company has applied to two of its banks for settlement of principal / interest amount. The management has accordingly reversed interest on term loan provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and has not provided interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs. 941.56 Lakhs.

Further the Holding Company has reversed interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is also no provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

(48) Assets taken on operating lease:

The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Not later than one year	**83.83**	10.21
Later than one year but not later than five years	**295.93**	17.03
Later than five years	**-**	-
Total	**379.76**	**27.24**

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

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

Segment information for secondary segment reporting (by geographical segments)

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

(₹ In Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue by Geography		
India	**2190.82**	6994.36
Rest of world	**3526.16**	3371.14
Total	**5716.98**	**10365.50**

No single customer represents 10% or more of the Group's total revenue during the year ended 31st March, 2018 and 31st March, 2017.

(50) Disclosure of related parties/ related party transactions pursuant to Ind AS 24 "Related Party Disclosures

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

Category	Name of the Related Party	Relationship
1	Mr. N. I. Gandhi (Chairman and Managing Director) Mr. Kunal N. Gandhi (Chief Executive Officer) Mr. Yogesh Shah (Chief Financial Officer) Mr. D J Darji (Holding Company Secretary)	Key Management Personnel (KMP)
2	Mrs. Nehal N. Gandhi (Non – Executive Director) Mrs. Alisha K. Gandhi	Relative of KMP
3	Enai Trading & Investment Private Limited	Entities owned by/over which KMP is able to exercise significant influence

(b) Disclosure of related party transactions

(₹ In Lakhs)

Sr. No.	Description	KMP	Relative of KMP	Entities Owned by KMP	Total
1	Remuneration (Payments/Provisions) to	113.88	11.83	-	125.71
2	Directors Sitting Fees	-	0.60	-	0.60
3	Professional Fees	13.63	18.90	-	32.53
4	Interest Paid	68.78	49.74	2.22	120.75
5	Loan Received	686.61	349.30	25.75	1035.91
6	Loan Repaid	648.71	61.84	2.00	710.55

(c) Balance for the year ended

(₹ In Lakhs)

Description	Related party	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Security Deposit- given	KMP	**502.5**	502.5
Unsecured Loan- from	Entities owned by/over which KMP is able to exercise significant influence	**48.84**	2.37
	Relative of KMP	**403.15**	127.43
	KMP	**491.69**	440.03

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

(51) Earningsper Share: (EPS)

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Adjusted (Loss) for the year **(A)**	**(1732.44)**	(565.77)
Weighted Average number of Equity Shares **(B)**	**25833699**	22040000
Face value of Equity Share (Rs.) **(C)**	**10**	10
Basic and Diluted Earnings Per Share (Rs.) **(D=A/B)**	**(6.71)**	(2.57)

(52) Taxation:

Current Tax:

In view of current year business loss, unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the year.

Details of unabsorbed losses along with expiry of the same on which no deferred tax has been created:

(₹ In Lakhs)

Assessment Year	Unabsorbed business losses	Year of expiry
Lyka Labs Limited (Holding Co.)		
2014-15	1,156.98	2022-23
Lyka Healthcare Limited (Subsidiary Co.)		
2014-15	4.90	2022-23
2015-16	294.68	2023-24
2016-17	128.07	2024-25
2017-18	196.08	2025-26

53 DISCLOSURES ON FINANCIAL INSTRUMENTS

a Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2018.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets				
Investments	17.77	0.07	5.00	22.84
Other Financial Assets	-	-	1727.95	1727.95
Trade Receivables	-	-	2049.62	2049.62
Loans	-	-	457.69	457.69
Total	**17.77**	**0.07**	**4240.26**	**4258.10**
Financial Liabilities				
Other Financial Liabilities	-	-	2452.63	2452.63
Borrowings	-	-	11267.22	11267.22
Trade Payable	-	-	2470.94	2470.94
Total	**-**	**-**	**16190.80**	**16190.80**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2017.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets				
Investments	21.11	0.01	5.00	26.12
Other Financial Assets	-	-	1495.85	1495.85
Trade Receivables	-	-	2917.24	2917.24
Loans	-	-	54.06	54.06
Total	**21.11**	**0.01**	**4472.15**	**4493.27**
Financial Liabilities				
Other Financial Liabilities	-	-	2597.57	2597.57
Borrowings	-	-	12562.51	12562.51
Trade Payable	-	-	3916.18	3916.18
Total	**-**	**-**	**19076.26**	**19076.26**

The following table presents the carrying amounts of each category of financial assets and liabilities as at 1st April, 2016.

(₹ In Lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Cost/ Amortised Cost	Total Carrying Amount
Financial Assets				
Investments	26.48	10.01	5.00	41.49
Other Financial Assets	-	-	2,555.53	2,555.53
Trade Receivables	-	-	3,247.33	3,247.33
Loans	-	-	37.59	37.59
Total	**26.48**	**10.01**	**5,845.46**	**5,881.94**
Financial Liabilities				
Other Financial Liabilities	-	-	2,494.08	2,494.08
Borrowings	-	-	12,024.22	12,024.22
Trade Payable	-	-	3,407.62	3,407.62
Total	**-**	**-**	**17,925.91**	**17,925.91**

b. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

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

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

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

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

Particulars	As at 31st March, 2018			Total
	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
FVTOCI financial investments				-
Quoted equity instruments	17.77	-	-	17.77
Unquoted equity instruments	-	0.01	-	0.01
FVTPL financial investments	-	-	-	-
Quoted equity instruments	-	-	-	-
Mutual Funds	-	0.06	-	0.06
Total	**17.77**	**0.07**	**0.00**	**17.84**

Particulars	As at 31st March, 2017			Total
	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	21.11	-	-	21.11
Unquoted equity instruments	-	0.01	-	0.01
FVTPL financial investments				
Other Debt Instrument	-	-	-	-
Quoted equity instruments	-	-	-	-
Total	**21.11**	**0.01**	**-**	**21.12**

Particulars	As at 31st March, 2016			Total
	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	26.48	-	-	26.48
Unquoted equity instruments	-	10.01	-	10.01
FVTPL financial investments				
Other Debt Instrument	-	-	-	-
Quoted equity instruments	-	-	-	-
Total	**26.48**	**10.01**	**-**	**36.49**

c Valuation technique to determine fair value

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

(i) The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of cost which is considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

Market Risk

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

Foreign currency risk management

Foreign currency risk management

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

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

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

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

Particulars	Currency	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivable	USD	**12,80,299**	18,21,947	28,59,440
Trade Payable	USD	**(42,600)**	(2,37,625)	(3,39,625)
Net		**12,37,699**	15,84,322	25,19,815
Forward Contracts to Sell (Hedge of Receivables)		-	-	-
Net Exposure	USD	**12,37,699**	**15,84,322**	**25,19,815**

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

Foreign currency sensitivity analysis

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

Particulars	Currency	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Impact on profit before tax			
INR/USD - Increase by 5%	USD	**1,05,40,391**	(46,48,682)
INR/USD - Decrease by 5%	USD	**(1,05,40,391)**	46,48,682

Interest rate risk management

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

Interest rate sensitivity

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

Particulars		Change in interest rate	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest expense	Increase	100 basis point	(1)	(11)
	Decrease	100 basis point	1	11

d Credit risk

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

Trade Receiveble

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

Financial instruments and cash deposits

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

Liquidity risk

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

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

(₹ In Lakhs)

Particulars	Year	< 1 year	More than 1 year	Total
Financial Liabilities				
Trade Payables	31st March 2018	2,471	-	2,471
	31st March 2017	3,916	-	3,916
	1st April 2016	3,408	-	3,408
Borrowings	31st March 2018	10,774	493	11,267
	31st March 2017	8,985	3,577	12,563
	1st April 2016	9,438	2,586	12,024
Other Financial Liabilities	31st March 2018	2,386	67	2,453
	31st March 2017	2,456	142	2,598
	1st April 2016	2,368	126	2,494

f Excessive risk concentration

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

54 Capital Management

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

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Short Term Debt (including current maturities of long term loan)	**10,774**	8,985	9,438
Long Term Debt	**493**	3,577	2,586
Trade Payables	**2,471**	3,916	3,408
Less: Cash and cash equivalents	**243**	512	556
Net Debt	**13,495**	**15,967**	**14,876**
Equity	**2,814**	**2,204**	**2,204**
Capital and net debt	**16,309**	**18,171**	**17,080**
Net Debt to Capital Ratio (Debt/Equity plus debt)	**0.83**	**0.88**	**0.87**

There are no statutorily imposed restrictions in respect of the Company's Capital.

55 Disclosures required by Ind AS 101, First Time Adoption of Indian Accounting Standards:

55.1 Reconciliation of Statement of Total Equity as at April 1, 2016 and March 31, 2017

(₹ In Lakhs)

	Note no. of 55.3	As at 31st March, 2017	As at 1st April, 2016
Total Equity (Shareholders' Fund) under previous GAAP		**3,920.39**	**4,521.95**
Add/(Less): Ind-AS Adjustments :			
Financial Assets/Liabilities measured at amortised cost	a	(330.29)	(356.88)
Restatement of Fair value of investments	b	5.19	2.84
Derecognition of assets under Ind AS	c	(1,996.37)	(1,996.37)
ECL on Financial Assets	d	(221.37)	(167.66)
Borrowings recognised as per EIR	e	27.49	27.49
Redeemable Preference Shares classified as liability under Ind AS	f	(81.96)	(81.96)
Transition adjustment to PPE on account of considering fair value as deemed cost		2,729.79	2,853.45
Non- Controlling Interest recognised as Equity	g	289.76	393.41
Deferred Tax Adjustment	h	131.09	84.69
Total adjustments to equity		**553.32**	**759.01**
Total equity under Ind AS		**4,473.71**	**5,280.96**

(b) Reconciliation of Total Comprehensive Income for the year ended on March 31, 2017

(₹ In Lakhs)

	Note no. of 55.3	As at 31st March, 2017
Total Profit/(Loss) as per Previous GAAP		**(467.57)**
Add/(Less): Ind-AS Adjustments :		
Restatement of fair value of financial assets/liability measured at amortise cost	a	26.59
Restatement of Fair value of investments	b	1.77
ECL on Financial Assets	d	(53.72)
Borrowings recognised as per EIR	e	-
Incremental Depreciation on fair value as deemed cost for selective items of PPE		(123.66)
Actuarial loss/(Gain) on Employee Defined Benefit Plans recognised in Other Comprehensive Income	i	10.93
Non- Controlling interest	g	(101.55)
Deferred Tax Adjustment	h	47.56
Total adjustments to equity		**(192.08)**
Total (Loss) as per Ind AS		(659.65)
Add:/(Less):Other Comprehensive Income Item	i	(11.51)
Actuarial Gain/Loss on Employee Benefits (net of taxes)		
Total Comprehensive Income as per Ind AS		**(671.16)**

55.2 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

55.3 Reconciliation Explanations:

a Remeasurements of financial assets and liabilities measured at amortised cost

Under Indian GAAP, the Security deposits/ Rent deposits receivable/payable are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Security deposits/ Rent deposits are Financial Asset as the lease agreement/work contracts give a contractual right to the group to receive cash. Security deposit/ Rent deposit satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the same have been valued at amortised cost. The same has resulted in decrease in equity under Ind-AS by Rs. 330.29 lakh and Rs. 356.88 lakh respectively as at 31st March, 2017 and 1st April, 2016.

b Restatement of fair value of investments

The Group has invested in certain equity instruments. In previous GAAP, the same was measured at cost. As per Ind AS, investments are required to be measured at fair value. The same has resulted in decrease in equity under Ind-AS by Rs. 5.19 lakh as at 1st April, 2017 and Rs. 2.84 lakh as at 31st March, 2016.

c Derecognition of assets under Ind AS

The Group has derecognised its certain loans and advances, certain trade receivables, certain trade advances given and certain tangible and intangible capital work-in-progress, as they did not meet the recognition criteria. In previous GAAP, the same was measured at cost. The same has resulted in decrease in equity under Ind-AS by Rs.1996.37 lakh as at 31st March, 2017 and 1st April, 2016.

d ECL on trade receivables

As per Ind AS 109, the financial assets are subject to provision of expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the Group has made provision of ECL on Trade Receivables following simplified approach. The same has resulted in decrease in equity under Ind-AS by Rs. 221.37 lakh and Rs. 167.66 lakh respectively as at 31st March, 2017 and 1st April, 2016.

e Borrowings recognised as per EIR

Under Indian GAAP, the term loans are recorded at contracted rate. As per Ind AS, Borrowings are to be recognised as per effective interest rate. The same has resulted in decrease in equity under Ind-AS by Rs. 27.49 lakh as at 31st March, 2017 and 1st April, 2016.

f Redeemable Preference Shares classified as liability under Ind AS

Under the previous GAAP, Cumulative redeemable preference shares were classified as equity. As per Ind AS, the same is to be treated as a liability, since the Group has contractual obligation to redeem the preference shares. The same has resulted in decrease in equity under Ind-AS by Rs. 81.96 lakh as at 31st March, 2017 and 1st April, 2016.

g Deferred Tax impact on Ind-AS adjustments

As per Ind AS, the non controlling interest is part of equity. Under Previous GAAP, the same was part of liability.

h Remeasurement of defined benefit obligation

Various transitional adjustments resulted in temporary differences between taxable profits and accounting profits. Tax adjustments includes deferred tax impact on account of difference between previous GAAP and Ind AS on the adjustments discussed above. The same has resulted in increase in equity under Ind-AS by Rs. 131.09 lakh and Rs. 84.69 lakh respectively as at 31st March, 2017 and 1st April, 2016.

i Remeasurement of defined benefit obligation

Under the previous GAAP, actuarial gain and losses are charged to profit or loss, however under Ind-

AS, they form part of remeasurement of defined benefit liability/assets and are recognised in OCI.

55.4 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time adoption of Indian Accounting Standards:

The Group has adopted Ind AS with effect from 1 April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1 April 2016 and all the periods presented have been restated accordingly.

Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:

i) Deemed Cost:

Ind AS 101 permits a first time adopter to elect to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment, and intangible assets on the date of transition.

ii) Investments in subsidiary and associate:

The Group has elected to consider the carrying cost of equity investments in subsidiary and associate as per the previous GAAP as the deemed cost at the date of transition.

iii) Designation of previously recognised financial instruments:

a) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' or 'fair value through profit and loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its investments in certain investments at fair value through other comprehensive income and fair value through profit and loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

iv) Leases:

Ind AS 17 - Leases requires an entity to assess whether a contract or an arrangement is in the nature of lease arrangement. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and recognised arrangements having embedded leases based on facts and circumstances existing as at the date of Transition.

Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a) Estimates:

The estimates as at 1st April 2016 and 31st March2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Group to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b) Derecognition of financial assets:

The Group has elected to apply the Derecognition requirements for financial assets and

financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and movement of financial assets and liabilities:

The Group has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

(56) Payments to Auditors:

(₹ In Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i)	Audit Fees (including Rs. 2.10 Lakhs to Branch Auditors - Previous Year Rs. 2.70 Lakhs)	**23.59**	35.19
(ii)	As Advisor for Holding Company Law Matters (including Rs. Nil to Branch Auditors- Previous Year Rs .Nil)	**3.35**	6.61
(iii)	Tax Audit Fees (including Rs. 0.50Lakhsto Branch Auditors – Previous Year Rs. 0.50 Lakhs)	**7.15**	5.68
(iv)	For other services (certification work etc.) (including Rs. Nil to Branch Auditors- Previous Year Rs. Nil)	**1.16**	0.35
(v)	Reimbursement of Expenses (including Rs. Nil to Branch Auditors- Previous Year Rs. Nil)	**0.01**	0.83
	Total	**35.26**	**48.64**

(57) The Figures have been regrouped/reclassified the Previous Year's figures in order to confirm to the figures of the Current Year.

In terms of our report of even date attached,
For Mehta Chokshi & Shah
Chartered Accountants
Firm Registration No. 106201W

(Abhay R. Mehta)
Partner
Membership No. 046088

Place : Mumbai
Date : 29th May, 2018

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

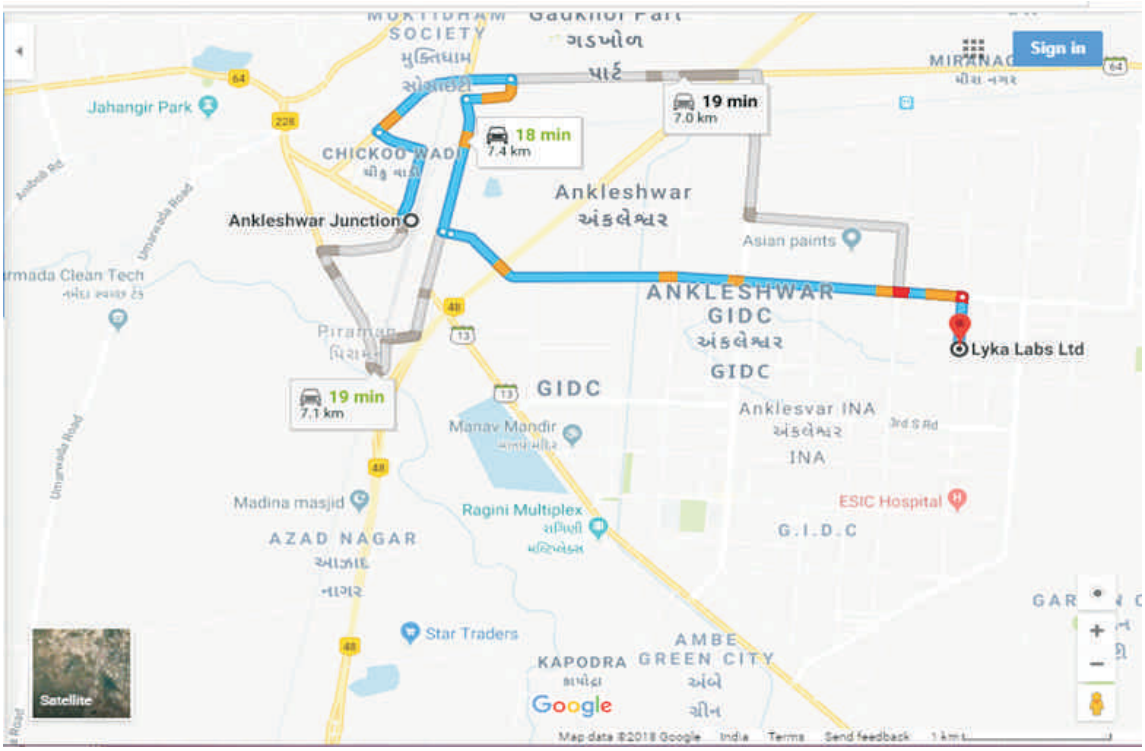
(N. I. Gandhi)
Chairman & Managing Director
DIN : 00021530

(Ajit S. Bagadia)
Director
DIN : 07229868

(Y. B. Shah)
Chief Financial Officer

(D. J. Darji)
Company Secretary

Route Map of AGM Venue



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Form No. MGT -11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L24230GJ1976PLC008738
Name of the Company : Lyka Labs Limited
Registered office : 4801/B & 4802/A GIDC INDUSTRIAL ESTATE, ANKLESHWAR, GUJARAT 393002

Name of the member (s): .....

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: .....

DP ID: .....

I/We, being the member (s) of …… shares of the above named company , 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 39th Annual General Meeting of members of the Company, to be held on Saturday, 29th September, 2018 at 12.30 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Standalone audited financial statements, report of Board of Director and Auditor for the financial year ended 31st March, 2018.
2. Adoption of Consolidated audited financial statements and Auditor report for the financial year ended 31st March, 2018.
3. Appointment of Smt. N.N.Gandhi as Director who retires by rotation.
4. Ratification of appointment of Statutory Auditors.
5. Ratification of appointment of Branch Auditors.
6. Ratification of remuneration to Cost Auditors.
7. Appointment of Independent Director for 3 years.
8. Approval of Related Party Transactions.

Signed this …….. day of …… 2018.

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office at Ankleshwar, not less than 48 hour before the commencement of the Meeting.

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LYKA LABS LIMITED

Registered Office: 4801/B & 4802/A, G.I.D.C Industrial Estate, Ankleshwar- 393 002.
Admin Office: Spencer Building, Ground Floor, 30 Forjett Street, Grant Road (West), Mumbai - 400 036.
CIN: L24230GJ1976PLC008738.

ATTENDANCE SLIP

39TH ANNUAL GENERAL MEETING ON 29TH SEPTEMBER, 2018

DP ID- Client ID/ Folio No:	
Name & Address of Member/Porxy :-	
No. of Shares held:	

I certify that I am a member/ proxy holder of the Company.

I hereby record my presence at the 39th Annual General Meeting of the Company, to be held on Saturday, 29th September, 2018 at 12.30 P.M at Registered Office of the Company.

Member/ Proxy Holder Signature

Cut Here

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	Password/Pin (Pan/Seq.No.)

Note Please read the complete instructions given under the Notes (The instructions for shareholders voting electronically) to the Notice of 39th Annual General Meeting. The voting time starts from 26th September, 2018 at 10 A.M and ends on 28th September, 2018 at 5 P.M. The voting module shall be disabled by CDSL for voting thereafter.

Lyka Labs Limited

Regd Office: 4801/B & 4802/A, GIDC Industrial Estate,
Ankleshwar- 393002, Phone: 02646-221422/220549, Fax: 02646-250692.
Admin Office: Spencer Building, Ground Floor, 30 Forjett Street,
Grant Road (West), Mumbai - 400 036. Phone: 022- 66112200, Fax: 66112249.
Email: companysecretary@lykalabs.com Website: www.lykalabs.com

'Go Green'

Dear Shareholder/s,

Green Initiative Every tonne of printing papers cost us 24 trees. Back of the envelope calculations indicate that we sacrifice a tree for printing every 132 Annual Reports. Realizing this truth and for maintaining the planet Earth evergreen, the Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies. Through its Circulars 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011, MCA has provided that the service of notice/documents by a company to its shareholders can now be made through electronic mode. In accordance with these circulars, Companies can now send various notices and documents, including Annual Report to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To take part in Green Initiative in the Corporate Governance, we propose to send documents such as Notices of General Meeting(s), Financial Statements, Annual Report for the year ended 31st March 2018 in electronic form to the email addresses provided by you and/or made available to the Company by the Depositories. In case of shares held in physical form, shareholders should provide their e-mail ID to the Company for opting to receive notices/documents electronically. To register the e-mail ID with the Company, shareholders are requested to submit the following form duly filled & signed by the shareholders to the Compliance Officer or send the scanned copy of the form by an email to Companysecretary@lykalabs.com. In case of shares held in electronic form who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. All shareholders are further requested to ensure that registered Email Id with the Depository should be updated to receive notices/documents electronically. Please note that these documents will also be available on the Company's website www.Lykalabs.com for download by the shareholders. Please note that even if you opt for electronic mode, you shall be entitled to be furnished free of cost, with a copy of the Balance Sheet of the Company and all other documents required by statute to be attached thereto including the Profit & Loss Account and Auditors' Report etc., upon receipt of a requisition from you, any time, as a shareholder of the Company. We are sure that you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives. Let's be part of this 'Green Initiative'.

Best Regards,
For **LYKA LABS LIMITED**

Company Secretary

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no.17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Name of the Company : : .....

Folio No./ DP ID & Client ID : .....

Name of 1st Registered Holder : .....

Name of Joint Holder : .....

Address : .....

Email Id(to be registered) : .....

I/we shareholder(s) of Lyka Labs Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail id in your records for sending communication through e-mail.

Date: …… Signature: ……

Note: Shareholder(s) are requested to keep the Registrars/DP informed as and when there is any change in the e-mail address

BY COURIER / POST / REGD. AD

To,

.....

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If undelivered, please return to :

Lyka Labs Limited
Spencer Building, Ground Floor,
30 Forjett Street, Grant Road (West),
Mumbai - 400 036.

Lyka Labs Limited

Corporate Office : Ground floor, Spencer Building, 30, Forjett Street, Grant Road (West), Mumbai - 400 036.
• Phone : 6611 2200 • Fax : 6611 2249 Website : www.lykalabs.com • Email : enquiry@lykalabs.com

LYKA Healthcare through Innovation

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Standalone Annual Audited Financial Results (Rupees in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	4,438.30	4,438.30
	2	Total Expenditure	5,707.60	6,177.51
	3	Net Profit/(Loss)	(1,054.23)	(2,420.18)
	4	Earning Per Share (Rs.)	(4.24)	(9.53)
	5	Total Assets	24,624.41	24,624.41
	6	Total Liabilities	14,946.27	16,312.22
	7	Net Worth	9,678.14	8,312.19
	8	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

(i) Attention is drawn to Note no. 4 of the audited results for the quarter and year ended 31stMarch, 2018 regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs. Further the Company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is non provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs. These non-provisions/reversal of provision for interest is not in compliance with Ind AS 109 Financial Instruments. Accordingly loss for the year is understated by Rs. 1365.95 Lakhs.

(ii) Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. This is not in accordance with Ind AS 2 inventories, which requires such inventories to be valued at lower cost or net realizable value. Accordingly we are unable to quantify the impact of reduction in profit for the quarter ended 31st March, 2018 and increase in the loss for the year.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Explanation to qualification no. (i) As our account with some of the Banks have been classified as NPA, we have on going discussion with Banks for OTS / Restructuring and accordingly Company has not provided interest in the current quarter as well as written back the interest provided in earlier quarters.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same: Explanation to qualification no. (i) As our account with some of the Banks have been classified as NPA, we have on going discussion with Banks for OTS / Restructuring and accordingly Company has not provided interest in the current quarter as well as written back the interest provided in earlier quarters. ii) As regards to slow / non moving materials Company is taking the necessary steps to utilize/realize the same.	
	(iii) Auditors' Comments on (i) or (ii) above: We agree with the reasons stated by the management	
III.	**Signatories:**	
	• Narendra I Gandhi (Managing Director)	
	• Yogesh B. Shah (CFO)	
	• Abhay Mehta (M/s Mehta Chokshi& Shah-Statutory Auditor)	
	• Ajit Bagadia (Chairman Audit Committee)	
	Place: Mumbai	
	Date: 29.05.2018	

Lyka Labs Limited

Corporate Office : Ground floor, Spencer Building, 30, Forjett Street, Grant Road (West), Mumbai - 400 036.
• Phone : 6611 2200 • Fax : 6611 2249 Website : www.lykalabs.com • Email : enquiry@lykalabs.com

LYKA Healthcare through Innovation

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Consolidated Annual Audited Financial Results (Rupees in Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	6,274.92	6,274.92
	2	Total Expenditure	8,502.88	8,972.79
	3	Net Profit/(Loss)	-1,765.78	-3,131.73
	4	Earnings Per Share	-6.71	-11.99
	5	Total Assets	26,176.81	26,176.81
	6	Total Liabilities	18,207.74	19,573.69
	7	Net Worth	7,969.07	6,603.12
	8	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

(i) Attention is drawn to Note no. 6 of the audited results for the quarter and year ended 31stMarch, 2018 regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs. Further the Holding Company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is non provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs. These non-provisions/reversal of provision for interest is not in compliance with Ind AS 109 Financial Instruments. Accordingly loss for the year is understated by Rs. 1365.95 Lakhs.

(ii) Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. This is not in accordance with Ind AS 2 inventories, which requires such inventories to be valued at lower cost or net realizable value. Accordingly we are unable to quantify the impact of reduction in profit for the quarter ended 31st March, 2018 and increase in the loss for the year.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Explanation to qualification no. (i) As our account with some of the Banks have been classified as NPA, we have on going discussion with Banks for OTS / Restructuring and accordingly Company has not provided interest in the current quarter as well as written back the interest provided in earlier quarters.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

	(i) Management's estimation on the impact of audit qualification:	
	(ii) If management is unable to estimate the impact, reasons for the same: Explanation to qualification no. (i) As our account with some of the Banks have been classified as NPA, we have on going discussion with Banks for OTS / Restructuring and accordingly Company has not provided interest in the current quarter as well as written back the interest provided in earlier quarters. ii) As regards to slow / non moving materials Company is taking the necessary steps to utilize/realize the same.	
	(iii) Auditors' Comments on (i) or (ii) above: We agree with the reasons stated by the management	
III.	**Signatories:**	
	• Narendra I Gandhi (Managing Director)	
	• Yogesh B. Shah (CFO)	
	• Abhay Mehta (M/s Mehta Chokshi& Shah-Statutory Auditor)	
	• Ajit Bagadia (Chairman Audit Committee)	
	Place: Mumbai	
	Date: 29.05.2018	