



Healthcare through Innovation

46th ANNUAL
R E P O R T
2024-2025

Lyka Labs Limited



Lyka Labs Limited

Board of Directors

| | |
|----------------------|---|
| Mr. Babulal Jain | Chairman |
| Mr. Kunal Gandhi | Managing Director & Chief Executive Officer |
| Mr. Yogesh Shah | Whole -time Director |
| Mr. Prashant Godha | Non- Executive Director |
| Mr. Shashil Mendonsa | Non- Executive Director |
| Mr. Neeraj Golas | Independent Director |
| Ms. Dhara Shah | Independent Director |
| Mrs. Archana S Yadav | Independent Director – w.e.f. 26.05.2025 |

Chief Financial Officer

Mr. Yogesh Shah

Company Secretary

Mr. Kishore Shah – upto 18.09.2024
Mr. Shekhar R Singh – w.e.f. 12.11.2024

Statutory Auditors

M/s. D. Kothary & Co.
Chartered Accountants

Secretarial Auditors

M/s. Kaushal Doshi & Associates
Company Secretaries

Cost Auditors

M/s. Sarvottam Rege & Associates -upto 8.05.2025
M/s. Rajaram M Walavalakar & Co. w.e.f. 26.05.2025

Internal Auditors

Bansi Khandelwal & Co.
Chartered Accountants

Corporate Identification Number (CIN)

L24230GJ1976PLC008738

Registered Office & Plant

4801/B & 4802/A, GIDC Industrial Estate,
Ankleshwar, Gujarat – 393 002

Research & Development Centre

101, Memon Industrial Estate, 1st Floor, MTNL
Compound, Marol Maroshi Road, Marol, Andheri
(East), Mumbai 400059

Registrar and Transfer Agent

MUFG Intime India Pvt. Ltd.
(formerly known as Link Intime India Pvt. Ltd.)
C 101, 247 Park, Lal Bahadur Shastri Marg, Surya
Nagar, Gandhi Nagar, Vikhroli West, Mumbai,
Maharashtra 400083

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46th Annual General Meeting of the Company will be held on Friday, the 1st August, 2025 at 12.30 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

Corporate Office

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

Banker

YES Bank Limited
Corporate Operations & Service Delivery,
Part of Ground Floor, Regal Cinema Building,
Shahid Bhagat Singh Road, Shyama Prasad Mukherji
Chowk, Colaba, Mumbai - 400005

Lyka Labs Limited

NOTICE is hereby given that 46th Annual General Meeting (the AGM) of the Members of Lyka Labs Limited will be held on Friday, the 1st August, 2025 at 12: 30 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements and Reports thereon:

- a. the Audited Financial Statements of the Company for the financial year ended on 31st March, 2025 together with the Reports of the Board of Directors and Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2025 together with the Report of the Auditors thereon.

2. Appointment of Director in place of those retiring by rotation

To appoint a Director in place of Mr. Prashant Godha, (DIN: 00012759) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mrs. Archana S Yadav, as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Regulations 17(1) (a) and 25(2A) other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the SEBI Listing Regulations) as amended from time to time read with Article 116 of the Articles of Association of the Company and based on recommendation of the Nomination and Remuneration Committee, Mrs. Archana S Yadav (DIN:07335198) who was appointed as an Additional Director (Category: Non- Executive Independent Director) by the Board of Directors of the Company with effect from 26th May, 2025, in terms of Section 161 of the Act and who qualifies for being appointed as a Non- Executive Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member signifying his intention to propose her candidature for the office of Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a first term of five consecutive years from 26th May, 2025 upto 25th May, 2030 (both days inclusive);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

4. Ratification of Remuneration of Cost Auditor for FY 2024-2025

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 Rule 14 of Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration payable to Messrs Rajaram Madhav Walavalakar & Co., Cost Accountants (Firm Registration No: 003584), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2025, amounting to Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

5. Ratification of Remuneration of Cost Auditor for FY 2025-26

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the remuneration payable to Messrs Rajaram Madhav Walavalakar & Co., Cost Accountants (Firm Registration No: 003584), appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2026, amounting to Rs. 1,60,000/- (Rupees One Lakh Sixty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, in connection with the said audit, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

6. Appointment of Messrs Kaushal Doshi & Associates as a Secretarial Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members be and is hereby accorded for the appointment of Messrs Kaushal Doshi & Associates Practicing Company Secretary (Firm Registration No.: 10609; COP No. 13143, as the Secretarial Auditor of the Company for a term of five consecutive years commencing from the financial year 2025-26 to the financial year 2029-30, at such remuneration (plus applicable taxes and out-of-pocket expenses at actuals) and on such terms and conditions as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to modify and/or revise the terms and conditions of the said appointment, including the remuneration of Messrs Kaushal Doshi & Associates as it may deem appropriate, and to do all such acts, deeds, matters and things as may be necessary, proper, or expedient to give effect to this resolution.”

7. Approval of the Related Party Transactions for the Financial Year 2025-26

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 and other applicable provisions if any, of the Companies Act, 2013 and the rules made there under and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the Members of the Company be and is hereby accorded to the Board of Directors to enter into contracts/ arrangements/ transactions with the following Related Parties for the Financial Year 2025-26 for sales, purchase or supply of any goods and/or materials and/or brands and/or dossiers and/or services directly or through appointment of agent and selling or otherwise disposing of or buying, renting, and leasing properties of any kind on such terms and conditions as may be mutually agreed upon:

Lyka Labs Limited

| Sr. No. | Name of Related Party | Nature of Relationship | Nature of Transactions | Maximum value of transeactions |
|---------|--------------------------------|------------------------|---|--------------------------------|
| 1 | Ipca Laboratories Limited | Associate Company | <p>a. Sale and/ or purchase and/ lor supply any materials, goods, plant & machineries or capital goods /materials</p> <p>b. Availing of and /or rendering of services like contract manufacturing services or loan license manufacturing services or provisions of any other services</p> <p>c. Purchase/ Sale of Assets/Business</p> <p>d. Payment of Dividend</p> | Rs 50 Crores |
| 2 | Makers Laboratories Limited | Common Director | <p>a. Sale and/ or purchase and/ lor supply any materials, goods, plant & machineries or capital goods /materials</p> <p>b. Availing of and /or rendering of services like contract manufacturing services or loan license manufacturing services or provisions of any other services</p> <p>c. Purchase/ Sale of Assets/ Business</p> | Rs 25 Crores |
| 3 | Lyka BDR International Limited | Subsidiary Company | <p>a. Sale and/ or purchase and /or supply any materials, goods, plant & machineries or capital goods /materials</p> <p>b. Availing of and /or rendering of services like contract manufacturing services or loan license manufacturing services or provisions of any other services</p> <p>c. Purchase/ Sale of Assets/ Business</p> | Rs 15 Crores |
| 4 | Lyka Exports Limited | Subsidiary | <p>a. Sale and/ or purchase and /or supply any materials, goods, plant & machineries or capital goods /materials</p> <p>b. Availing of and /or rendering of services like contract manufacturing services or loan license manufacturing services or provisions of any other services</p> <p>c. Purchase/ Sale of Assets/ Business</p> | Rs 3 Crores |
| 5 | Lyka Generics Limited | Same Management | <p>a. Sale and/ or purchase and /or supply any materials, goods, plant & machineries or capital goods /materials</p> <p>b. Availing of and /or rendering of services like contract manufacturing services or loan license manufacturing services or provisions of any other services</p> <p>c. Purchase/ Sale of Assets/ Business</p> | Rs 5 Crores |

RESOLVED FURTHER THAT the Audit Committee and/or the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members;

RESOLVED FURTHER THAT the Audit Committee and/or the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers conferred, to any Director or any other Officer(s)/ Authorised Representatives of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

8. Re-appointment of Mr. Yogesh B Shah, Whole- time Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force read with Schedule V of the Act and based on the recommendation of the Nomination and Remuneration Committee and subject to all other sanctions, approvals and permissions as may be required, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Yogesh B Shah (DIN: 06396150) Chief Financial Officer of the Company, as a Whole-time Director, for a period of three years commencing from the conclusion of the 46th AGM till the conclusion of the 49th Annual General Meeting of the Company upon the terms and conditions including remuneration, as set out below:

- i. Salary of Rs. 3,50,000/- (Rupees Three Lakhs Fifty only) per month with such annual increment as may be decided by the Board of the Company from time to time up to ceiling of Rs.4,50,000/- (Rupees Four Lakhs Fifty only) per month during his term of office as a Whole-time Director, with following components
 - a. Basic: 50% of Salary
 - b. House Rent Allowance: 25 % of Salary
 - c. All Other Allowances: 13 % of Salary
 - d. Contribution to Provident Fund- 12 % of Salary
- ii. He will be eligible for personal accident insurance and encashment of un-availed privilege leave at the end of tenure.
- iii. Any reimbursement of travelling and accommodation expenses actually incurred within in India and abroad for business purposes of the Company and shall not be considered as perquisite

RESOLVED FURTHER THAT the Board of Directors of the Company (‘the Board’, which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions of appointment/ remuneration or any other perquisites payable in such a manner as may be permitted in accordance with the provisions of the Act and any amendment thereto or re-enactment thereof;

RESOLVED FURTHER THAT in case the Company, during the currency of tenure of Mr. Yogesh B Shah as referred above, has no profits or its profits are inadequate, the remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as “Minimum Remuneration” in the respective financial year(s) as set out here in above, notwithstanding that the same may exceed the ceiling limit laid down in Section 197, Schedule V of the Act;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and Key Managerial Personnel be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

9. Introduction and Implementation of Lyka Labs Limited Employees Stock Option Scheme 2025

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rule 12 of the Companies (Share Capital and

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Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company and statutory modification(s) or re-enactment of the Act for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto (the Regulations / SEBI SBEB Regulations), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the SEBI Listing Regulations, and subject to such approvals, consents, permissions and sanctions as may necessary and subject to such conditions and modifications as may be prescribed and imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board), the approval and consent of the Members of the Company be and is hereby accorded to the “Lyka Labs Limited - Employees Stock Option Scheme 2025” (Lyka ESOS 2025/ the Scheme) and to the Board to create, offer and grant, from time to time, upto 7,00,000 Employee Stock Options, being not exceeding 2% of the paid-up Equity Share Capital of the Company, at any point of time, that could be granted to the eligible Employees, Key Managerial Personnel and working Whole-time/Executive Directors of the Company (who are not promoters or persons belonging to promoter group), working in India or outside India, as determined in terms of Lyka ESOS 2025, from time to time, in one or more tranches, each such option granted would be exercisable on conversion into one equity share of the face value of Rs. 10/- each fully paid-up of the Company, on payment of the requisite exercise price to the Company, and on such other terms and conditions as may be determined by the Board in accordance with the provisions of the scheme and provisions of applicable laws as may be prevailing at the relevant time;

RESOLVED FURTHER THAT the equity shares so issued and allotted from time to time in accordance with Lyka ESOS 2025 as mentioned hereinbefore shall rank *pari-passu* in all respect with the then existing equity shares of the Company;

RESOLVED FURTHER THAT in case of any corporate action such as rights issue, bonus issue, merger or sale of any division of the Company and other such corporate actions, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted including issue of any additional equity shares by the Company to the Option grantees without breaching the aforesaid ceiling of 2% of the paid up equity share capital of the Company;

RESOLVED FURTHER THAT in case the equity shares of the Company are either subdivided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under the scheme shall automatically stand adjusted, as the case may be, in the same proportion as the present face value of Rs, 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub- division or consolidation, without affecting any other rights or obligations of the option grantees;

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the equity shares and/or for the purpose of complying with any Guidelines or Regulations that may be issued from time to time by any appropriate authority, the Board be and is hereby authorized on behalf of the Company to make any modification, change, variation, alteration or revision in Lyka ESOS 2025 or to suspend, withdraw or revive Lyka ESOS 2025, from time to time, provided that such variation, modification, alteration or revision shall not be detrimental to the interest of the option grantees;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to determine the terms and conditions of issue of the Securities under the Scheme and also to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company;



RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the Lyka ESOS 2025 on the Stock Exchanges where the equity shares of the Company are listed, as per the provisions of the applicable laws, guidelines, rules and regulations;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies, guidelines or accounting standards as prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme;

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion deem necessary including appointment of Merchant Bankers, Solicitors, Registrars, Compliance Officer and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of Lyka ESOS 2025, as also to prefer applications to the appropriate authorities and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation, and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s) and for executing all other documents required to be filed and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to the Nomination and Remuneration Committee with power to sub-delegate to any Director or any other Officer(s)/ Authorised Representatives of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

By Order of the Board of Directors

sd/-

Shekhar R Singh
Company Secretary

Mumbai, 26th May 2025

CIN: L24230GJ1976PLC008738

Registered Office:

4801/B & 4802/A,

GIDC Industrial Estate, Ankleshwar, Gujarat – 393 002

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out material facts concerning the business under Item Numbers 3 to 9 of the accompanying Notice is annexed hereto. The Board of Directors of the Company at its meeting held on 26th May, 2025 considered that the Special Business under Item Numbers 3 to 9 being considered unavoidable, be transacted at the 46th Annual General Meeting (the AGM/ the Meeting) of the company.
2. The Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 10/2022, 09/2023 and 09/2024 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, December 28,2022, September 25, 2023 and September 19, 2024 respectively ('MCA Circulars'), had permitted to hold AGM through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, the SEBI Listing Regulations and MCA Circulars, AGM of the Company is being held through VC/OAVM facility.

To comply with the provisions of Regulation 44 of the SEBI Listing Regulations, Company is also providing one way live webcast of the proceedings of AGM which can be viewed on website of the Company at www.lykalabs.com

The Deemed Venue for the 46th AGM shall be the Registered office of the Company.

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3. The Company has engaged National Securities Depository Limited (NSDL), to provide the VC facility for conducting the AGM and for voting through remote e-voting and e-voting at the AGM. The procedure for participating in the Meeting through VC/OAVM, forms part of this Notice.
4. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of the Members has been dispensed with and, therefore there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip and Route Map of the AGM are not annexed to this Notice.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The Members will be able to view the live proceedings by logging into the NSDL e-voting website at www.evoting.nsdl.com The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in the Notice of this AGM will be available electronically (scanned copy) for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to companysecretary@lykalabs.com by mentioning name and Folio number/DP ID and Client ID.
8. Pursuant to Regulation 46 of the Annual Report has been uploaded on the website of the Company at www.lykalabs.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited, www.bseindia.com, National Stock Exchange of India Limited, www.nseindia.com and is also available on the website of e-voting agency i.e. NSDL at www.evoting.nsdl.com. Additionally, in accordance with Regulation 36(1) (b) of the SEBI Listing Regulations, the Company also sending a letter to Members whose e-mail ids are not registered with the Company / RTA/ DP/ providing a web-kink of Company's weblink from where the complete details of the Annual Report 2024-25 is available.
9. The Register of Members and Transfer Books of the Company will be closed from Saturday, the 26th July, 2025 to Friday, the 1st August, 2025 (both days inclusive) for the purposes of the AGM or any adjournment thereof.
10. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar Transfer Agent (RTA) /their DP, in respect of shares held in physical/electronic mode respectively.
11. In accordance with Regulation 40(1) of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation.
12. However, pursuant to the Sections 112 and 113 of the Act, representatives of the Members of the body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
13. The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM and vote on its behalf. The said Resolution/ Authorization shall be sent to Company at companysecretary@lykalabs.com.

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15. The Board has appointed Mr. Kaushal Doshi of Messrs Kaushal Doshi & Associates, Practicing Company Secretary (CP 13143) as a scrutinizer (the 'Scrutinizer') to scrutinize the voting and e-voting process in a fair and transparent manner.

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

16. The Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's RTA i.e. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at rnt.helpdesk@in.mpms.mufg.com The Members are requested to submit request letter mentioning the Folio No. and Name of the Shareholder along with the scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address.
17. The Members who would like to express their views/have questions may send their questions in advance at least 10 days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@lykalabs.com. The same will be replied by the Company suitably.

18. **Voting through Electronic means**

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standards-2 on General Meetings issued by ICSI and Regulation 44 of the SEBI Listing Regulations, as amended from time to time the Company is pleased to provide the Members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote in respect of business to be transacted as mentioned in the Notice of the AGM.

The facility for voting, through electronic voting system shall also be made available during the AGM. The Members attending the meeting, through VC/OAVM facility and who have not already cast their vote through remote e-voting shall be eligible to vote through e-voting system in the AGM. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The remote e-voting period begins on Monday, the 28th July, 2025 at 9:00 A.M. and ends on Thursday, the 31st July, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday the 25th July, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday the 25th July, 2025.

Any person, holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his/her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact at 022-48867000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, the 25th July, 2025 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

Instructions for Remote e-Voting

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

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

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

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

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

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

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

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

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

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 134402 then user ID is 134402001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

General Guidelines for the Members

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to doshikaushal20@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution /Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to companysecretary@lykalabs.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to companysecretary@lykalabs.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Numbers 3, 4, 5, 6, 7, 8 and 9 of the accompanying Notice dated 26th May, 2025.

Item Number - 3

The Board of Directors at its meeting held on 26th May, 2025 based on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mrs. Archana S Yadav as an Additional Director in the category of an Independent of the Company for a first term of five consecutive years, not liable to retire by rotation, with effect from 26th May, 2025 subject to approval by the Members of the Company at the ensuing AGM.

While considering the appointment of Mrs. Archana S Yadav, the Board considered and noted the upcoming retirement of existing Independent Director i.e. Ms. Dhara Shah who is due to retire on 3rd August, 2025 (at the close of business hours) upon completion of her second term as an Independent Director.

The Board deliberates on various factors including current tenure of board members, anticipated vacancies in key board positions, skill matrix including skill-gaps, diversity, time-commitment and statutory requirements etc. The appointment of Mrs. Archana S Yadav has been made by the Board to address the long-term requirement of the Company and to ensure smooth transition in key board positions.

Pursuant to the provisions of Section 161(1) of the Act, Ms. Archana Yadav holds the office as Additional Director till the date of the ensuing 46th Annual General Meeting (AGM) scheduled on 1st August, 2025.

As per Regulations 17(1C) read with 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the SEBI Listing Regulations), approval of the Members for appointment or re-appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a period of three months from the date of appointment or re-appointment, whichever is earlier by way of Special Resolution.

Provided that due to expiration of the term of office of any director, the resulting vacancy shall be filled not later than the date such office is vacated.

The Company has received a notice from a Member proposing the candidature of Mrs. Archana S Yadav as the candidate for the office of Independent Director of the Company as per the provisions of the Act.

Mrs. Archana S Yadav has confirmed her eligibility for appointment as Independent Director of the Company under Section 164 of the Act and she has given her consent to act as Independent Director. The Company has received declaration from her confirming that she meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations.

In terms of Regulation 25(8) of the SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties and she is neither disqualified from being appointed as a Director in terms of Act, not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has successfully registered themselves in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

Further, she has also confirmed that she had not been a partner of a firm that had transactions during last three financial years with the Company or its subsidiaries amounting to ten percent or more of its gross turnover.

Mrs. Archana S Yadav is a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI), having qualified in 2004. She also holds a Post Graduate Diploma in Business Management (PGDBM) from the Xavier Institute of Management, Bhubaneswar and has completed the ISA-ET and PGCBM (MBA) programs. Further, she has successfully cleared the Forensic Audit and Fraud Detection Course conducted by ICAI in January 2017.

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She is a practicing Chartered Accountant with nearly two decades of professional experience spanning Direct and Indirect Taxation, International Taxation, Finance and Accounts, Auditing, Cash Management, and Management Information Systems (MIS). Mrs. Archana S Yadav has also been appointed as a GST faculty by ICAI, contributing to knowledge sharing and training initiatives across India.

Mrs. Archana S Yadav holds Nil equity shares in the Company. A copy of the draft letter for appointment for Independent Director, setting out the terms and conditions for appointment of Independent Director will be available electronically (scanned copy) for inspection without any fee by the Members during the AGM. Members seeking to inspect such document can send an email to companysecretary@lykalabs.com by mentioning name and Folio number / DPIDE client ID.

Mrs. Archana S Yadav possesses the integrity, expertise, experience and proficiency for appointment as an Independent Woman Director and is a person of high integrity and repute.

In terms of Section 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any of the Act and rules made thereunder and the SEBI Listing Regulations, it is proposed that Mrs. Archana S Yadav be appointed as Independent Director for a term of a first five consecutive years from the original date of her appointment i.e. from 26th May, 2025 upto 25th May, 2030 (both days inclusive).

The Board of the Directors firmly believes that Mrs. Archana S Yadav bring immense value on account of her stature, professional competence and diversified experience and vast knowledge she brings with her would benefit the Company and accordingly, recommends, her appointment, as an Independent Director of the Company for a term of five consecutive years i.e. upto 25th May, 2030.

Accordingly, approval of the Members is sought for the appointment of Mrs. Archana S Yadav as Independent Director.

Except Ms. Archana S Yadav, being appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed Special Resolution set out at Item Number 3 of the accompanying Notice.

The Board of Directors recommends the resolution set out at the Item Number 3 of the accompanying Notice for approval by the Members of the Company.

The Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2)

Item Number - 4

Messrs Sarvottam Rege & Associates Co., Cost Accountants (Firm Registration No. 000242), were the Cost Auditors of the Company duly appointed for audit of the cost records maintained by the Company, for applicable products, for the financial year ending 31st March 2024, at a remuneration not exceeding Rs 1,60,000/- (Rupees One Lakhs Sixty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

Messrs Sarvottam Rege & Associates Co., Cost Accountants (Firm Registration No. 000242) on incurring a disqualification under Section 141(3) of the Companies Act, 2013 (the Act), vacated the office as the Cost Auditors with effect from 8th May, 2025 in terms of Section 141(4) read with Section 148 of the Act.

In terms of the provisions of the Act, the resulting vacancy shall be filled by the Board of Directors within thirty days of its occurrence. The Board of Directors of the Company at its meeting held on 26th May, 2025, based on the recommendation of the Audit Committee, appointed Messrs Rajaram Madhav Walavalakar & Co, Cost Accountants (Firm Registration No.: 003584), as the Cost Auditors in casual vacancy for the audit of the cost records maintained by the Company for the financial year ending 31st March 2024, at a remuneration not exceeding Rs 1,60,000/- (Rupees One Lakhs Sixty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

The overall remuneration proposed to be paid to the Cost Auditors for the financial year ending 31st March 2024 is commensurate to the scope of the audit to be carried out by the Cost Auditors and is in line with the guidelines issued by the Institute of Cost Accountants of India.

Messrs Rajaram Madhav Walavalakar & Co, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are free from any disqualifications specified under the provisions of the Act.

In accordance with the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, approval of the Members is sought for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed Ordinary Resolution set out at Item Number 4 of the accompanying Notice.

The Board of Directors recommends the Resolution set out at Item Number 4 of the accompanying Notice for approval by the Members of the Company.

Item Number - 5

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs Rajaram Madhav Walavalakar & Co., Cost Accountants (Firm Registration No: 003584) as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ended 31st March, 2026.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 (the Act) read with Rule 14 the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members.

The remuneration payable to Messrs Rajaram Madhav Walavalakar & Co., Cost Auditors of the Company for conducting the audit of the cost records for the financial year ending 31st March 2026, as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 26th May 2025, is Rs. 1,60,000 /- (Rupees One Lakhs Sixty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

Accordingly, approval of the Members is sought for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed Ordinary Resolution set out at Item Number 5 of the accompanying Notice.

The Board of Directors recommends the Resolution set out at Item Number 5 of the accompanying Notice for approval by the Members of the Company.

Item Number - 6

Pursuant to the recent amendment to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) , which shall come into effect from 1st April, 2025, the appointment of Secretarial Auditor(s) is now required to be approved by the Shareholders at the Annual General Meeting of the Company.

Messrs Kaushal Doshi & Associates, Practicing Company Secretary, a proprietorship firm led by Mr. Kaushal Doshi (FCS No.: 10609; COP No.: 13143), has been serving as the Secretarial Auditor of the Company since 2016-17 The firm is peer-reviewed, bearing Peer Review Certificate No.: 802/2020 and holds a valid Peer Review Certificate issued by the Institute of Company Secretaries of India. Mr. Kaushal Doshi & Associates has post-qualification experience of more than ten years as a Company Secretary in Practice and an overall professional experience of about eleven years.

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Messrs Kaushal Doshi & Associates have given their consent to act as Secretarial Auditor of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and the SEBI Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

The Board of Directors, at its meeting held on 26th May, 2025, based on the recommendation of the Audit Committee, approved the appointment of Messrs Kaushal Doshi & Associates, Practicing Company Secretary as the Secretarial Auditor of the Company to hold office for a first term of five consecutive years commencing from the financial year 2025-26 to the financial year 2029-30 on following terms and conditions:

- a. Term of appointment: Upto 5 (five) consecutive years commencing from the financial year 2025-26 to the financial year 2029-30.
- b. Proposed Fees: Upto Rs 75,000/- (Rupees Seventy -Five Thousand only) plus applicable taxes and other out-of-pocket expenses in connection with the Secretarial Audit for financial year ending 31st March, 2026 and for subsequent year(s) of their term, such fee as determined by the Board, on recommendation of Audit Committee.

The proposed fees are based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board in consultation with the Secretarial Auditor.

Accordingly, the approval of the Member is sought for appointment of Messrs Kaushal Doshi & Associates, Practicing Company Secretary as a Secretarial Auditor of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the proposed Ordinary Resolution set out at Item Number 6 of accompanying Notice.

The Board of Directors recommends the Resolution as set out at Item Number 6 of the accompanying Notice for approval by the Members of the Company.

Item Number - 7

Pursuant to Section 188 of the Companies Act 2013 (the Act), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board of Directors and prior approval of the Members by resolution in case related party transactions exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the company in the ordinary course of business on an arm's length basis.

As per amended Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), which shall come into effect from 1st April, 2022, mandate prior approval of the Members by means of an Ordinary Resolution for all material Related Party Transactions (the RPT), even if such transactions are in the ordinary course of business of the concerned Company and at an arm's length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceed(s) Rs. 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Further, SEBI, vide Circular dated 8th April, 2022 has clarified that the omnibus Members' approval for material RPTs of the Company, shall be valid up to the date of the next AGM, for a period not exceeding 15 (fifteen) months (maximum validity of 15 months). During the financial year 2025-2026 and in the next financial year 2026-2027 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2026, the transactions of the Company with the below- mentioned Related Parties, would exceed the applicable materiality thresholds, as provided under the SEBI Listing Regulations, as amended from time to time.

Type, material terms and other particulars of the proposed RPTs required pursuant to Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22 November, 2021 issued by SEBI are mentioned below:

| | | | | | |
|--|---|-----------------------------|--------------------------------|----------------------|-----------------------|
| Name of the Related Party | Ipca Laboratories Limited | Makers Laboratories Limited | Lyka BDR International Limited | Lyka Exports Limited | Lyka Generics Limited |
| Nature of relationship with the Company | Associate Company | Common Director | Subsidiary Company | Subsidiary Company | Same Management |
| Whether ordinary course of business and at arm's length Basis | Yes | Yes | Yes | Yes | Yes |
| Tenure of the proposed transaction | For the financial year 2025-2026 and in the next financial year 2026- 2027 i.e., until the date of the Annual General Meeting of the Company to be held during the calendar year 2026 (maximum validity of 15 months) | | | | |
| Maximum Value of transactions | Rs 50 Crores | Rs 25 Crores | Rs 15 Crores | Rs 3 Crores | Rs 5 Crores |
| Material Terms of the contract or arrangement | <p>a. Purchase/ sale of materials, capital goods, plant & machineries, packing materials, etc. at a market determined price that would be generally agreed by the trade / industry for similar nature of transaction on an arm's length basis.</p> <p>b. Availing of/rendering of services at a price that would be generally charged in the trade / industry for that particular type of service on an arm's length basis.</p> <p>c. Provision of common services at proportionate cost.</p> | | | | |
| Any other information that may be relevant | All important information forms part of the statement setting out material facts of the proposed RPTs. | | | | |

The Members may note that the proposed resolution is an enabling resolution empowering the Board of Directors/Audit Committee of the Company to evaluate and approve the material related party transactions on such terms and conditions as they may deem appropriate in the best interest of the Company.

As per the SEBI Listing Regulations, the approval of the Members is sought for all such contracts/ arrangements/ transactions to be undertaken (whether individually or taken together or series of transactions or otherwise), whether by way of continuation/ extension/ renewal/ modification of earlier arrangements/ transactions or as fresh and independent transaction(s) or otherwise) with the above- mentioned Related Parties of the Company, during the financial year 2025-2026 and in the next financial year 2026-2027 until the date of the AGM of the Company to be held during the calendar year 2026.

The above transactions are in the ordinary course of business of the Company and on an arm's length basis and as such are exempt from the provisions of Section 188(1) of the Act and the Rules made thereunder.

The Audit Committee and the Board of Directors of the Company have granted their approval for the RPTs proposed to be entered into by the Company with the aforementioned Related Parties during the financial year 2025-26 and has also noted that the said transactions with the Related Parties are on arms' length basis and in the ordinary course of the Company's business.

Accordingly, the approval of the Members is sought for Related Party Transactions for the financial year 2025-26.

Members may please note that in terms of the provisions of the SEBI Listing Regulations, Related Parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the resolution under Item Number 7 of this Notice.

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None of the other Related Parties like Directors, Key Managerial Personnel and their relatives have any conflict of interest with the RPTs for which approval of Members is sought. None of these transactions has the effect of passing on any direct/indirect benefit, personally to Directors, Key Managerial Personnel in any manner.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Kunal Gandhi, Mr. Yogesh Shah, Mr. Prashant Godha, Mr. Shashil Mendonsa, Mr. Neeraj Golas, Ms Dhara Shah and Mrs. Archana S Yadav, are, in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution set out at Item Number 7 of the accompanying Notice, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends the Resolution as set out in Item Number 7 of the accompanying Notice for approval by the Members of the Company.

Item Number -8

The Members of the Company by passing resolution through Postal Ballot notice dated 15th March, 2023 approved the re-appointment of Mr. Yogesh B Shah, Chief Financial Officer of the Company as a Whole- time Director with effect from 12th February 2023 till the conclusion of the 46th Annual General Meeting. The term of his office will be expired on conclusion of this Annual General Meeting.

The Board of Directors at its meeting held on 26th May, 2025 based on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Yogesh B Shah, Chief Financial Officer of the Company as a Whole - time Director for a further period of three years with effect from the conclusion of this Annual General Meeting till the conclusion 49th Annual General Meeting, upon the terms and conditions, including as to remuneration as mentioned herein below, subject to approval by the Members of the Company at the ensuing 46th Annual General Meeting (the AGM) scheduled on 1st August 2025.

Mr. Yogesh B Shah, aged 65 years, has been associated with the Company since 1982 and holds 1050 equity shares in the Company. He is a Bachelor of Commerce from University of Mumbai. He has around 45 years of experience in the field of Accounts, Finance and Taxation. He has attended all Six Meetings of the Board during the year under review. He currently serves as a Director on the Boards of Lyka Exports Limited and Hiralaxmi Multitrade Private Limited.

The main terms and conditions relating to the re-appointment including remuneration of Mr. Yogesh Shah as a Whole -time Director are as follows:

I Remuneration

i Salary:

Salary of Rs.3,50,000/- (Rupees Three Lakhs Fifty only) per month with such annual increment as may be decided by the Board of the Company from time to time up to ceiling of Rs.4,50,000/- (Rupees Four Lakhs Fifty only) per month during his term of office as an Executive Director, with following components:

- a Basic : 50 % of Salary
- b House Rent Allowance: 25 % of Salary
- c All Other Allowances: 13 % of Salary
- d Contribution to Provident Fund- 12 % of Salary

ii Perquisites:

The monetary value of perquisites shall be restricted to the total remuneration limit as above or such other amount as may be permissible under applicable laws, as determined by the Board.

-
- a In addition to salary, Mr. Yogesh B. Shah shall be entitled to perquisites and allowances such as personal medical insurance and any other benefits or allowances as may be decided by the Board, on the recommendation of the Nomination and Remuneration Committee, to enable him to effectively discharge his duties as Whole-time Director.
 - b The Company shall provide a car for use on Company's business purposes.
 - c Mr. Yogesh B Shah shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof

iii **Commission:**

Such remuneration as calculated with reference to the net profits of the Company in particular financial year, if any, as may be determined by the Nomination and Remuneration Committee and/or the Board at the end of each financial year, subject to overall ceiling stipulated in Section 198 of the Act.

II Minimum Remuneration

Where in respect of any financial year, during the tenure of Mr. Yogesh B Shah as a Whole-time Director of the Company, the Company has no profits or its profits are inadequate, Mr. Yogesh B Shah as a Whole-time Director of the Company shall be paid the aforementioned remuneration as "Minimum Remuneration" in the respective financial year(s) notwithstanding that the same may exceed the ceiling limit laid down in Section 197, Schedule V to the Act and subject to the requisites approvals.

III Other Terms and Conditions

- a The term of re-appointment as Whole-time Director shall be from the conclusion of the 46th Annual General Meeting until the conclusion of the 49th Annual General Meeting.
- b Mr. Yogesh B. Shah shall devote his full time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board, and exercise such powers as may be assigned to him, subject to the supervision and control of the Board, in the best interests of the Company.
- c The Whole-time Director shall not exceed the powers so delegated by the Board pursuant to clause (III)(b) above.
- d The Whole-time Director undertakes to employ the best of the skill and ability to make the utmost endeavors to promote the interest and welfare of the Company and to conform and comply with the directions and regulations of the Company and all such orders and directions as may be given to her from time to time by the Board.
- e The personnel policies of the Company and the related rules which are applicable to other employees of the Company will also be applicable to the Whole-time Director, unless specifically provided otherwise
- f The terms and conditions of the appointment including the remuneration of the Wholetime Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regards, in such manner as may be agreed between the Board and Whole-time Director, subject to the approvals as may be required.

- g The Whole-time Director shall not, during the period of his employment and without the previous consent in writing of the Board, engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, company, body corporate or in any undertaking or business of a nature similar to or competing with the business and further, shall not, in any manner, whether directly or indirectly use, apply or utilise her knowledge or experience for or in the interest of any such person, firm, company or body corporate as aforesaid or any such competing undertaking or business as aforesaid.
- h The Whole-time Director shall not, during the continuance of his employment with the Company, divulge or disclose to any person, firm, company or body corporate whomsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secret or secret processes of the Company and the Whole-time Director shall, during the continuance of his employment hereunder, also use his best endeavors to or even any other person, firm, company or body corporate concerned from doing so.
- i Either party shall terminate this Agreement by giving to the other advance notice of ninety days, provided that the Company may waive the notice by giving the remuneration for ninety days which the Whole-time Director would have received when he had remained in office for the said ninety days.

Accordingly, the approval of the Members is sought for re- appointment including the remuneration of Mr. Yogesh B Shah, Chief Financial officer of the Company as a Whole- time Director of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Yogesh B, are in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution set out at Item Number 8 of the accompanying Notice, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends the Resolution as set out in Item Number 8 of the accompanying Notice for approval by the Members of the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the Memorendum of Interest under Section 190 of the Act, disclosure under Regulation 36(3) of the SEBI Listing Regulations and Secretarial standard on General Meetings (SS-2).

Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 (for Item Number 8)

I General Information

- a **Nature of Industry:** Pharmaceuticals
- b **Date or expected date of commencement of commercial production:** The Company has already in the business of manufacturing / marketing of pharmaceuticals.
- c **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- d **Financial Performance based on given indicators:** The details of Financial Performance are given in the Annual Report 2024-25 accompanying Notice.
- e **Foreign Investments and Collaborations:** The Company has not made any Foreign Investments and neither entered into any collaborations during the last year: None

II Information of about Appointee i.e. Mr. Yogesh B Shah

a Background Details:

The basic details for Mr. Yogesh B Shah are given in the Item Number 8 of the Explanatory Statement in the accompanying Notice.

b Past Remuneration:

During the financial year ended 31st March, 2025, the remuneration paid to Mr. Yogesh B Shah is Rs 31,35,100/- per annum

c Recognition and Awards: None

d Job Profile and their suitability:

Mr. Yogesh B Shah, aged 65 years, has been associated with the Company since 1982 and holds 1050 equity shares in the Company. He is a Bachelor of Commerce from University of Mumbai. He has around 45 years of experience in the field of Accounts, Finance and Taxation. He has attended all Six Meetings of the Board during the year under review.

e Remuneration proposed:

The details of the proposed remuneration for Mr. Yogesh B Shah are given in the Item Number 8 of the Explanatory Statement in the accompanying Notice.

f Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The remuneration paid / to be paid to the Whole- time Director is in line with the industry standard of similar size of Company.

g Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Besides the remuneration proposed to be paid to Mr. Yogesh B Shah does not have any other pecuniary relationship with the Company or relationship with the other managerial personnel.

III Other Information:

a Reasons for inadequate profits:

The Company's margins are under pressure due to competition from small manufacturers as well as lower demand for products manufactured by the Company.

b Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

Necessary steps are taken to improve the profitability like cost containment, new product addition, increasing the geographical reach of Company's marketing activities, etc.

c Expected increase in productivity and profits in measurable terms:

It is expected that the Company should do reasonably well in financial terms and increase the profitability within the next couple of years.

IV Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Corporate Governance Report under the heading Remuneration to Directors for the year ended 31st March, 2025.

Item Number -9

The Board of Directors at its meeting held on 26th May, 2025 based on the recommendation of Nomination and Remuneration Committee, *inter alia*, formulated and approved "Lyka Labs Limited - Employees Stock Option Scheme 2025" (Lyka ESOS 2025/ the Scheme) and the detailed terms and conditions thereof, subject to the approval by the Members of the Company at the ensuing Annual General Meeting.

The Company appreciates the critical role its employees play in the organizational growth. The primary objective of this Employees Stock Option Scheme is to attract talent and reward the key employees for their association, dedication and contribution, present and future, to the goals of the Company. The Company intends to use

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this scheme to attract, retain and motivate key talents working with the Company by way of rewarding their high performance and motivate them to contribute further to the overall corporate growth and profitability. The Company views employees as its most important resource and asset and the employees stock option scheme as a long-term incentive tool that would enable the employees not only to become co-owners but also to create wealth for themselves out of such share ownership in future. To promote the culture of employee ownership, the Company is intending to issue employees stock options under “Lyka Labs Limited – Employees Stock Option Scheme 2025” (Lyka ESOS 2025/ the Scheme) to the Company’s eligible employees, key managerial personnel and working whole-time/executive directors (who are not promoters or persons belonging to the promoter group of the Company), as determined, from time to time.

Lyka ESOS 2025 is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended (SEBI SBEB Regulations) and other applicable laws.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, which is the Committee of the Board of Directors, majority of Members of which Committee are currently Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including but not limited to:

- a. Number of options to be granted to individual employee, and in aggregate;
- b. terms on which the options will vest;
- c. The conditions under which options vested in employees may lapse in case of termination of employment for misconduct;
- d. The exercise period within which an employees should exercise the options granted and lapsing of options granted on failure to exercise the options within the exercise period;
- e. The specified time period within which the employees shall exercise the vested options in the event of resignation of an employee;
- f. Mechanism for direct allotment of shares;
- g. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- h. The procedure for making a fair and reasonable adjustment to the number of options and/or to the exercise price in case of rights issues, bonus issues and other corporate actions;
- i. The grant, vesting and exercise of options in case of employees who are on deputation, long leave, etc.;
- and
- j. Any other related or incidental matters.

As per the provisions of Regulation 6(1) of the SEBI SBEB Regulations, every share-based incentive scheme is required to be approved by the Members of a Company by way of a Special Resolution. In addition, as per the provisions of Section 62(1)(b) of the Act and the rules made thereunder, approval of the Members by way of a Special Resolution is required for issuance of shares under employee stock option schemes.

Disclosure/main features of Lyka ESOS 2025 pursuant to the SEBI SBEB Regulations and the Companies Act, 2013 (the Act) are as under :

(a) Brief description of the Scheme

The Lyka ESOS 2025 provides for grant of stock options to the Company’s eligible permanent employees, key managerial personnel and working whole-time/executive directors (who are not promoters or persons belonging to promoter group of the Company), working in India or outside India, as may be permissible under the SEBI SBEB Regulations (hereinafter referred to as ‘employees’). Each stock option will be, upon exercise within the exercise period, convertible into one fully paid-up equity share of the Company of the face value of Rs. 10/- each subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

(b) Total number of options to be granted

The total number of Options to be granted shall not exceed 7,00,000 Options. The Options granted are convertible into not more than 7,00,000 equity shares, being not more than 2% of the total paid up equity share capital of the Company, that would be available for allotment upon exercise of options granted to the employees under Lyka ESOS 2025. Each option when exercised would be converted into one equity share of the face value of Rs. 10/- each fully paidup.

In case of any corporate action such as rights issue, bonus issue, merger or sale of any division of the Company, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares to be so issued.

(c) Identification of classes of employees entitled to participate in the Lyka ESOS 2025

All permanent employees, key managerial personnel and working whole-time/executive directors (who are not promoters or persons belonging to promoter group of the Company) working in India or outside India, (hereinafter referred to as employees) shall be eligible to participate in this scheme subject to determination or selection by the Nomination and Remuneration Committee/Board.

However, following classes of employees/ directors shall not be eligible under this scheme:

- Independent directors;
- Promoters or persons belonging to promoter group; and
- Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity share capital of the Company.

The class of employees eligible for participating in the scheme shall be determined on the basis of the grade, number of years of service, performance, past contribution and future expected potential contribution to the growth of the organization, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole and absolute discretion, from time to time.

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner, whatsoever.

(d) Appraisal Process for determining the eligibility of the employees to Employees Stock Option Scheme

The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of employee, length of service, performance record, contribution to the growth of the organization, expected potential contribution, etc. by the employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee in its sole and absolute discretion, from time to time.

(e) Requirements of vesting and period of vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest and the detailed terms and conditions relating to such performance based vesting and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period for options granted shall not be earlier than 1 (one) year and shall not be later than 5 (five) years from the date of grant of such options. The exact proportion in which and the exact period over which the options granted would vest would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of options.

Provided further that in the event of death or permanent incapacity, the minimum vesting period of One (1) year shall not be applicable and in such instances, the Options shall vest on the date of death or permanent incapacity. All unvested Options on the date of death or permanent incapacity shall vest immediately.

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Provided further that in case of retirement, all the unvested Options as on the date of retirement would continue to vest in accordance with the original vesting schedules even after the retirement unless otherwise determined by the Committee in accordance with applicable laws.

In case of resignation or termination of employment (other than due to misconduct), unvested options on the date of submission of resignation/ date of termination notice shall stand cancelled with effect from that date.

In case of termination of employment due to misconduct, unless otherwise determined by the Committee, all unvested and vested options shall stand cancelled with effect from the termination date.

In case of any other reason, unless otherwise determined by the Committee, all unvested options on the date of separation shall stand cancelled from that date.

The vesting of Options shall be contingent upon the Employee's continued employment with the Company. The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the grant letter given to the grantee at the time of grant.

Further, in case of an eligible Employee who has been granted benefits under Lyka ESOS 2025 is deputed or transferred (including resignation in connection with transfer) or a holding company or an associate company of the Company, prior to vesting or exercise, vesting schedule and exercise period to remain same as per the terms of the grant.

The Scheme also provides for vesting in case of disciplinary proceedings and Employees on long leave.

(f) The maximum period within which the options shall be vested

The options granted shall have a vesting period of maximum 5 years and shall vest only on achievement of milestones, in case of performance-based vesting, as would be determined by the Nomination and Remuneration Committee.

(g) The exercise price or pricing formula

The equity shares to be issued upon conversion of options would be issued at a price per equity share (Exercise Price), as the Board/Committee may determine on the date(s) of the grant of option(s) at its sole discretion, which exercise price shall not be at a discount of more than 75% to the latest available closing price of Company's shares on a listed stock exchange where there is highest trading volume in Company shares on a day immediately prior to the date of the meeting of the Board of Directors or committee thereof in which the options are granted.

The difference between the price at which equity shares are allotted upon conversion of the options and the average of the opening and closing price of the Company's shares on the date of the allotment of equity shares on the stock exchange shall be taxed as perquisite in the hands of the Employees. The Employees are liable to bear such income tax liability(s) as per the relevant provisions of the Income-tax Act/Rules prevalent at the relevant time.

(h) The exercise period and the process of exercise

The exercise period may commence from the date of vesting and shall expire not later than 5 years from the date of vesting or such other period as may be decided by the Nomination and Remuneration Committee, from time to time. The options will lapse if not exercised within the specified exercise period or as may be specified by the Nomination and Remuneration Committee. The options granted may also lapse under certain circumstances like termination of employment for misconduct, resignation, etc. even before the expiry of the specified exercise period. Once vested, the option grantee may exercise his/her rights to convert the options granted into equity shares by making an application to the Company and paying the exercise price.

(i) Lock-in Period (if any)

Unless otherwise decided to the contrary by the Nomination and Remuneration Committee of the Board, there shall not be any lock-in-period for the shares allotted pursuant to the exercise of the vested options.

(j) Maximum number of options to be issued per employee and in aggregate

The maximum number of Stock Options to be granted to an eligible employee/KMP/whole-time working director shall be decided by the Nomination and Remuneration Committee.

However, the number of Stock Options that may be granted to an eligible employee/KMPs/whole-time working director under the Lyka ESOS 2025 shall not exceed 1,00,000 Stock Options. The Nomination and Remuneration Committee reserves the right to decide the number of options to be granted and the maximum number of options that can be granted to each employee within this ceiling.

(k) Maximum quantum of benefits to be provided per employee

Apart from grant of stock options as stated above, no monetary benefits are contemplated under the scheme. The maximum quantum of benefits underlying the stock options issued to an employee shall be equal to the difference between the option exercise price and the market price of the shares on the exercise date.

(l) Implementation and Administration

The Lyka ESOS 2025 is proposed to be implemented and administered directly by the Company and not through any Trust.

(m) Whether the Scheme involves new issue of equity shares by the Company or secondary acquisition or both

The Lyka ESOS 2025 will involve only new issue of equity shares by the Company.

(n) Disclosure and accounting policies

The Company shall follow IND AS 102 on share based payments and accounting policies as prescribed by the SEBI SBEB Regulations and those prescribed by the concerned authorities, from time to time, including such other applicable disclosures. In particular, the Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations.

(o) Method of option valuation

To calculate the employee compensation cost, the company shall use the intrinsic value method for valuation of the options granted. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the directors' report.

(p) The conditions under which options granted/vested may lapse

The granted as well as vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or breach of the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall also lapse.

(q) The specified time period within which the employee shall exercise the vested options in the event of a cessation of employment or resignation from employment

In the case of cessation of employment due to death of the employee, all vested options can be exercised by the optionees legal heirs within 1 (One) year from the date of such death.

In the case of cessation of employment due to permanent incapacity of the employee, all vested options can be exercised by the option grantee or nominee of the option grantee, as applicable, within 1 (One) year from the date of such event.

In the case of resignation from the employment, all vested options shall be exercised by the option grantees prior to the last working day in the Company.

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(r) Terms & conditions for buyback, if any, of specified securities covered under these regulations

The Scheme does not envisage any buyback and hence not applicable

(s) Other terms:

The Board, based on the recommendations of the Nomination and Remuneration Committee, shall have the absolute authority to vary, modify or alter the terms of the scheme in accordance with the Regulations and Guidelines as prescribed by the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the option grantees.

Accordingly, the approval of the Members is being sought for issue of stock options to the Eligible Employees (as defined in the Scheme) of the Company based on satisfaction of the performance of the Eligible Employees and vesting conditions under the Scheme.

None of the members of the Promoter(s) and Promoter(s) Group and/or their relatives are in any way concerned or interested in these resolutions financially or otherwise, except to the extent of their shareholding as Members. The Directors, Key Managerial Personnel or their relatives may be deemed to be concerned or interested in the proposed Special Resolution set out at Item Number 9 of the accompanying Notice, except to the extent of stock options that may be granted to them and to the extent of their shareholding as Members, if any.

The Board of Directors recommends the Resolution as set out in Item Number 9 of the accompanying Notice for approval by the Members of the Company.

DIRECTOR'S REPORT

The Members,

Lyka Labs Limited

Your Directors are pleased to present the Forty-Sixth Annual Report, together with the Audited Financial Statements for the financial year ended 31st March, 2025.

FINANCIAL RESULTS

Standalone

(Rs. in Lakhs)

| Particulars | For the financial year ended 31st March 2025 | For the financial year ended 31st March 2024 |
|--|--|--|
| Total Revenue | 13,704.09 | 10,804.35 |
| Profit / (Loss) before Exceptional items | 1,147.47 | (87.74) |
| Exceptional Items | 0.00 | 5.51 |
| Profit/(Loss) before tax | 1,147.47 | (93.25) |
| Less: Tax Expenses | 324.75 | 133.65 |
| Profit/(Loss) after tax | 822.72 | (226.89) |
| Add: Other Comprehensive Income | 18.22 | 6.17 |
| Profit/(Loss) for the year | 840.94 | (220.72) |

Consolidated

(Rs. in Lakhs)

| Particulars | For the financial year ended 31st March 2025 | For the financial year ended 31st March 2024 |
|--|--|--|
| Total Revenue | 14,072.71 | 11,264.93 |
| Profit / (Loss) before Exceptional items | 1,112.49 | (52.32) |
| Exceptional Items | - | 41.06 |
| Profit/(Loss) before tax | 1,112.49 | (93.38) |
| Less: Tax Expenses | 319.17 | 168.67 |
| Profit/(Loss) after tax | 793.32 | (262.05) |
| Add: Other Comprehensive Income | 18.08 | 10.54 |
| Profit/(Loss) for the year | 811.40 | (251.51) |

DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended on 31st March 2025.

TRANSFER TO RESERVES

The Board of Directors of your Company have not transferred any amount to the reserves for the financial year under review.

OPERATIONS

During the year under review, the total consolidated revenue earned by the Company was Rs. 14,072.71 Lakhs as against total revenue of Rs.11,264.93 Lakhs in the previous financial year. The Company has reported consolidated net Profit of Rs.811.40 Lakhs as against net loss of Rs.251.51 Lakhs of the previous financial year ended on 31st March 2024.

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

Lyka Labs Limited

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has two Subsidiaries, i.e. Lyka BDR International Limited and Lyka Exports Limited. There are no Associate nor joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (the Act).

During the year, the Board of Directors reviewed the affairs of the Subsidiaries Company. In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries are set out in the prescribed Form No. AOC-1, which forms part of the Annual Report.

To comply with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), the Board of Directors of the Company has approved and adopted a Policy for determination of Material Subsidiary and Governance of Subsidiaries. None of the subsidiaries were a material subsidiary of the Company in terms of the said Policy. The said policy is available on the Company's website at www.lykalabs.com.

KEY FEATURES

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

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

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

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

Company's Core competencies

- Lyophilisation - Formulations/Bulk Sterile APis
- New Product Development including Novel Drug Delivery Systems

FUTURE OUTLOOK

The Company continues to pursue growth by expanding into new international markets through collaborations with reputed partners and introducing new products in existing markets. It also aims to strengthen its domestic presence by building a robust marketing and distribution network within India.

To cater to rising global demand, the Company is upgrading and expanding its lyophilisation capacity by 50%, with the project expected to be completed in financial year 2026. This enhancement will support the Company's entry into regulated markets such as Europe and the UK. Simultaneously, the Company is laying the ground work for its branded business in both veterinary and human critical care segments.

Additionally, the Company has ventured into Gynaecology and Assisted Reproductive Technology (ART) through its new division, FertiNova. This division will focus on advanced IVF solutions and women's health therapies, targeting a strong market presence over the next three years through innovation and strategic partnerships.

REGISTRATIONS

During the year under review, the Company has submitted 29 new applications for registration of its products. It has received registration of 11 products and the renewal of 26 products. The registration for 16 products is expected in the upcoming financial year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of the business of the Company.

MATERIAL CHANGES AFFECTING THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year of the Company and date of this report.

SHARE CAPITAL

During the year under review, there was no change in the Authorized Share Capital the Company. As on 31st March, 2025, the Authorized Share Capital stood at Rs 4,800 Lakhs, comprising Rs 4,800 Lakhs equity shares of Rs 10 each.

However, the Company allotted 26,00,000 equity shares of 10 each to Ipca Laboratories Limited, an entity forming part of the Promoter Group, upon conversion of 26,00,000 warrants into equity shares. Consequently, the Issued, Subscribed, and Paid-up Equity Share Capital increased from Rs 3,309 Lakhs (comprising 330.90 Lakhs equity shares of Rs 10 each) to Rs 3,569 Lakhs (comprising 356.90 Lakhs equity shares of Rs10 each)

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public and as such, no amount of principal or interest in deposits was outstanding as on the balance sheet date.

LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Director

Mr. Prashant Godha, Non- Executive Director, retires by rotation in compliance with Section 152 of the Act, at the ensuing 46th Annual General Meeting (the AGM) of the Company and being eligible, offers himself for re-appointment. The Board of Directors are also of the opinion that Mr. Prashant Godha fulfills all the conditions as mentioned in the Act.

The Board of Directors of the Company at its meeting held on 26th May, 2025 based on the recommendation of Nomination and Remuneration Committee has recommended to re- appointment of Mr. Yogesh B Shah, Chief Financial Officer of the Company as a Whole- time Director for a period of three years with effect from the conclusion of Forty-Sixth Annual General Meeting till the conclusion of Forty -Ninth and appointment of Mrs. Archana S Yadav as an Additional Director of the Company in the category of Independent Director with effect from 26th May, 2025 under Section 161 (1) of the Act, for a period of five (5) consecutive years with effect from 26th May, 2025 upto 25th May, 2030 (both days inclusive), not liable to retire by rotation.

The resolutions seeking Member's approval for the re-appointment and appointment forms part of the Notice. The details of the Director being recommended for appointment and re-appointment are contained in the accompanying Notice of the AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI the Listing Regulations and that they are not disqualified to become directors under the Act. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs ('IICA').

The Board of Directors is of the opinion that all the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

- i. Mr. Kunal Gandhi, Managing Director & CEO;
- ii. Mr. Yogesh B Shah, Whole -time Director & CFO,
- iii. Mr. Kishor Shah Company Secretary (upto 18th September, 2024)
- iv. Mr. Shekhar R Singh (w.e.f. 12th November, 2024)

The Board had placed on record its appreciation for the services rendered by Mr. Kishore Shah during his tenure as a KMP of the Company.

Lyka Labs Limited

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committee and Individual Director, pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

BOARD AND COMMITTEE MEETINGS

During the year under review, Six Board meetings were held. The details of the composition of the Board and its Committees and number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Report.

INDEPENDENT DIRECTORS' MEETING

In terms of Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, Independent Directors of the Company are required to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and Members of management.

During the year under review, Independent Directors met separately on 4th February, 2025, *inter- alia*, for:

- Evaluation performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.
- Evaluation of the quality, content and time line of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

NOMINATION AND REMUNERATION POLICY

The Board has framed a policy for selection and appointments for Directors, Senior Management and their remuneration. The details of this Policy are given in the Corporate Governance Report which forms part of this Report. The Nomination and Remuneration Policy is also available on the Company's website on <https://www.lykalabs.com/nomination-and-remuneration-policy.pdf>

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization programme for Independent Directors of the Company. The details of the said programme are given in the Corporate Governance Report which forms part of this Report.

PARTICULARS OF EMPLOYEES

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure I** and form part of this Report.

Further, as per second proviso to Section 136(1) of the Act read with Rule 5 of the aforesaid Rules, the Board's Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees as required under Rule 5(2) of the aforesaid Rules. Any member interested in obtaining a copy of the said statement may write to the Company at companysecretary@lykalabs.com up to the date of AGM.

AUDITORS AND AUDITOR'S REPORT

i. STATUTORY AUDITORS

Messer D Kothary & Co. Chartered Accountants, Mumbai (ICAI Firm Registration No. 105335W) were appointed as the Statutory Auditors of the Company in the 45th General Meeting held on 9th August, 2024 for the second term of five consecutive i.e. from the conclusion of the 45th Annual General Meeting till the conclusion of 50th Annual General Meeting to be held for the financial year 2028-2029.

The Statutory Auditors have submitted their Independent Auditors Report on the Financial Statements of the Company for the year ended 31st March, 2025 and they have given an unmodified opinion(s) report on the Financial Statements for the year under review.

There were no qualifications, reservations or adverse remarks or disclaimer made by the Auditors in their report. No frauds have been reported by the Auditors under Section 143(12) of the Act.

ii. COST AUDITORS

The Board of Directors of the Company, based on the recommendation made by the Audit Committee, appointed Messrs Rajaram Madhav Walavalakar & Co., Cost Accountants (Firm Registration No. 003584), as the Cost Auditors of the Company for the financial year 2024-25 at a remuneration of Rs 1,60,000/- plus applicable taxes and reimbursement of out-of-pocket expenses at actuals. Messrs Rajaram Madhav Walavalakar & Co, being eligible, consented to act as the Cost Auditors of the Company for the financial year 2024-25. Messrs Rajaram Madhav Walavalakar & Co. were appointed in place of Messrs Sarvottam Rege & Associates.

In terms of the provisions of Section 148(3) of the Act read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

The resolution seeking Member's approval for ratification for the remuneration payable to the Cost Auditor for financial year 2024 -25 and financial year 2025 -26 forms part of the accompanying Notice of the AGM.

The Company has filed the Cost Audit Report for the financial year ended 31st March 2023 submitted by Messrs Sarvottam Rege & Associates, Cost Auditor on 3rd September, 2024.

iii. SECRETARIAL AUDITOR

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Audit Committee and the Board of Directors have approved and recommended the appointment of Messrs Kaushal Doshi & Associates, Practicing Company Secretary, a proprietorship firm led by Mr. Kaushal Doshi (FCS No.: 10609; COP No.: 13143) as Secretarial Auditor of the Company to hold office for a first term of five consecutive years commencing from the financial year 2025-26 to the financial year 2029-30.

The resolution seeking Member's approval for the appointment Messrs Kaushal Doshi & Associates, Practicing Company Secretary as Secretarial Auditors of the Company, forms part of the Notice. The details of Messrs Kaushal Doshi & Associates being recommended for an appointment are contained in the accompanying Notice of the AGM.

Messrs Kaushal Doshi & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and the SEBI Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and the SEBI Listing Regulations.

A Secretarial Audit was conducted during the year in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached as **Annexure II**, which forms part of this Report. The Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Lyka Labs Limited

FRAUD REPORTING

During the year under review, the Statutory Auditors, Cost Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act read with Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, details of which needs to be mentioned in this Report.

SECRETARIAL STANDARDS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the SEBI Listing Regulations is attached, which forms part of this Report.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance requirements as stipulated under the SEBI Listing Regulations. A separate report on Corporate Governance along with the requisite Auditor's Certificate is annexed, which forms part of this Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, and the SEBI Listing Regulations, on the basis of information placed before them, the Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and the profit of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no transactions during the year which would require to be reported in Form No. AOC-2. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large during the year that would have required Members approval under the Listing Regulations.

The policy on Related Party Transactions as approved by the Board is available on the Company's website on <https://www.lykalabs.com/related-party-transactions-policy.pdf>

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The detail of the Policy is explained in the Corporate Governance Report and is also available on the Company's website on <https://www.lykalabs.com/whistle-blower-policy.pdf>

ANNUAL RETURN

In terms of Section 92(3) of the Act, copy of the Annual Return of the Company is available on the website of the Company. The web link of the same is www.lykalabs.com.

STOCK EXCHANGE

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The Annual Listing Fees for the year 2025-2026 have been paid to both Exchanges.

PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure-II**.

(Rs. in Lakhs)

| Foreign Exchange Transactions | 2024-2025 | 2023-2024 |
|-------------------------------|-----------|-----------|
| Foreign Exchange Earnings | 3,405.32 | 3,687.65 |
| Foreign Exchange Outgo | 839.25 | 323.17 |

CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of Section 135(1) of the Act, the requirement to undertake Corporate Social Responsibility (CSR) activities applies to companies that, during the immediately preceding financial year (i.e. as on 31st March, 2024 for the year under review), have a net worth of Rs 500/- Crore or more, or turnover 1,000 or more, or a net profit Rs 5 Crore or more.

In the case of the Company, none of these criteria were met as on 31st March, 2024. Accordingly, the Company is not required to constitute a CSR Committee or incur any expenditure towards CSR activities for the financial year 2024-25.

However, as a measure of good corporate governance, the Company continues to retain the CSR Committee already in place. The details of the Committee and its terms of reference are provided in the Corporate Governance Report, which forms part of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

However, the Scheme of Amalgamation between Lyka Exports Limited and the Company was initially filed with the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, on 8th August, 2022. Pursuant to the Tribunal's order dated 24th September, 2024, the applicant companies submitted a fresh application on 25th October, 2024.

Subsequently, by an order dated 23rd January, 2025, the Hon'ble NCLT directed the applicant companies to convene meetings of their Equity Shareholders and Creditors. These meetings were duly held on 4th March, 2025, and the Scheme was approved by the requisite majority.

A petition seeking final approval of the Scheme was filed on 12th March, 2025. By its order dated 26th March, 2025, the Tribunal fixed the final hearing on 15th May, 2025, and directed the applicant companies to serve notices of the hearing to the concerned Statutory Authorities. Accordingly, the petitioner companies served the notices on 9th April, 2025, and filed the Affidavit of Service in respect thereof on 17th April, 2025.

Further, the Hon'ble Tribunal has now rescheduled the final hearing to 12th June, 2025.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is part of this Report.

Lyka Labs Limited

RISK ASSESSMENT AND MANAGEMENT

Risk management policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through risk mitigation report/operation report. There are no current risks which threaten the existence of the Company.

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARRASSMENT ACT, 2013

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

During the year under review, there was no complaint reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MATERIAL CHANGES AFFECTING THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which these financial statements relate and the date of this Report.

APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (THE CODE)

During the year under review, the Company has not made or received any application under the Insolvency and Bankruptcy Code and there is no proceeding pending under the said Code.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review, the Company has not undergone any one-time settlement and therefore, the disclosure in this regard is not applicable.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Members of the Company. The Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board of Directors

Neeraj Golas
Chairman
DIN: 06566069

Mumbai, 26th May, 2025



Form No. AOC - 1

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

Statement containing salient features of the financial statements of the Subsidiaries

Part 'A' : Subsidiaries

(Rs. in Lakhs)

| 1. | Sr. No. | 1 | 2 |
|-----|---|--|--|
| 2. | Name of the Subsidiary | Lyka BDR International Limited | Lyka Exports Limited |
| 3. | Reporting period for the Subsidiary Concerned, if different from the holding company's reporting period | Same as per the holding company's period | Same as per the holding company's period |
| 4. | Reporting currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries | Not Applicable | Not Applicable |
| 5. | Share Capital | 2,250.00 | 739.54 |
| 6. | Reserve & Surplus | (2,582.99) | (302.16) |
| 7. | Total Asset | 496.42 | 481.88 |
| 8. | Total Liabilities | 829.41 | 44.50 |
| 9. | Investments | - | - |
| 10. | Turnover | 491.32 | 41.65 |
| 11. | Profit/ (Loss) before taxation | 2.34 | (37.31) |
| 12. | Provision for Taxation | 0.83 | (6.41) |
| 13. | Profit/ (Loss) after Taxation | 1.50 | (30.91) |
| 14. | Proposed Dividend | - | - |
| 15. | % of Shareholding | 65.22% | 72.80% |
| a. | Names of subsidiaries which are yet to commence operations | N.A. | |
| b. | Names of subsidiaries which have been liquidated or sold during the year | N.A. | |

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

Mehul N. Patel
Partner
Membership No. 132650

For and on behalf of the Board of Directors

Kunal Gandhi
Managing Director
DIN: 01516156

Prashant Godha
Director
DIN: 00012759

Yogesh Shah
Whole-time Director & CFO
DIN: 06396150

Shekhar R Singh
Company Secretary

Mumbai; 26th May, 2025

Lyka Labs Limited

Form No. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:
Not Applicable
2. Details of material contracts or arrangements or transactions are on arm's length basis:
 - (a) Name(s) of the related party and nature of relationship
Lyka BDR International Limited, Subsidiary
 - (b) Nature of contracts/ arrangements / transactions
 - i. Sale of Goods: 85.84Lakhs
 - ii. Rent Income: 6 Lakhs
 - iii. Interest Income: 18.50 Lakhs
 - iv. Commission Income: 25.68 Lakhs
 - (c) Duration of the contracts/arrangements/transactions: Continuous Basis
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: As per MOU
 - (e) Date(s) of approval by the Board, if any: 26th May, 2025
 - (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

Neeraj Golas
Chairman
DIN: 06566069

Mumbai, 26th May, 2025

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule(5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sl. No. | Requirements | Details |
|---------|---|--|
| i | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year | Mr. Kunal Gandhi : 109.33 : 1 Mr. Yogesh Shah : 8.96 : 1 |
| ii | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | Percentage increase in remuneration is as under, Mr. Kunal Gandhi - Director : 48.44% Managing Director & CEO Mr. Yogesh - Director : 10.54 % Whole-time Director & CFO ^a Mr. Kishore Shah : NA Company Secretary ^b Mr. Shekhar R Singh : NA Company Secretary ^a upto 18th September, 2024 ^b w.e.f. 12nd November 2024 |
| iii | The percentage increase in the median remuneration of employees in the financial year | Nil |
| iv | The number of permanent employees on the rolls of Company | 499 employees as on 31.03.2025 |
| v | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2024-2025 was 6.73% whereas the percentage increase made in the remuneration of managerial personnel in the last financial year i.e. 2024-2025 was 29.49 %. |
| vi | Affirmation that the remuneration is as per the remuneration policy of the Company | Remuneration paid during the year ended 31 st March, 2025 is as per the Remuneration Policy of the Company. |

For and on behalf of the Board of Directors

Neeraj Golas
Chairman
DIN: 06566069

Mumbai, 26th May, 2025

SECRETARIAL AUDIT REPORT

Form No. MR - 3

For the financial year ended 31st March, 2025

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

To,

The Members,

Lyka Labs Limited

CIN: L24230GJ1976PLC008738

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Lyka Labs Limited (hereinafter called the Company). The secretarial audit as required under Companies Act, 2013 was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('the SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings; **(Not applicable as there was no reportable event during the financial year under review)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable as there was no reportable event during the financial year under review)**
 - (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as there was no reportable event during the financial year under review)**
 - (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable as there was no reportable event during the financial year under review)**
 - (g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable as there was no reportable event during financial year under review)**

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

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

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

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

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

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

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015.

Lyka Labs Limited

We further report that, during the year;

1. The Company has issued and allotted 26,00,000 fully paid-up Equity shares of Rs. 10/- each upon conversion of warrants with premium of Rs. 129.50/- to Ipca Laboratories Limited, part of promoter group of the Company on 16th April, 2024.
2. The Company has made fresh application for the scheme of amalgamation between Lyka Exports Limited and Lyka Labs Limited and their respective shareholders and creditors, in compliance with the Order dated 24th September, 2024, passed by the Hon'ble National Company Law Tribunal, Division Bench, Court - I, Ahmedabad (the NCLT).

Accordingly, the Company conducted meeting of shareholders and creditors for their approval for Scheme of amalgamation as directed by the NCLT vide its order dated 23rd January, 2025 and submitted the proceeding of this meetings to the NCLT.

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

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

For Kaushal Doshi & Associates
Practicing Company Secretary

Kaushal Doshi
Proprietor

FCS: 10609/COP: 13143

PR Number: 802/2020

UDIN: F010609G000435651

Mumbai, 26th May, 2025

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

Annexure I (Integral part of Secretarial Audit Report)

To,

The Members,

Lyka Labs Limited

CIN: L24230GJ1976PLC008738

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

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

For Kaushal Doshi & Associates
Practicing Company Secretary

Kaushal Doshi
Proprietor

FCS: 10609/ COP: 13143

PR Number: 802/2020

UDIN: F010609G000435651

Mumbai, 26th May, 2025

Lyka Labs Limited

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW AND OUTLOOK

India's economy grew at a robust pace of 6.6 % in financial year 2024–25, driven by strong domestic consumption, private investments, and government-led infrastructure development. Stable oil prices and steady service exports helped contain the current account deficit. The macroeconomic environment remained stable, supported by controlled inflation and ongoing policy reforms. India continues to be one of the fastest-growing major economies, with a positive outlook for financial year 2025–26.

PHARMACEUTICAL SECTOR OVERVIEW

India retained its position as a global pharmaceutical leader, supplying 60 percent of global vaccines, 40 percent of US generic demand, and 25% of UK medicine needs. The domestic market reached an estimated USD 70 billion, with exports crossing USD 27 billion. Government initiatives promoting generic drugs, R&D, and PLI schemes continued to support sector growth. Contributing around 1.75 percent to GDP, the industry remains on track to achieve its USD 130 billion target by 2030, backed by steady demand and innovation.

COMPANY OVERVIEW

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

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

OUTLOOK

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

During the financial year under report:

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

RISKS AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the total consolidated revenue earned by the Company was Rs. 14,072.71 Lakhs as against total revenue of Rs.11,264.93 Lakhs in the previous financial year. The Company has reported consolidated net Profit of Rs.811.40 Lakhs as against net loss of Rs.251.51 Lakhs of the previous financial year ended on 31st March 2024.

HUMAN RESOURCE

There has been no material development on human resources and industrial relations front. The relationship with employees and workers continued to be cordial at all levels. As on 31st March 2025, permanent employees inclusive of workers strength was 499.

KEY FINANCIAL RATIOS

The key financial ratio for the financial year 2024-25 and changes therein as compared to the immediately preceding financial year along with detailed explanation in cases where the change is 25% or more are as under:

- a. **Return on Equity Ratio:** Net Profit after taxes/Avg. Shareholders Equity. The ratio for the year was 0.70 (times) as against (0.03) (times) in the previous financial year. Company has made net Profit for the year compare to loss in previous year, hence ratio has improved.
- b. **Interest Coverage ratio:** EBIT / Interest Expense. The ratio for the year was 5.52 (times) as against 0.80 (times) in the previous year.. The Company has made net profit in current financial year hence interest coverage ratio has improved.
- c. **Net Capital Turnover Ratio:** Net Sales/ Average Working Capital. This ratio for the current financial year was 5.12 (times) as compared to 7.21 (times) in the previous year. The ratio is higher as compared due to Higher Inventory & receivable.
- d. **Debt-Equity ratio:** Total Debt/ Shareholders Equity. This ratio for the year was 0.30 (times) as against 0.60 (times) in the previous year. This ratio has decreased due to repayment of loans during the financial year and the issue of equity shares
- e. **Net Profit Ratio:** Net Profit/Net Sales for the year was 6.35 % as against (2.24)% in the previous year. Company has made net Profit for the year compare to loss in pervious year, hence ratio has improved.
- f. **Return on Capital employed:** EBIT/Capital Employed for the current financial year was 7.86 % as against 2.39% in the previous financial year. Profit for the year is higher than previous year & increased in net worth.

CHANGE IN RETURN ON NET WORTH

Return on Net Worth: This financial performance is calculated by dividing net income by shareholders' equity. Return on net worth or return on equity during the year was 7.02 % as compared to (2.58)% in the previous year. Profit for the year is Higer than previous year.

For and on behalf of the Board of Director

Neeraj Golas
Chairman
DIN: 06566069

Mumbai; 26th May 2025

Lyka Labs Limited

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations)

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

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

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

2. Board of Directors

a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2025, the Board comprises of two Executive Directors and five Non-Executive Directors. The composition of the Board is in compliance with the requirements of Regulation 17 of the SEBI Listing Regulations as on 31st March, 2025.

None of the Directors on the Board is a Member of more than ten Committees and the Chairman in more than five Committees, across all companies in which they are Directors.

b) Attendance at Board Meetings and the last Annual General Meeting (AGM)

During the year ended 31st March, 2025, 6 (Six) Board Meetings were held. The dates on which the said meetings were held are as follows:

16th April, 2024, 21st May, 2024, 9th August, 2024, 11th October, 2024, 12th November, 2024 and 4th February, 2025.

Attendance of Directors at Board Meetings during 2024-2025 and Directorship(s) and Committee Chairmanship(s)/Membership(s) of other companies as on 31st March, 2025

| Name of the Director | Category | No. of Board Meetings held - 6 | No. of Directorship(s) and Committee Chairmanship(s)/ Membership(s) | | | Attended Last AGM on 9 th August, 2024 |
|----------------------|-------------------------------|--------------------------------|---|-----------------------------|----------------------------|---|
| | | Attended | Other Directorship(s)* | Committee Chairmanship(s)** | Committee Membership(s)** | |
| Mr. Babulal Jain | Chairman Independent Director | 6 | - | - | - | Yes |
| Mr. Kunal Gandhi | Managing Director | 6 | 2 | - | - | Yes |
| Mr. Yogesh Shah | Whole-time Director | 6 | 1 | - | - | Yes |
| Mr. Prashant Godha | Non-Executive | 6 | 3 | - | 1 | Yes |
| Mr. Shashil Mendonsa | Non-Executive | 6 | - | - | - | Yes |

| Name of the Director | Category | No. of Board Meetings held - 6 | | No. of Directorship(s) and Committee Chairmanship(s)/ Membership(s) | | | Attended Last AGM on 9 th August, 2024 |
|----------------------|----------------------|--------------------------------|------------------------|---|----------------------------|-----|---|
| | | Attended | Other Directorship(s)* | Committee Chairmanship(s)** | Committee Membership(s)** | | |
| Mr. Neeraj Golas | Independent Director | 6 | 2 | - | 2 | Yes | |
| Ms. Dhara Shah | Independent Director | 5 | 3 | - | 1 | Yes | |

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

** Chairmanship(s)/Membership(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.

c) Details of Directorship in other Listed Companies:

| Name | Name of Listed Company | Category |
|--------------------|--------------------------------|------------------------|
| Mr. Kunal Gandhi | Relic Technologies Limited | Non-Executive Director |
| Mr. Prashant Godha | Ipca Laboratories Limited | Executive Director |
| | Maker Laboratories Limited | Non-Executive Director |
| | Resonance Laboratories Limited | Non-Executive Director |
| Mr. Neeraj Golas | Ashima Limited | Independent Director |
| | N R Agarwal Industries Limited | Independent Director |
| Ms. Dhara Shah | Relic Technologies Limited | Independent Director |

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

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

Area of skills/expertise/ competencies

- Financial Skills/Accounts
- Pharma marketing strategy
- Legal and Regulatory Compliance and Governance
- Risk Management
- Plant Management
- Supply Chain

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

e) Other Disclosure

- The Board confirms that the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management.
- None of the Independent Directors have resigned during the year.

3. Audit Committee:

During the year ended 31st March, 2025, 4 (Four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

21st May, 2024, 9th August, 2024, 12th November, 2024 and 4th February, 2025.

Lyka Labs Limited

The composition of the Audit Committee and the number of meetings attended by each Member during the year ended 31st March, 2025 is as follows:

| Name of the Member | Designation | No. of Meetings held-4 |
|--------------------|-------------|------------------------|
| | | Attended |
| Mr. Babulal Jain | Chairman | 4 |
| Mr. Kunal Gandhi | Member | 4 |
| Mr. Neeraj Goals* | Member | 2 |
| Ms. Dhara Shah | Member | 4 |

**Appointed as a Member w.e.f. 12th November, 2024*

All the Members of the Audit Committee are financially literate and one Member has accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee.

The Audit Committee, as and when considers appropriate, invites the Statutory Auditors and Internal Auditors at

The terms of reference of this Committee includes those specified under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations in consonance with the provisions of Section 177 of the Companies Act, 2013 (the Act). The brief descriptions of terms of reference are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment/replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services.
- Reviewing with management, the annual Financial Statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-section 3(c) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to Financial Statements.
 - Disclosure of related party transactions; and
 - Un-modified opinion(s) in draft audit report.
- Reviewing with management, quarterly Financial Statements before submission to the Board for approval;
- Review and monitor the Auditor's independence and performance and effectiveness of Audit process;
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

- Discussion with Internal Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors;
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm length pricing basis and to review and approve such transactions subject to the approval of the Board;
- To review the functioning of the Whistle Blower mechanism;
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company

4. Nomination and Remuneration Committee:

During the year ended 31st March, 2025, 2 (Two) Nomination and Remuneration Committee Meetings were held. The dates on which the said meetings were held are as follows:

9th August, 2024 and 12th November, 2024.

The composition of the Nomination and Remuneration Committee and the number of meetings attended by each Member during the year ended 31st March, 2025 is as follows:

| Name of the Member | Designation | No. of Meetings held-2 |
|---------------------|-------------|------------------------|
| | | Attended |
| Ms. Dhara Shah | Chairperson | 2 |
| Mr. Babulal Jain | Member | 2 |
| Mr. Prashant Godha* | Member | 1 |
| Mr. Neeraj Goals** | Member | 1 |

*Ceased to be a Member w.e.f. 12th November, 2024

**Appointed as a Member w.e.f. 12th November, 2024

The terms of reference of this Committee includes those specified under Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations in consonance with the provisions of Section 178 of the Act. The brief descriptions of terms of reference of the Committee interalia include the following:

- Succession planning of the Board of Directors and other Senior Management Employees;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration for the Directors and Key Managerial Personnel and other Senior Management Employees;
- Review the performance of the Board of Directors and other Senior Management Employees in accordance with the criteria laid down;
- To oversee the matters pertaining to HR Policies.

The Company Secretary acts as the Secretary to the Committee.

REMUNERATION TO DIRECTORS

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to commission not exceeding one percent of net profits of the Company, if paid.

Lyka Labs Limited

The Nomination and Remuneration Policy, which was approved by the Board is available on the Company's website and the web-link for the same is <https://www.lykalabs.com/nomination-and-remuneration-policy.pdf>

Details of remuneration and sitting fees paid to Directors during the year ended 31st March, 2025 are as under:

(In Rs.)

| Name of the Director | Designation | Remuneration |
|----------------------|----------------------|--------------|
| Mr. Kunal Gandhi | Managing Director | 5,26,66,667* |
| Mr. Yogesh Shah | Whole- time Director | 31,35,100 |

* Includes Rs.1,40,00,000/- paid towards unavailed privilege leave for earlier tenure and balance Rs. 3,86,66,667/- is regular salary, perquisites and allowances.

(In Rs.)

| Name of the Non-Executive Director | Sitting fees |
|------------------------------------|--------------|
| Mr. Babulal Jain | 2,40,000 |
| Mr. Prashant Godha | 1,90,000 |
| Mr. Shashil Mendonsa | 1,50,000 |
| Mr. Neeraj Golas | 1,90,000 |
| Ms. Dhara Shah | 2,00,000 |

Details of shares of the Company held by Directors are as under:

| Name of Member | No. of Equity Shares held |
|------------------|---------------------------|
| Mr. Kunal Gandhi | 34,93,629 |
| Mr. Yogesh Shah | 1,050 |
| Ms. Dhara Shah | 1 |

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year ended 31st March, 2025, 1 (One) Stakeholders' Relationship Committee Meeting was held on 4th February, 2025.

The composition of the Stakeholders' Relationship Committee and the number of meetings attended by each Member during the year ended 31st March, 2025 is as follows:

| Name of Member | Designation | Number of Meeting held- 1 |
|-------------------|-------------|---------------------------|
| | | Attended |
| Mr. Babulal Jain | Chairman | 1 |
| Mr. Kunal Gandhi | Member | 1 |
| Mr. Neeraj Golas* | Member | 1 |
| Mr. Yogesh Shah | Member | 1 |

*Appointed as a Member w.e.f. 12th November, 2024

The brief descriptions of terms of reference of the Committee *inter-alia*, include the following:

- To allot shares/securities from time to time;
- To consider all matters pertaining to securities, including but not limited to offer of securities alongwith issue and allotment of securities, crediting of securities in depository system, listing and de-listing of securities on/from stock exchange in India, transfer and transmission of securities, demat and remat of securities, issue of duplicate securities certificate, consolidation and split of securities certificate and to do all acts required to be done under the applicable rules, regulations and guidelines, from time to time and to consider matters incidental thereto;

- To monitor the shareholding pattern and related reports on securities;
- To approve the opening, operations and closure of bank accounts for payment of interest and dividend, issue and redemption of securities, to authorize officials to open, operate and close the said accounts from time to time;
- To consider and resolve the grievances of security holders of the Company;
- To appoint/change and fix the fees and other charges payable to the Registrar Transfer Agent (RTA) for handling the work related to securities and to delegate powers to the RTA as may be deemed fit and to monitor all activities of the RTA;
- To consider and resolve the matters/grievances of Shareholders/Investors in regard to the following:
 - transfer of shares
 - non-receipt of dividends
 - non-receipt of shares in demat account
 - non-receipt of annual report
 - any other matter of shareholder/investor grievance
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the RTA.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To delegate any of the aforesaid matters to Director(s)/official(s) and/or the officials of the RTA, as the Committee may deem fit.

INVESTOR RELATIONS

During the year ended 31st March, 2025, no complaints from the investors were received by the Company.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 of the Act, the Board has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Policy, which was approved by the Board, is available on the Company's website and the web-link for the same is <https://www.lykalabs.com/pdf/CSR-Policy.pdf>

The composition of the Corporate Social Responsibility Committee is as follows:

| Name of Member | Designation |
|-------------------|-------------|
| Mr. Kunal Gandhi | Chairman |
| Mr. Yogesh Shah | Member |
| Mr. Neeraj Golas* | Member |
| Ms.Dhara Shah | Member |

*Appointed as a Member w.e.f. 12th November, 2024

Lyka Labs Limited

The terms of reference of the Committee is to comply with the requirements of Section 135 of the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 inter alia. are as follows:

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

7. Amalgamation Committee

During the year ended 31st March, 2025, 1 (One) Amalgamation Committee Meeting was held on 11th October, 2025.

The composition of the Amalgamation Committee and the number of meetings attended by each Member during the year ended 31st March, 2025 is as follows:

| Name of Member | Designation | Number of Meeting held- 1 |
|------------------|-------------|---------------------------|
| | | Attended |
| Mr. Babulal Jain | Chairman | 1 |
| Mr. Kunal Gandhi | Member | 1 |
| Mr. Yogesh Shah | Member | 1 |

8. INDEPENDENT DIRECTORS' MEETING

During the year under review, Independent Directors met on 4th February, 2025, *inter- alia*, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity content and timeliness of flow of information between the Management and the Board.

9. GENERAL BODY MEETINGS

| Location, day, date and time of the AGMs held during the last three years and special resolutions passed: | | | |
|---|---|---|--|
| Finan cial Year | Day, Date and Time of AGM | Location of the Meeting | Special Resolutions |
| 2021-22 | Monday, 1 st August, 2022 at 12:15A.M. | Through VC/OAVM Venue of the Meeting shall be deemed to be the Registered office of the Company situated at 4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar, District Bharuch, Gujarat - 393002 | <ul style="list-style-type: none"> • Revision in remuneration of Mr. Kunal Gandhi, Managing Director. • Approval of appointment of Mrs. Dhara Shah as an Independent Director. • Approval for Re-appointment of Mrs. Dhara Shah as an Independent director. • Approval of financial limit of Related Party Transactions during financial year 2022 - 23. |
| 2022-23 | Wednesday, 2 nd August, 2023 at 11:00 A.M. | Through VC/OAVM Venue of the Meeting shall be deemed to be the Registered office of the Company situated at 4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar, District Bharuch, Gujarat - 393002 | <ul style="list-style-type: none"> • Approval of Related Party Transactions for the financial year 2023-24 |

| | | | |
|---------|--|---|------|
| 2023-24 | Friday, 9 th August, 2024 at 11:00 A.M. | Through VC/OAVM Venue of the Meeting shall be deemed to be the Registered office of the Company situated at 4801/B & 4802/A, G.I.D.C., Industrial Estate, Ankleshwar, District Bharuch, Gujarat - 393002 | None |
|---------|--|---|------|

10. DIRECTORS

Resume and other information regarding the Directors seeking re-appointment as required by Regulation 36(3) of the SEBI Listing Regulations has been given in the Notice of the Forty Sixth Annual General Meeting annexed to the Annual Report.

11. DISCLOSURES

a) Related party transactions

All transactions entered into with Related Parties as defined under the Act and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and the web-link for the same is <https://www.lykalabs.com/related-party-transactions-policy.pdf>

The detailed disclosure as required by the Indian Accounting Standards (Ind AS) 24 on related party transactions has been made in the notes to the Financial Statements.

b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities.

c) Familiarization Programme for Independent Director

At the time of appointment, a formal letter of appointment is given to Independent Directors which inter-alia explain the role, functions, duties and responsibilities expected from them as a Director of the Company. The Company conducts programmes for the Independent Directors to understand and get updates on the business and operations of the Company on a continuous basis. Such programmes provide an opportunity to the Independent Directors to interact with Senior Leadership team of the Company and help them to understand the Company's strategy models, operations, services, product-offerings, finance, human resources and such other areas may arise from time to time. The Familiarization Programme are available on the Company's website and the web-link for the same is <https://www.lykalabs.com/familiarisation-policy.pdf>

d) Vigil Mechanism/Whistle-blower Policy

The Company has adopted Vigil Mechanism/Whistle-blower Policy, which is available on the Company's website. No personnel have been denied access to the Audit Committee to lodge his/her grievances.

e) Code of Conduct

The Company has laid down a code of conduct for the Directors and Senior Management Personnel of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this report.

f) Disclosure of Accounting Treatment

In the preparation of the Financial Statements, the Company has followed Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

g) Disclosure of Risk Management

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of Directors periodically reviews the risk management framework of the Company.

h) CEO/CFO Certification

The Managing Director and Chief Financial Officer of the Company gave Annual Certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations and they have also given quarterly certifications on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI Listing Regulations.

i) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2025 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

j) Recommendation of the Committee

During the financial year 2024-2025, all the recommendations of the Committees of the Board, which were mandatorily required, have been accepted by the Board of Directors

12. MEANS OF COMMUNICATION

- a. The quarterly, half-yearly, nine months and full year results are published in The Financial Express (English edition) and Janadesh (Gujarati - Regional edition).
- b. The Company uploads financial results and quarterly shareholding pattern along with other relevant information useful to investors on the Company's website www.lykalabs.com
- c. At present, the Company does not make presentation to Institutional Investors or to the Analysts.
- d. The Management Discussion and Analysis is given separately in this Annual Report.

13. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company and the web-link for the same is <https://www.lykalabs.com/code-of-conduct-for-senior-management-personnel-policy.pdf>

14. GENERAL INFORMATION FOR SHAREHOLDERS

| | | |
|-------------|--|---|
| i) | Date, Time and Venue of forthcoming AGM | Date : Friday, the 1 st August, 2025 Time : 12:30 P.M. Through Video conferencing (VC)/Other Audio Video Means (OAVM) |
| ii) | Financial Calendar (2025-2026) | a. First Quarterly Results - Upto 14 th August, 2025 b. Second Quarterly Results - Upto 14 th November, 2025 c. Third Quarterly Results - Upto 14 th February, 2026 d. Annual Results - Upto 30 th May, 2026 |
| iii) | Date of Book Closure | From Saturday, the 26 th July, 2025 to 31 st July, 2025 (both day inclusive) |
| iv) | Dividend payment date | No Dividend is recommended for the financial year 2024-2025 |
| v) | Listing on Stock Exchange | BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 NSE Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 |
| vi) | ISIN | INE933A01014 |

vii) Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

viii) Distribution of Shareholding as on 31st March, 2025

| Category | Number of Shareholders | Percentage of Total Number of Shareholders | Total Number of Shares | Percentage of Total Number of Shares |
|-----------------|------------------------|--|------------------------|--------------------------------------|
| 1 to 500 | 25,841 | 89.32 | 27,19,067 | 7.62 |
| 501 to 1,000 | 1,517 | 5.24 | 12,43,043 | 3.48 |
| 1,001 to 5,000 | 1,252 | 4.33 | 28,41,910 | 7.96 |
| 5,001 to 10,000 | 151 | 0.52 | 11,32,201 | 3.17 |
| 10,001 & above | 170 | 0.59 | 2,77,53,779 | 77.77 |
| Total | 28,472 | 100.00 | 3,56,90,000 | 100.00 |

ix) Dematerialization of Shares and Liquidity

99.41 percent shares have been dematerialized as on 31st March, 2025. The Equity shares of the Company are traded on BSE Limited and National Stock Exchange India Limited

The Company has paid the listing fees for the financial year 2025-2026 to BSE Limited and National Stock Exchange of India Limited, where its equity shares are listed.

x) Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity

The Company has not made any ADRs, GDRs, Warrants or any convertible instruments issues in the recent past. Thus, there are no outstanding ADRs, GDRs, Warrants or any convertible instruments till date.

xi) Plant Location

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

xii) Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address or any other query relating to shares, please write to:

Lyka Labs Limited

CIN: L24230GJ1976PLC008738

Registered Office

4801/B & 4802/A, G.I.D.C., Industrial Estate,
Ankleshwar, District Bharuch, Gujarat - 393002
Tel. No. (02646) 21422/220549
E-mail: companysecretary@lykalabs.com

Corporate Office

Ground Floor, Spencer Building, 30,
Forjett Street, Grant Road (West),
Mumbai-400036
Tel. No. (022) 66112200

Registrar Transfer Agent

MUFG Intime India Private Limited

C- 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai- 400 038

Tel No: (022) 4918 6720

E-mail: rnt.helpdesk@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

xiii) Compliance with the SEBI Listing Regulations

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations. The certificate from Secretarial Auditor on compliance of the conditions of Corporate Governance by the Company is annexed, forms part of this Report.

xiv) Update Address/ E-Mail Address/Bank Details/Mobile No.

As a part of Green Initiative, the Act allow companies to go for paperless compliances by sending Notices, Annual Report and other related documents by e-mail to its Members. Many of the Members have not registered their e-mail address so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to rnt.helpdesk@in.mpms.mufg.com quoting their Name, Folio No./DP ID/Client ID, E-mail address and Mobile No. to get registered with us for enabling us to send the said documents in electronic form.

xv) Certificate from Company Secretary in Practice

Mr. Kaushal Doshi , Practicing Company Secretary has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

xvi) Details of Total Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows: (In Rs.)

| | |
|-----------------------------|------------------|
| Audit Fees | 19,50,000 |
| Re- imbursement of expenses | - |
| Total | 19,50,000 |

xvii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year ended 31st March, 2025, there were no complaints received by the Company.

xviii) Non-Mandatory Requirements

- a. The Chairman of the Board
The Chairman of the Board is Independent Director.
- b. Shareholder's Rights:
The Company's Quarterly , Half yearly , Annually / Yearly financial results are published in leading English and Gujrati daily newspapers.
- c. Modified opinion(s) in audit report:
There are no qualifications in the Auditors' report on the Financial Statements to the Shareholders of the Company.
- d. Separate posts of Chairman and CEO
The Company has appointed Mr. Babulal Jain as the Chairman and Mr. Kunal Gandhi as the Managing Director of the Company.
- e. Reporting of Internal Auditor
The Internal Auditors reports are reviewed by on quarterly basis.

THE DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND 46(2) OF THE SEBI LISTING REGULATIONS.

The Company has complied with all the mandatory Corporate Governance requirements under the SEBI Listing Regulations. The Company confirms compliance with Corporate Governance requirements specified in Regulations 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.



DECLARATION UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Lyka Labs Limited

It is hereby declared that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2025

For Lyka Labs Limited

Kunal Gandhi
Managing Director and CEO
DIN: 01516156

Mumbai, 26th May 2025

Lyka Labs Limited

CERTIFICATION BY CEO/CFO UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors

Lyka Labs Limited

- A. We have reviewed financial statements and the cash flow Statement for the Financial year 31st March 2025 and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- (1) There were no significant changes in internal control over financial reporting during the year;
 - (2) There were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There were no Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Lyka Labs Limited**

Kunal Gandhi
Managing Director & CEO
DIN:01516156

Yogesh Shah
Chief Financial Officer
DIN:06396150

Mumbai, 26th May 2025



CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Lyka Labs Limited

CIN: L2430GJ1976PLC008738

We have examined the compliance of conditions of Corporate Governance by Lyka Labs Limited ('the Company'), for the financial year ended 31st March, 2025 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 (the SEBI Listing Regulation).

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

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

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

For Kaushal Doshi & Associates
Practicing Company Secretary

Kaushal Doshi

Proprietor

FCS: 10609 / COP: 13143

PR Number: 802/2020

UDIN: F010609G000435825

Mumbai, 26th May 2025

Lyka Labs Limited

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

Lyka Labs Limited

CIN: L24230GJ1976PLC008738

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lyka Labs Limited having CIN: L24230GJ1976PLC008738 and having its registered office situated at 4801/B & 4802/A, GIDC Industrial Estate, Ankleshwar, Gujarat 393002, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

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

For Kaushal Doshi & Associates
Practicing Company Secretary

Kaushal Doshi

Proprietor

FCS: 10609/COP: 1314

PR Number: 802/2020

UDIN: F010609G000435759

Mumbai, 26th May 2025

FINANCIAL STATEMENTS

Lyka Labs Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of
Lyka Labs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Lyka Labs Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in

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

India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

Lyka Labs Limited

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. A. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
 - g. In With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of under Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2025 on its financial position in its financial statements – Refer Note 36 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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 Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 50(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or

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

- invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 50(vi) to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software system. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per statutory requirements for record retention.

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

Deepak O. Narsaria
(Partner)
Membership No. 121190
UDIN: 25121190BMLLWJ4044

Place: Mumbai
Date: May 26, 2025

Lyka Labs Limited

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

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

- i. In respect of its Property, Plant & Equipment and Intangible Assets:
- (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment on the basis of available information;
 - (B) The company has maintained proper records showing full particulars of intangible assets;
 - According to the information and explanations given to us, the Company has a regular programme of physical verification of Property, plant & equipment by which all Property, Plant and Equipment of the Company are being verified in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of Property, plant and equipment has been physically verified by the Management during the year and no material discrepancies were noticed on verification conducted during the year as compared with the book records.
 - According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
 - According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year;
 - According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder;
- ii. In respect of its inventories:
- The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. Inventories lying with third parties have been confirmed by them as at March 31, 2025 and discrepancies were not noticed in respect of such confirmations.
 - As disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of five crore rupees by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the company with such banks and such statements are in agreement with the books of the company for the respective periods which were not subject to audit, except for the following:

| Name of Bank | Working capital limit sanctioned | Quarter | Nature of Current Assets offered as security | Amount disclosed as per return (Rs. In Lakhs) | Amount as per books of accounts (Rs. In Lakhs) | Difference (Rs. In Lakhs) | Remarks/ reason, if any |
|---------------|----------------------------------|-----------|--|---|--|---------------------------|---|
| Yes Bank Ltd. | 1,200.00 | Quarter 1 | Inventory and trade Receivables | 2,993.16 | 2,980.46 | 12.70 | Under/over reporting of assets numbers in stock statement is on account of revaluation of foreign trade receivables on closing date as per requirements of Ind AS, reclassification entries and provisional valuation of WIP & Finished Goods inventory |
| | | Quarter 2 | | 4,128.61 | 4,173.84 | (45.23) | |
| | | Quarter 3 | | 3,477.50 | 3,491.53 | (14.02) | |
| | | Quarter 4 | | 3,497.37 | 3,558.69 | (61.32) | |

- iii. In respect of loans and advances, guarantee or security provided:
- According to the information and explanations given to us and on the basis of our examination of the records, the company has made investments in and provided loans or advances in the nature of loans or guarantee, to subsidiaries during the year as per details given below.

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

- (A) The aggregate amount during the year is Rs. 89 lakhs, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries is Rs. 188 lakhs;
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinions the investments made and the terms and conditions of the grant of loans and advances in the nature of loans year and guarantees provided the during the year are, prima facie, not prejudicial to the interest of the company;
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;
- f) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted, investments made and guarantees and securities provided.
- v. According to the information and explanations given to us and on the basis of our examination of the records, the company has not accepted any deposits or there are not amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the order is not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for manufacturing Bulk Drugs and Formulations. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and other material statutory dues were in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities by the Company on account of any dispute except as given below:

Lyka Labs Limited

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

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

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclosed any transactions any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) Based on our audit procedures and as per the information and explanations given by management, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. The Company had repaid the Debenture as per the Order of NCLT dated 22nd May, 2017 and Rs. 7 lakh is outstanding as on 31st March, 2025 due to cheques returned undelivered/ unclaimed. (Refer Note No. 37)
- (b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has taken term loan during the year and it has been utilized for the purpose it was obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have, prima facie, not been used during the year for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment of equity shares and equity warrants during the year, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were obtained.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under Sub-section (12) of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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

- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
(b) We have considered the reports issued by the Internal Auditors of the Company during the year and covering the period upto 31st March, 2025.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any of its directors or persons connected to its directors, and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a),(b),(c) and (d) of the Order are not applicable to the Company.
- xvii. The company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 are not applicable to the Company. Accordingly, paragraph 3(xx) of the Order is not applicable.

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

Deepak O. Narsaria
(Partner)
Membership No. 121190
UDIN: 25121190BMLLWJ4044

Place: Mumbai
Date: May 26, 2025

Lyka Labs Limited

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

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Lyka Labs Limited** ("the Company") as of 31st March, 2025 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 Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



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 explanations given to us, 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Deepak O. Narsaria
(Partner)
Membership No. 121190
UDIN: 25121190BMLLWJ4044

Place: Mumbai
Date: May 26, 2025

Lyka Labs Limited

BALANCE SHEET AS AT 31ST MARCH, 2025

(₹ In lakhs)

| Particulars | Notes | As at 31st March, 2025 | As at 31st March, 2024 |
|--|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 7,689.03 | 4,579.93 |
| (b) Capital Work- In- Progress | 3 | 20.14 | 2,197.17 |
| (c) Intangible Assets | 4 | 754.79 | 984.43 |
| (d) Intangible Assets Under Development | 4 | 100.29 | 108.09 |
| (e) Financial Assets | | | |
| (i) Investments | 5 | 3,240.30 | 3,240.30 |
| (ii) Other Financial Assets | 6 | 1,504.56 | 1,671.39 |
| (f) Other Non Current Assets | 7 | 536.74 | 746.06 |
| (g) Non Current Tax Assets | 8 | 100.38 | 87.74 |
| | | 13,946.23 | 13,615.12 |
| Current Assets | | | |
| (a) Inventories | 9 | 1,246.55 | 955.83 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 1.93 | 1.71 |
| (ii) Trade Receivables | 10 | 4,044.96 | 2,572.86 |
| (iii) Cash and Cash Equivalents | 11 | 131.85 | 588.60 |
| (iv) Loans | 12 | 192.27 | 223.92 |
| (v) Other Financial Assets | 13 | 524.08 | 282.79 |
| (c) Other Current Assets | 14 | 469.93 | 360.68 |
| | | 6,611.57 | 4,986.38 |
| | | 20,557.80 | 18,601.50 |
| Total Assets | | | |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 15 | 3,569.00 | 3,309.00 |
| (b) Other Equity | 16 | 9,925.09 | 6,623.91 |
| | | 13,494.09 | 9,932.91 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 1,920.63 | 4,290.67 |
| (ii) Lease Liabilities | | 69.26 | 125.84 |
| (iii) Other Financial Liabilities | 18 | 115.04 | 114.31 |
| (b) Provisions | 19 | 55.60 | 174.31 |
| (c) Deferred Tax Liabilities (net) | 20 | 424.89 | 372.56 |
| | | 2,585.42 | 5,077.69 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 1,871.91 | 1,366.28 |
| (ii) Lease Liabilities | | 56.59 | 82.22 |
| (iii) Trade Payable | | | |
| - Micro and Small Enterprise | 22 | 212.09 | 82.56 |
| - Other than Micro and Small Enterprise | 22 | 1,170.92 | 1,008.10 |
| (iv) Other Financial Liabilities | 23 | 799.98 | 774.83 |
| (b) Current Tax Liabilities | 24 | 0.40 | 13.11 |
| (c) Other Current Liabilities | 25 | 211.93 | 114.44 |
| (d) Provisions | 26 | 154.47 | 149.34 |
| | | 4,478.29 | 3,590.89 |
| | | 20,557.80 | 18,601.50 |
| Total Equity and Liabilities | | | |
| (See accompanying notes to the Standalone Financial Statements) | | | |

In terms of our report of even date,

For D. Kothary & Co.

Chartered Accountants

Firm Registration No. 105335W

Deepak O Narsaria

Partner

Membership No. 121190

Place : Mumbai

Date : 26th May, 2025

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

Kunal Gandhi

Managing Director & CEO

DIN : 01516156

Yogesh Shah

Whole time Director & CFO

DIN : 06396150

Place : Mumbai

Date : 26th May, 2025

Prashant Godha

Director

DIN : 00012759

Shekhar Singh

Company Secretary &

Compliance Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | Notes | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---|-------|--|--|
| INCOME | | | |
| Income from Operations | 26 a | 12,963.00 | 10,149.93 |
| Other Operating Income | 27 | 506.74 | 489.70 |
| | | 13,469.74 | 10,639.63 |
| Other Income | 28 | 234.35 | 164.72 |
| Total Income | | 13,704.09 | 10,804.35 |
| EXPENSES | | | |
| Cost of Materials Consumed | 29 | 3,707.18 | 3,214.31 |
| Purchases of Stock-in-Trade | | 1,752.37 | 1,158.47 |
| Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade | 30 | (137.31) | (78.61) |
| Employee Benefits Expense | 31 | 3,409.02 | 2,601.46 |
| Finance Costs | 32 | 230.45 | 479.79 |
| Depreciation and Amortization Expense | 3 & 4 | 645.31 | 1,228.71 |
| Other Expenses | 33 | 2,949.60 | 2,287.95 |
| Total Expenses | | 12,556.62 | 10,892.09 |
| Profit / (Loss) before Exceptional Items | | 1,147.47 | (87.74) |
| Exceptional Items | 34 | - | 5.51 |
| Profit / (Loss) before Tax | | 1,147.47 | (93.25) |
| Tax Expense: | | | |
| Current Tax / Earlier Year Tax | | 272.41 | 159.97 |
| Deferred Tax | | 52.34 | (26.32) |
| Profit / (Loss) for the Year | | 822.72 | (226.90) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans (net of tax) | | 18.22 | 6.17 |
| Total Other Comprehensive Income (Net of Tax) - Net Credit / (Charge) | | 18.22 | 6.17 |
| Total Comprehensive Income for the Year | | 840.94 | (220.73) |
| Earnings per share (of ₹ 10 /- each): | | | |
| Basic / Diluted | 44 | 2.28 | (0.72) |
| (See accompanying notes to the standalone financial statements) | | | |

In terms of our report of even date,
For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W
Deepak O Narsaria
Partner
Membership No. 121190

Place : Mumbai
Date : 26th May, 2025

For and on behalf of the Board of Directors of Lyka Labs Limited
Kunal Gandhi
Managing Director & CEO
DIN : 01516156
Yogesh Shah
Whole time Director & CFO
DIN : 06396150

Place : Mumbai
Date : 26th May, 2025

Prashant Godha
Director
DIN : 00012759
Shekhar Singh
Company Secretary &
Compliance Officer

Lyka Labs Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

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

| Particulars | As at 31 st March, 2025 | | As at 31 st March, 2024 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the reporting Year | 3,30,90,000 | 3,309.00 | 3,06,90,000 | 3,069.00 |
| Changes in equity share capital during the Year | 26,00,000 | 260.00 | 24,00,000 | 240.00 |
| Balance at the end of reporting period | 3,56,90,000 | 3,569.00 | 3,30,90,000 | 3,309.00 |

B. Other Equity (Refer note 16) (₹ 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 at 31st March, 2024 | (10,364.77) | 15,441.97 | 50.68 | 625.30 | (36.02) | 906.75 | 6,623.91 |
| Profit/(Loss) for the Year | 822.72 | - | - | - | - | - | 822.72 |
| Add/(Less) : On Issue / Sale of Equity Shares / Warrants | - | 3,367.00 | - | - | - | (906.75) | 2,460.24 |
| Other Comprehensive Income for the Year (net of tax) | - | - | - | - | 18.22 | - | 18.22 |
| Balance at 31st March, 2025 | (9,542.05) | 18,808.97 | 50.68 | 625.30 | (17.80) | - | 9,925.09 |

In terms of our report of even date,

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

For D. Kothary & Co.

Chartered Accountants
Firm Registration No. 105335W

Kunal Gandhi

Managing Director & CEO
DIN : 01516156

Prashant Godha

Director
DIN : 00012759

Deepak O Narsaria

Partner
Membership No. 121190

Yogesh Shah

Whole time Director & CFO
DIN : 06396150

Shekhar Singh

Company Secretary &
Compliance Officer

Place : Mumbai
Date : 26th May, 2025

Place : Mumbai
Date : 26th May, 2025

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2025 | | For the year ended 31st March, 2024 | |
|--|--|-------------------|--|----------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit / (Loss) for the year before tax | | 1,147.47 | | (93.25) |
| Adjusted For | | | | |
| Depreciation | 645.31 | | 1,228.71 | |
| Interest Income | (30.19) | | (63.16) | |
| Finance Cost | 230.45 | | 479.79 | |
| Provision for Employee Benefits | 94.11 | | 60.75 | |
| Exchange rate fluctuation | (95.86) | | (40.39) | |
| | | 843.82 | | 1,665.71 |
| Operating Profit before Working Capital change | | 1,991.29 | | 1,572.45 |
| Changes in Working Capital : | | | | |
| (Increase) / Decrease in Other Non-Current Financial Assets | 166.83 | | (45.05) | |
| (Increase) / Decrease in Other Non-Current Assets | 209.31 | | (219.37) | |
| (Increase) / Decrease in Inventories | (290.72) | | (261.87) | |
| (Increase) / Decrease in Trade and other receivables | (1,391.25) | | (817.48) | |
| (Increase) / Decrease in Other Current Financial Assets | (241.29) | | (90.00) | |
| (Increase) / Decrease in Other Current Assets | (109.25) | | (165.65) | |
| (Increase) / Decrease in Current Loans | 31.65 | | 337.52 | |
| Increase / (Decrease) in Other Non-Current Financial Liabilities | 1.05 | | 28.00 | |
| Increase / (Decrease) in Non-Current Provisions | (118.71) | | (38.29) | |
| Increase / (Decrease) in Trade Payables | 292.35 | | 267.72 | |
| Increase / (Decrease) in Other Current Financial Liabilities | 42.00 | | (64.92) | |
| Increase / (Decrease) in Other Current Liabilities | 97.49 | | (25.69) | |
| Increase / (Decrease) in Current Provisions | (55.79) | | (21.43) | |
| | | (1,366.33) | | (1,116.49) |
| Cash Generated from Operations | | 624.96 | | 455.97 |
| Net Income Tax Payment | (297.76) | (297.76) | (147.03) | (147.03) |
| Net Cash Flow from Operating Activities (A) | | 327.20 | | 308.94 |
| B. Cashflow for Investing Activities | | | | |
| Purchase of Fixed Assets | (1,569.93) | | (923.14) | |
| Increase in Investment | (0.22) | | (0.87) | |
| Sale of Fixed Assets | 230.00 | | - | |
| Interest Received | 30.19 | | 63.16 | |
| Net cash used in Investing Activities (B) | | (1,309.96) | | (860.85) |

Lyka Labs Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2025 | | For the year ended 31st March, 2024 | |
|--|--|-----------------|--|-----------------|
| C. Cashflow from Financing Activities | | | | |
| Proceed from / (Repayment) of Non Current Borrowings Net | (2,426.95) | | (1,847.11) | |
| Proceed from / (Repayment) of Current Borrowings Net | 480.00 | | 315.15 | |
| Proceeds from Issue of Equity Shares and Warrants (Including Premium) | 2,720.25 | | 2,511.00 | |
| Interest Paid | (247.30) | | (708.11) | |
| Net cash used in Financing activities (C) | | 526.00 | | 270.93 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | (456.76) | | (280.98) |
| Cash and Cash Equivalents at the beginning of the Year | | | | |
| Cash and Cash Equivalents | | 19.43 | | 57.78 |
| Earmarked Balances | | 569.17 | | 811.79 |
| | | 588.60 | | 869.58 |
| Cash and Cash Equivalents at the end of the Year | | | | |
| Cash and Cash Equivalents | | 36.36 | | 19.43 |
| Deposits with Banks (Rs 95.48 lakhs Lien against Bank Gurantee) | | 95.48 | | 569.17 |
| | | 131.84 | | 588.60 |

In terms of our report of even date,

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

For D. Kothary & Co.

Chartered Accountants

Firm Registration No. 105335W

Kunal Gandhi

Managing Director & CEO

DIN : 01516156

Prashant Godha

Director

DIN : 00012759

Deepak O Narsaria

Partner

Membership No. 121190

Yogesh Shah

Whole time Director & CFO

DIN : 06396150

Shekhar Singh

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 26th May, 2025

Place : Mumbai

Date : 26th May, 2025

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1. CORPORATE INFORMATION

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

2. THE MATERIAL ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

A. THE MATERIAL ACCOUNTING POLICIES:

2.1A Basis of Preparation of Ind-AS Financial Statements

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

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

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

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

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

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

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

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

2.1B Accounting estimates, assumptions and judgements

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

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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

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

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

An asset is considered as current when it is:

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

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

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

2.3 PROPERTY, PLANT AND EQUIPMENT:

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

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

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

2.4 DEPRECIATION:

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

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

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

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

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

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

2.5 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

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

2.6 INTANGIBLE ASSETS AND AMORTISATION THEREOF:**2.6.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):**

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

2.6.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognised if

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

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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

2.6.3.AMORTISATION OF INTANGIBLE ASSETS:

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

Estimated useful life of the following assets :

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

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

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

2.7 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS

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

2.8 INVENTORIES

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

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

2.9 REVENUE RECOGNITION

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 recognised as expenses in the Statement of Profit and Loss. These are approved / recognised schemes of the Company.

- Defined Benefit Plan:

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

- The undiscounted amount of short-term employee benefit expected to be paid in exchange

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

2.12 BORROWING COST

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

2.13 LEASES:

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

(i) Company as a lessee

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

(ii) Company as a lessor

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

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

2.14 FOREIGN CURRENCY TRANSACTIONS:

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

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

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

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

2.15 TAXES ON INCOME:

Current Income Taxes:

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

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

Deferred Taxes:

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

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

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

2.18 CASH AND CASH EQUIVALENT:

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

2.19 CASH FLOW STATEMENT:

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

2.20 COMMITMENTS:

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

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

2.21 SEGMENT REPORTING:

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

2.22 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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

2.23 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:

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

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

a) Estimation of current tax expense and deferred tax:

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

legal process. The final resolution of some of these items may give rise to material profits/ losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Recognition of deferred tax assets/ liabilities:

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

c) Estimation of Provisions & Contingent Liabilities:

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

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

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

e) Estimation of Provision for Inventory:

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

f) Estimation of Defined Benefit Obligation:

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

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

h) Estimated fair value of Financial Instruments.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3. Property Plant and Equipment

Carrying amounts of :

| Particulars | ₹ in lakhs | |
|-------------------------|---------------------------|---------------------------|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Land | 1,464.57 | 1,488.93 |
| Buildings | 2,833.32 | 1,577.03 |
| Plant and Machinery | 3,094.54 | 1,148.81 |
| Computers | 15.43 | 12.71 |
| Vehicles | 33.03 | 24.12 |
| Furnitures and Fixtures | 85.42 | 93.81 |
| Office Equipments | 19.11 | 18.35 |
| Right To Use Property | 143.60 | 216.16 |

| Particulars | ₹ in lakhs | | | | | | | | | | Total | |
|--|-----------------|-----------------|---------------------|--------------|--------------|-------------------------|-------------------|-----------------------|--|--|-------|------------------|
| | Land | Buildings | Plant and Machinery | Computers | Vehicles | Furnitures and Fixtures | Office Equipments | Right To Use Property | | | | |
| Gross Block (Cost or Deemed Cost) : | | | | | | | | | | | | |
| Balance at 31st March, 2024 | 1,751.99 | 2,938.01 | 4,099.71 | 54.44 | 29.01 | 117.22 | 182.63 | 314.42 | | | | 9,487.43 |
| Additions | - | 1,362.75 | 2,085.96 | 10.24 | 251.52 | 8.06 | 4.51 | 9.49 | | | | 3,732.53 |
| Deletion | - | - | - | - | (238.32) | - | - | - | | | | (238.32) |
| Disposals / Written Off / Adjustment | - | - | - | - | - | - | - | - | | | | - |
| Balance at 31st March, 2025 | 1,751.99 | 4,300.76 | 6,185.67 | 64.68 | 42.21 | 125.29 | 187.14 | 323.91 | | | | 12,981.64 |
| Accumulated Depreciation and Impairment : | | | | | | | | | | | | |
| Balance at 31st March, 2024 | 263.06 | 1,360.97 | 2,950.89 | 41.73 | 4.89 | 23.41 | 164.28 | 98.25 | | | | 4,907.49 |
| Depreciation for the Year | 24.36 | 106.46 | 140.24 | 7.52 | 4.29 | 16.45 | 3.74 | 82.06 | | | | 385.12 |
| Deletion | - | - | - | - | - | - | - | - | | | | - |
| Disposals / Written Off / Adjustment | - | - | - | - | - | - | - | - | | | | - |
| Balance at 31st March, 2025 | 287.42 | 1,467.43 | 3,091.13 | 49.25 | 9.18 | 39.87 | 168.02 | 180.31 | | | | 5,292.61 |
| Carrying amounts of : | | | | | | | | | | | | |
| Balance at 31st March, 2024 | 1,488.93 | 1,577.03 | 1,148.81 | 12.71 | 24.12 | 93.81 | 18.35 | 216.16 | | | | 4,579.93 |
| Balance at 31st March, 2025 | 1,464.57 | 2,833.32 | 3,094.54 | 15.43 | 33.03 | 85.42 | 19.11 | 143.60 | | | | 7,689.03 |

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

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3.1 Details of Tangible Capital Work in Progress

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---------------------------|---------------------------|---------------------------|
| Opening balance | 2,197.17 | 1,510.37 |
| Capitalised | (3,245.13) | (79.35) |
| Additions during the Year | 1,068.10 | 766.15 |
| Closing Balance | 20.14 | 2,197.17 |

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

As at 31st March, 2025

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|-------------|----------|--------------|-----------|--------------|
| Projects in Progress | 6.11 | - | 14.03 | - | 20.14 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 6.11 | - | 14.03 | - | 20.14 |

Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

| Particulars | To be completed | | | | |
|---------------|-----------------|--------------|-----------|-----------|--------------|
| | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
| Project - I | | 10.00 | - | - | 10.00 |
| Project - II | 6.11 | 4.03 | - | - | 10.14 |
| Project - III | - | - | - | - | - |
| Total | 6.11 | 14.03 | - | - | 20.14 |

As at 31st March, 2024

(₹ in lakhs)

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

Expected Completion Schedule of Capital Work in Progress :

(₹ in lakhs)

| Particulars | To be completed | | | | |
|---------------|-----------------|--------------|-----------|---------------|-----------------|
| | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
| Project - I | | 10.00 | - | - | 10.00 |
| Project - II | 3,465.99 | - | - | - | 3,465.99 |
| Project - III | - | - | - | 521.18 | 521.18 |
| Total | 3,465.99 | 10.00 | - | 521.18 | 3,997.18 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

4. Intangible Assets

Carrying amounts of :

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Internally Developed Intangible Assets (Research and development expenditure) | 200.99 | 338.77 |
| Computer Software | 38.89 | 30.65 |
| Intangible Assets (Trade Mark/Brand) | 369.97 | 385.13 |
| Intangible Assets (Goodwill) | 17.76 | 19.91 |
| Technical and Marketing Knowhow | 127.16 | 209.97 |

(₹ in lakhs)

| Particulars | Internally Developed Intangible Assets (Research and development expenditure) | Computer Software | Intangible Assets (Trade Mark / Brand) | Intangible Assets (Goodwill) | Technical and Marketing Knowhow | Total |
|--|---|----------------------|---|------------------------------------|--|-----------------|
| Gross Block (Cost or Deemed Cost) : | | | | | | |
| Balance at 31st March, 2024 | 1,293.70 | 172.13 | 3,752.41 | 22.59 | 609.50 | 5,850.34 |
| Additions | - | 15.55 | 15.00 | - | - | 30.55 |
| Deletion | - | - | - | - | - | - |
| Disposals / Written Off / Adjustment | - | - | - | - | - | - |
| Balance at 31st March, 2025 | 1,293.70 | 187.68 | 3,767.41 | 22.59 | 609.50 | 5,880.89 |
| Accumulated Amortisation and Impairment : | | | | | | |
| Balance at 31st March, 2024 | 954.93 | 141.48 | 3,367.28 | 2.68 | 399.53 | 4,865.90 |
| Amortisation for the Year | 137.78 | 7.31 | 30.15 | 2.15 | 82.81 | 260.19 |
| Balance at 31st March, 2025 | 1,092.71 | 148.79 | 3,397.43 | 4.83 | 482.34 | 5,126.10 |
| Carrying amounts of : | | | | | | |
| Balance at 31st March, 2024 | 338.77 | 30.65 | 385.13 | 19.91 | 209.97 | 984.43 |
| Balance at 31st March, 2025 | 200.99 | 38.89 | 369.97 | 17.76 | 127.16 | 754.79 |

4.1 Details of Intangible Assets under Development :

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------------|---------------------------|---------------------------|
| Opening Balance | 108.09 | 112.28 |
| Capitalised | (7.80) | (27.26) |
| Additions during the Year | - | 23.07 |
| Disposals / Written Off / Adjustment | - | - |
| Closing Balance | 100.29 | 108.09 |

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

As at 31st March, 2025

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|---------|----------|-----------|---------------|---------------|
| Projects in Progress | - | - | - | 31.22 | 31.22 |
| Projects temporarily suspended | - | - | - | 69.06 | 69.06 |
| Total | - | - | - | 100.29 | 100.29 |

As at 31st March, 2024

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|---------|-------------|-----------|---------------|---------------|
| Projects in Progress | - | 7.80 | - | 31.22 | 39.02 |
| Projects temporarily suspended | - | - | - | 69.06 | 69.06 |
| Total | - | 7.80 | - | 100.28 | 108.08 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

5. Non-Current Investments

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | No of Shares/Units | Amount | No of Shares/Units | Amount |
| Investments : | | | | |
| Investments in Equity Shares of Subsidiaries (Unquoted) (At cost): | | | | |
| (i) Equity Shares of ₹ 10 each fully paid up in Lyka BDR International Ltd | 1,46,74,995 | 1,469.05 | 1,46,74,995 | 1,469.05 |
| (ii) Equity Shares of ₹ 10 each fully paid up in Lyka Exports Ltd | 53,83,636 | 1,771.25 | 53,83,636 | 1,771.25 |
| Total | | 3,240.30 | | 3,240.30 |

Current Investments

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--------------------------------------|------------------------|-------------|------------------------|-------------|
| | No of Shares/Units | Amount | No of Shares/Units | Amount |
| Investments at FVTPL: | | | | |
| Investments in Mutual Fund: | | | | |
| Debt Mutual Fund | | | | |
| Birla Sun Life Plus Collection | 12.664 | 0.05 | 12.664 | 0.05 |
| HDFC Liquid Fund Post IPO Collection | 35.390 | 1.88 | 35.390 | 1.66 |
| Total | | 1.93 | | 1.71 |

6. Other Non-Current Financial Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|------------------------|------------------------|
| (Unsecured, Considered Good) | | |
| Security Deposit | 472.11 | 638.94 |
| Others - Deposit with Drug Price Equalisation Account | 1,032.45 | 1,032.45 |
| Total | 1,504.56 | 1,671.39 |

7. Other Non - Current Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|------------------------|------------------------|
| (Unsecured, Considered Good) | | |
| Capital Advances | 18.84 | 228.00 |
| Balance with Government Authorities | 517.90 | 518.06 |
| Total | 536.74 | 746.06 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
8. Non-Current Tax Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Advance Tax and Tax deducted at source (Net) | 100.38 | 74.63 |
| Total | 100.38 | 74.63 |

9. Inventories

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------------|---------------------------|---------------------------|
| Raw Materials (Refer Note No. 39) | 400.72 | 360.04 |
| Packing Material (Refer Note No. 39) | 423.86 | 311.13 |
| Work-in-Progress | 163.54 | 34.45 |
| Finished Goods | 258.44 | 250.21 |
| Total | 1,246.55 | 955.83 |

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the period amount to ₹ 14.69 lakh (Previous period ₹ 23.56 lakh). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

10. Trade Receivables

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| (Unsecured) | | |
| Considered Good | 4,044.96 | 2,572.86 |
| Considered Doubtful | 50.49 | 35.48 |
| Less: Provision for Expected Credit Loss | (50.49) | (35.48) |
| Total | 4,044.96 | 2,572.86 |

10.1 Trade receivables ageing :
As at 31st March, 2025

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|--------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables - considered good | 2,499.92 | 1,340.60 | 50.46 | 80.40 | - | 3,971.37 |
| (ii) Disputed Trade receivables - considered good | - | - | - | - | 124.09 | 124.09 |
| Total : Trade receivables | 2,499.92 | 1,340.60 | 50.46 | 80.40 | 124.09 | 4,095.46 |

As at 31st March, 2024

(₹ in lakhs)

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

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

11. Cash and Cash Equivalents

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| (A) Cash and Cash Equivalents | | |
| Balances with Banks | 29.17 | 11.65 |
| Cash on hand | 7.20 | 7.77 |
| (B) Bank Balances other than Cash and Cash Equivalents (Deposits with Banks Rs 95.48 lakhs Lien against Bank Guarantee) | 95.48 | 569.17 |
| Total | 131.85 | 588.60 |

12. Current Loans

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Loan to Employees | 4.27 | 4.92 |
| Loan to Subsidiaries | 188.00 | 219.00 |
| Total | 192.27 | 223.92 |

13. Other Current Financial Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Deposits | 47.21 | 32.56 |
| Others | 476.87 | 250.22 |
| Total | 524.08 | 282.79 |

14. Other Current Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| Trade Advances | 40.97 | 46.87 |
| Prepaid Expenses | 182.54 | 25.31 |
| Balance with Government Authorities | 246.42 | 288.49 |
| Total | 469.93 | 360.68 |

15. Share Capital

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount (₹) | Number of shares | Amount (₹) |
| Authorised | | | | |
| Equity Shares of ₹ 10/- each | 4,80,00,000 | 4,800.00 | 4,80,00,000 | 4,800.00 |
| Redeemable Preference Shares of ₹ 100/- each | 2,00,000 | 200.00 | 2,00,000 | 200.00 |
| | 4,82,00,000 | 5,000.00 | 4,82,00,000 | 5,000.00 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of ₹ 10/- each | 3,56,90,000 | 3,569.00 | 3,30,90,000 | 3,309.00 |
| Redeemable Preference Shares of ₹ 100/- each | 1,08,570 | 108.57 | 1,08,570 | 108.57 |
| Total | 3,57,98,570 | 3,677.57 | 3,31,98,570 | 3,417.57 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

15.1 Rights, Preferences and restriction attached to Equity Shares :

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

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

During the year, Company has allotted 26,00,000 Equity shares to IPCA Laboratories Ltd at a price of Rs. 139.50 (including premium), hence equity capital and securities premium shall stand increased.

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

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the year | 3,30,90,000 | 1,08,570 | 3,06,90,000 | 1,08,570 |
| Add : Issued during the year | 26,00,000 | - | 24,00,000 | - |
| Balance as at the end of the year | 3,56,90,000 | 1,08,570 | 3,30,90,000 | 1,08,570 |

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

| Name of the shareholders | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of ₹ 10/- each | | | | |
| Ipca Laboratories Limited | 1,46,24,923 | 40.98% | 1,20,24,923 | 36.34% |
| Nehal Narendra Gandhi | - | 0.00% | 23,30,000 | 7.04% |
| Kunal Narendra Gandhi | 34,93,629 | 9.79% | 24,25,000 | 7.33% |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

15.4 Details of shares held by promoter / promoter group

| Name of the promoter / promoter group | As at 31st March, 2025 | | | | |
|---------------------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares | % Change during the year |
| Equity Shares of ₹ 10/- each | | | | | |
| Kunal Narendra Gandhi | 24,25,000 | 1068629 | 34,93,629 | 9.79% | 44.07% |
| Nehal Narendra Gandhi | 23,30,000 | -1093629 | 12,36,371 | 3.46% | -46.94% |
| Alisha Kunal Gandhi | 20,000 | 25,000 | 45,000 | 0.13% | 125.00% |
| Hiralaxmi Business Finance Pvt. Ltd. | 708 | - | 708 | 0.00% | 0.00% |
| Enai Trading & Investment Pvt. Ltd. | 10,00,000 | - | 10,00,000 | 2.80% | 0.00% |
| Bhawna Godha | 6,000 | - | 6,000 | 0.02% | 0.00% |
| Neetu Godha | 10,000 | - | 10,000 | 0.03% | 0.00% |
| Usha Premchand Godha | 10,686 | - | 10,686 | 0.03% | 0.00% |
| Premchand Godha | 10,900 | - | 10,900 | 0.03% | 0.00% |
| Pranay Godha | 3,00,000 | - | 3,00,000 | 0.84% | 0.00% |
| Lyka Generics Limited | 20,000 | - | 20,000 | 0.06% | 0.00% |
| Ipca Laboratories Limited | 1,20,24,923 | 26,00,000 | 1,46,24,923 | 40.98% | 21.62% |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

16. Other Equity

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|------------------------|------------------------|
| Capital Reserve | 50.68 | 50.68 |
| Securities Premium Account | 18,808.97 | 15,441.97 |
| General Reserve | 625.30 | 625.30 |
| Retained Earning | (9,559.86) | (10,400.80) |
| Money Received against Share Warrants (Refer Note No. 16.2) | - | 906.75 |
| Total | 9,925.09 | 6,623.91 |

16.1 Nature of Reserves:

Capital Reserves

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

Securities Premium

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

General Reserves

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

16.2 During the year ended 31st March 2023, the Company has issued 50,00,000 Warrants convertible into Equity Shares to IPCA Laboratories Ltd at a price of Rs. 139.50 per warrant, against which the Company has received 25% of the amount and shown under other equity, which will be converted within a period of 18 months from the date of allotment of warrants. During the year, Company has allotted 26,00,000 Equity shares to IPCA Laboratories Ltd, hence reduction in Money received against Share Warrants.

17. Non Current Borrowings

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Secured Loan: | | |
| Term Loans from Banks (Refer Note No.17.1) | 972.22 | 717.59 |
| Unsecured Loan: | | |
| 10% Redeemable Preference Shares of ₹ 100/- each (for terms of preference shares Refer Note no. 17.2) | 108.41 | 108.08 |
| Loans and Advances from related parties | 840.00 | 3,465.00 |
| Total | 1,920.63 | 4,290.67 |

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

17.1 a) Term Loan of Rs. 1361.11 lakhs from Yes Bank Ltd. Repayable in 18 quarterly instalments starting from 30th April 2024. Interest @ EBLR + 2.10% p.a.

b) Above Term Loan is secured by i) first charged by way of Hypothecation on Plant Machineries ii) Second charge by way of Hypothecation on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.

17.2 108570 10% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up were issued on 30th September 2005 redeemable at the option of the company but not later than 20 years from the date of allotment.

17.3 Interest on Loan and Advances from related parties ranges between 10.65% p.a. to 11.00% p.a. (simple interest).

18. Other Non-current Financial Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Security Deposit | 114.88 | 113.83 |
| Interest Accrued but not due on Borrowings | 0.16 | 0.49 |
| Total | 115.04 | 114.31 |

Lease Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---------------------------------|---------------------------|---------------------------|
| Lease Liabilities - Non Current | 69.26 | 125.84 |
| Lease Liabilities - Current | 56.59 | 82.22 |
| Total | 125.84 | 208.06 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

19. Non Current Provisions

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------|---------------------------|---------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 37.60 | 70.45 |
| Provision for Gratuity | 18.00 | 103.86 |
| Total | 55.60 | 174.31 |

20. Deferred Tax Liabilities (net)

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------|---------------------------|---------------------------|
| Deferred Tax Liabilities | 424.89 | 372.56 |
| Total | 424.89 | 372.56 |

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| On Account of Property, Plant and Equipment | 489.14 | 460.78 |
| On Account of Section 43B Disallowances | (52.61) | (81.45) |
| On Account of IndAS Adjustments | (11.63) | (6.77) |
| Total | 424.89 | 372.56 |

21. Current Borrowings

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Secured Loans: | | |
| From Bank | | |
| Loan repayable on demand (refer note no. 21.1) | 933.02 | 1,011.26 |
| Current Maturities of Long-Term Borrowings | 388.89 | 205.03 |
| Unsecured: | | |
| Loans and Advances from related parties | 550.00 | 150.00 |
| Total | 1,871.91 | 1,366.28 |

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

- 21.1 a) Interest on Loans repayable on demand ranges from 5.65% p.a. to 9.25% p.a. (simple Interest).
- b) Above Loan from Yes Bank Ltd is secured by i) second charged by way of Hypothication on Plant Machineries ii) Exclusive charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.

21.2 Interest on Loans from related parties ranges from 10.65% p.a. to 11.00% p.a. (simple Interest).

22. Trade Payables

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 212.09 | 82.56 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 1,170.92 | 1,008.10 |
| Total | 1,383.01 | 1,090.66 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date | 66.00 | 25.45 |
| Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount | 0.53 | 0.26 |
| Payment made to suppliers (Other than interest) beyond the appointed date, during the period | NIL | NIL |
| Interest paid to suppliers under MSMED Act, 2006 (other than Section 16) | NIL | NIL |
| Interest paid to suppliers under MSMED Act, 2006 (Section 16) | NIL | NIL |
| Interest due and payable to suppliers under MSMED Act, 2006 for payments already made | NIL | NIL |
| Interest accrued and remaining unpaid at the end of the period to suppliers under MSMED Act, 2006 | NIL | NIL |

22.2 Trade payables ageing :

As at 31st March, 2025

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 212.09 | - | - | - | 212.09 |
| Others | 1,138.76 | 4.20 | 1.32 | 26.64 | 1,170.92 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,350.85 | 4.20 | 1.32 | 26.64 | 1,383.01 |

As at 31st March, 2024

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 82.56 | - | - | - | 82.56 |
| Others | 969.50 | 3.79 | 3.64 | 31.17 | 1,008.10 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,052.06 | 3.79 | 3.64 | 31.17 | 1,090.66 |

23. Other Current Financial Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Current Maturities of Long-Term Debt : | | |
| Debentures - Privately Placed Non Convertible | 7.00 | 13.00 |
| Interest Accrued and due | 3.00 | 19.85 |
| Employee dues | 55.03 | 25.18 |
| Payable Against Acquisition | 6.79 | 23.17 |
| Creditors for: | | |
| Expenses | 305.13 | 306.71 |
| Capital Expenditure | 123.82 | 56.54 |
| Other Outstanding Liabilities | 299.21 | 330.38 |
| Total | 799.98 | 774.83 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

24. Current tax Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------|---------------------------|---------------------------|
| Provision for tax (Net) | 0.40 | 13.11 |
| Total | 0.40 | 13.11 |

25. Other Current Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------|---------------------------|---------------------------|
| Advance from Customers | 131.45 | 47.24 |
| Statutory dues | 80.48 | 67.21 |
| Total | 211.93 | 114.44 |

26. Current Provisions

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------|---------------------------|---------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 24.92 | 27.06 |
| Provision for Gratuity | 97.36 | 88.83 |
| Provision for Leave Encashment | 32.19 | 33.44 |
| Total | 154.47 | 149.34 |

26 a. Revenue From Operations

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|------------------|--|--|
| Sale of products | 12,963.00 | 10,149.93 |
| Total | 12,963.00 | 10,149.93 |

27. Other Operating Revenue

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|-----------------------------|--|--|
| Processing Charges Received | 362.07 | 213.72 |
| Export Incentives | 30.73 | 41.44 |
| Royalty | 59.94 | 59.65 |
| Commission Income | 25.68 | - |
| Rodtep License - Income | 28.32 | - |
| Other Operating Income | - | 174.89 |
| Total | 506.74 | 489.70 |

28. Other Income

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---------------------------------|--|--|
| Interest from Banks on Deposits | 10.27 | 35.29 |
| Other Interest | 54.52 | 74.92 |
| Rent Received | 6.00 | 9.30 |
| Foreign Exchange Fluctuation | 95.86 | 40.39 |
| Miscellaneous Income | 67.70 | 4.83 |
| Total | 234.35 | 164.72 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
29. Cost of material consumed

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Opening stock of raw material and packing material | 671.17 | 487.91 |
| Add: Purchases | 3,860.59 | 3,397.57 |
| Less: Closing stock of raw material and packing material | (824.58) | (671.17) |
| Total | 3,707.18 | 3,214.31 |

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

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---|--|--|
| As at the beginning of the year: | | |
| Finished Goods | 250.21 | 135.25 |
| Work-in-Progress | 34.45 | 70.81 |
| Total Opening Stock (a) | 284.66 | 206.05 |
| As at the end of the year: | | |
| Finished Goods | 258.44 | 250.21 |
| Work-in-Progress | 163.54 | 34.45 |
| Total Closing Stock (b) | 421.98 | 284.66 |
| Net increase in Finished Goods, work-in-progress and stock in trade(a)-(b) | (137.31) | (78.61) |

31. Employee Benefit Expenses

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Salaries and Wages | 3,048.59 | 2,313.65 |
| Contribution to Provident and Other Funds | | |
| Provident / ESI Fund | 141.90 | 118.28 |
| Provision for Gratuity | 38.94 | 38.77 |
| Provision for Leave Encashment | 40.15 | 21.00 |
| Staff Welfare Expenses | 139.44 | 109.75 |
| Total | 3,409.02 | 2,601.46 |

32. Finance Costs

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|-------------------------------|--|--|
| Interest Expenses on: | | |
| Borrowings From Banks: | | |
| Working Capital | 58.03 | 25.42 |
| Borrowing Others: | | |
| Bank Charges | 17.74 | 11.01 |
| Others | 154.68 | 443.36 |
| Total | 230.45 | 479.79 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

33. Other Expenses

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---|--|--|
| Consumption of Stores and Spare Parts | 41.55 | 33.99 |
| Power and Fuel | 390.20 | 391.63 |
| Processing Charges | - | 4.29 |
| Rent Including Lease Rentals | 173.94 | 165.46 |
| Repairs and Maintenance - Buildings | 49.21 | 23.73 |
| Repairs and Maintenance - Machinery | 99.59 | 102.69 |
| Repairs and Maintenance - Others | 36.02 | 33.74 |
| Insurance | 40.82 | 28.58 |
| Rates and Taxes | 27.91 | 13.84 |
| Commission & Discount | 357.13 | 140.50 |
| Travelling and Conveyance | 471.92 | 347.38 |
| Advertisement and Sales Promotion | 213.47 | 110.26 |
| Legal and Professional Charges | 221.16 | 178.08 |
| Payments to Auditors (Refer Note No.49) | 19.50 | 19.50 |
| Factory Expenses | 57.90 | 54.29 |
| Fees & Subscription | 27.23 | 30.45 |
| Security Service Expenses | 43.95 | 41.33 |
| Laboratory Chemicals & Expenses | 139.71 | 132.74 |
| Clinical Trail & Other Expenses (R & D) | 97.88 | 63.81 |
| Printing & Stationery | 37.70 | 37.32 |
| Miscellaneous Expenses | 123.51 | 126.02 |
| ECL Provision Expenses | 15.01 | 0.98 |
| Directors Fees | 9.77 | 10.10 |
| Freight & Forwarding | 254.52 | 197.25 |
| Total | 2,949.60 | 2,287.95 |

34. Exceptional Items

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---------------------------|--|--|
| Sales Tax Paid / GST Paid | - | 5.51 |
| Total | - | 5.51 |

35. Estimated amounts of commitments remaining to be executed as on 31st March, 2025 are as follows:

(₹ In lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-----------------------------------|---------------------------|---------------------------|
| Against Purchase of Capital Goods | 202.52 | 901.95 |
| Against Purchase of RM and PM | 253.96 | 171.53 |
| Total | 456.48 | 1,073.48 |

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

- (i) “Demands were raised against the Company aggregating to ₹ 680.62 Lakhs (as at 31st March 2024 ₹ 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Company. In the earlier years, the Company had received recovery notices for recovery of ₹ 2,094.41 Lakhs (as at 31st March 2024 ₹ 2,094.41 Lakhs) to be deposited into “Drug Price Equalisation Account”.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Company depositing certain amounts against the said demands. Accordingly, the Company has deposited ₹ 1,032.45 Lakhs (as at 31st March 2024 ₹ 1,032.45 Lakhs).

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

- (ii) (a) The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of ₹ 1,324.08 Lakhs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to ₹ 85.44 Lakhs (as at 31st March 2024 ₹ 85.44 Lakhs) against which Company has made payment of ₹ 45.81 Lakhs (as at 31st March 2024 ₹ 45.81 Lakhs) under protest. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of ₹ 45.81 Lakhs (as at 31st March 2024 ₹ 45.81 Lakhs) are considered by the Company as good and recoverable.
- (b) There are disputed Sales Tax demands from state of Maharashtra in respect of prior years amounting to ₹ 412.41 Lakhs (as at 31st March 2024 ₹ 412.41 Lakhs) against which the Company has made payment of ₹ 20.78 Lakhs (as at 31st March 2024 ₹ 20.78 Lakhs) under protest. The Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of ₹ 20.78 Lakhs for the Maharashtra state demand (as at 31st March 2024 ₹ 20.78 Lakhs) are considered by the Company as good and recoverable.
- (iii) Employees (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to ₹ 433.66 Lakhs (as at 31st March 2024 ₹ 433.66 Lakhs) as the matter is sub-judice.
- (iv) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to ₹ 211.72 Lakhs (as at 31st March 2024 ₹ 200.86 Lakhs).
- (v) The Company has received order from Income Tax Department raising demand aggregating to ₹ 100.76 Lakhs (as at 31st March 2024 ₹ 100.76 Lakhs) relating to prior years against which the Company has paid ₹ 20.00 Lakhs (as at 31st March 2024 ₹ 20.00 Lakhs). The matter is sub-judice and the payment of ₹ 20.00 Lakhs (as at 31st March 2024 ₹ 20.00 Lakhs) is considered by the Company as good and recoverable.
- (vi) That cheque dishonor cases under Section 138 of the Negotiable Instruments Act are currently pending against Company before the Metropolitan Magistrate Court at Mazgaon. In compliance with the law under Section 143-A of the NI Act and order dated 04/01/2022, without prejudice to its rights and contentions and under protest, Company has deposited 20% of the cheque amount, totaling ₹124.26 lakhs, as interim compensation. The main complaint remains sub judice.

A Suit (commercial summary suit) has been filed against the Company in the Mumbai City Civil Court. The Ld. Court ordered the Company to deposit ₹22.00 lakhs (as of 31st March 2024 ₹ 22.00 lakhs) to be allowed to defend the case. In compliance of the order and to defend their case the Company has made the required deposit of ₹22.00 lakhs (as of 31st March 2024 ₹22.00 lakhs). The matter is pending and sub-judice. The company considers this amount is recoverable on disposal of the Suit.

In a commercial suit filed in the City Civil Court at Mazgaon, Mumbai, where the court ordered Company to furnish security for ₹873.26 lakhs by providing solvent sureties or a bank guarantee within two months. The Company has appealed this order in the Bombay High Court, seeking a stay on its operation; the application is currently pending adjudication.

37 Debentures:

Debenture of ₹ 7.00 Lakhs (as at 31st March 2024 ₹ 13.00 Lakhs) is outstanding due to cheques returned undelivered / Unclaimed.

38 Capital Expenditure:

- (i) Tangible Project Capital Work-in-Progress ₹ 20.14 Lakhs as at 31st March 2025, (as at 31st March 2024 ₹ 2,197.17 Lakhs) During the year, the Company has capitalized ₹ 2,177.03 Lakhs (as at 31st March 2024 ₹ Nil Lakhs) on completion of Lyolyphizion phase I project at Ankleshwar.

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- (ii) The Company has incurred direct expenditure and allocable indirect expenditure up to 31st March 2025 in respect of “new product development and applied research” aggregating to ₹ 100.29 Lakhs (as at 31st March 2024 ₹ 100.29 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 ₹ Nil Lakhs (as at 31st March 2024 ₹ 3.75 Lakhs) as “Self-Generated Intangible Assets” upon successful development of respective products.

- 39 During the year, inventories include slow / non-moving raw-material and packing materials procured during the earlier years amounting to ₹ 27.11 Lakhs (as at 31st March 2024 ₹ 48.39 Lakhs), which are valued at lower of net realisable value or cost whichever is lower. The Company is evaluating to utilize / realize the same.

40 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, 2025. The following tables set out the amounts recognized in the financial statements as at 31st March, 2025 for the defined benefit plans.

(₹ in lakhs)

| Sr. No | Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|--------|---|-------------------------------------|-------------------------------------|
| a) | Liability recognized in Balance Sheet | | |
| | Change in Benefit Obligation | | |
| | Opening Balance of Present Value of Obligations | 285.53 | 262.90 |
| | Service Cost | 24.85 | 20.86 |
| | Interest Cost | 20.53 | 20.93 |
| | Liability Transferred In / Acquisitions | - | 17.64 |
| | Actuarial Loss / (Gain) on Obligations | (17.74) | (5.31) |
| | Benefits Paid | (48.83) | (31.49) |
| | Closing Balance of Present Value of Obligations | 264.34 | 285.53 |
| | Less : Fair Value of Plan Assets | | |
| | Opening Balance of Plan Assets | 92.84 | 40.48 |
| | Expected Return on Plan assets | 6.67 | 3.02 |
| | Employer’s Contribution | 49.00 | 48.48 |
| | Return on plan assets, excluding amount recognised in net interest expenses | 0.48 | 0.86 |
| | Closing Balance of Plan Assets | 148.99 | 92.84 |
| | Net Liability | 115.35 | 192.69 |
| b) | Expense during the year | | |
| | Service Cost | 24.85 | 20.86 |
| | Interest Cost | 13.85 | 17.91 |
| | Expected Return on Plan Assets | - | - |
| | Actuarial Loss / (Gain) on Obligations | (18.22) | (6.17) |
| | Total | 20.48 | 32.60 |
| c) | Principel Actuarial Assumptions | | |
| | Rate of Discounting | 6.55% | 7.19% |
| | Rate of Return on Plan Assets | 6.55% | 7.19% |
| | Salary Growth Rate | 5.00% | 5.00% |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- (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, 2025. The following tables set out the amounts recognized in the financial statements as at 31st March, 2025 for the defined benefit plan.

(₹ in lakhs)

| Sr. No | Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|-----------|---|--|--|
| a) | Liability recognized in Balance Sheet | | |
| | Change in Benefit Obligation | | |
| | Opening balance of present value of obligations | 134.05 | 99.75 |
| | Service Cost | 14.74 | 18.11 |
| | Interest Cost | 9.64 | 7.44 |
| | Liability Transferred In / Acquisitions | - | 6.06 |
| | Actuarial (Gain) on Obligations | 18.10 | 16.26 |
| | Benefits Paid | (74.25) | (13.57) |
| | Closing balance of present value of obligations | 102.27 | 134.05 |
| | Less : Fair Value of Plan Assets | | |
| | Opening Balance of Plan Assets | 30.16 | 20.64 |
| | Expected Return on Plan Assets | 2.32 | 1.63 |
| | Employer's Contribution | - | 7.89 |
| | Return on plan assets, excluding amount recognised in net interest expenses | - | - |
| | Adjustment to the Opening Value of Plan Assets | - | - |
| | Closing Balance of Plan Assets | 32.48 | 30.16 |
| | Net Liability | 69.79 | 103.89 |
| b) | Expense during the year | | |
| | Service Cost | 14.74 | 18.11 |
| | Interest Cost | 9.64 | 7.44 |
| | Expected Return on Plan Assets | (2.32) | (1.63) |
| | Actuarial (Gain) / Loss on Obligations | 18.10 | 16.26 |
| | Return on plan assets, excluding amount recognised in net interest expenses | - | - |
| | Total | 40.15 | 40.19 |
| c) | Principal Actuarial Assumptions | | |
| | Rate of Discounting | 6.55% | 7.19% |
| | Rate of Return on Plan Assets | 6.55% | 7.19% |
| | Salary Growth Rate | 5.00% | 5.00% |

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:

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|-----------------------------------|--|--|
| Defined Benefit Obligation (Base) | 264.34 | 285.52 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

| Particulars | For the year ended 31st March, 2025 | | For the year ended 31st March, 2024 | |
|---|--|-----------------|--|-----------------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) (% change compared to base due to sensitivity) | 272.89 3.2% | 256.48 -3.0% | 295.88 3.6% | 276.02 -3.3% |
| Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity) | 256.9 -2.8% | 272.2 3.0% | 276.6 -3.1% | 295.1 3.4% |
| Attrition Rate (- / + 50% of attrition rates) (% change compared to base due to sensitivity) | 263.68 -0.2% | 265.08 0.3% | 284.30 -0.4% | 286.91 0.5% |

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.

41. Assets taken on operating lease:

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Not later than one year | 97.17 | 97.17 |
| Later than one year but not later than five years | 72.88 | 170.05 |
| Total | 170.05 | 267.23 |

42. Segment Disclosures

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

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

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

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Revenue by Geography | | |
| India | 8,478.64 | 6,336.95 |
| Rest of world | 4,484.36 | 3,812.98 |
| Total | 12,963.00 | 10,149.93 |
| Major Customers : | | |
| Number of Customers individually contributing towards revenue more than 10% of the Company's total revenue | 2 | 1 |
| Revenue from the customers individually contributing towards revenue more than 10% of the Company's total revenue | 4617.14 | 1857.84 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
43 Disclosure of related parties/ related party transactions pursuant to Ind AS 24 “Related Party Disclosures” :
(a) List of related parties over which control exist and status of transactions entered during the year :

| Sr. No. | Name of the Related Party | Relationship |
|---------|---|--|
| 1 | Lyka BDR International Limited Lyka Export Limited | Subsidiaries |
| 2 | Ipca Laboratories Limited | Entity Exercising Significant Influence |
| 3 | Mr. Kunal Gandhi - Managing Director & Chief Executive Officer Mr. Yogesh Shah - Executive Director & Chief Financial Officer Mr. Kishore P. Shah - Company Secretary & Compliance officer (upto 18th September, 2024) Mr. Shekhar R. Singh - Company Secretary & Compliance officer (w.e.f. 12th November 2024) Mrs. Dhara P. Shah - Independent Director Mr. Babu Lal Jain - Chairman & Independent Director Mr. Prashant Godha - Non Executive Director Mr. Shashil Mendonsa - Non Executive Director Mr. Neeraj Golas - Independent Director | Key Management Personnel (KMP) |
| 4 | Mrs. Nehal N. Gandhi | Relative of KMP |
| 5 | Enai Trading & Investment Private Limited Lyka Generics Limited Hiralaxmi Multitrade Private Limited - formerly known as Hiralaxmi Business Finance Private Limited | Entities owned by / over which KMP is able to exercise significant influence |

(b) Disclosure of related party transactions:

(₹ in lakhs)

| Sr. No. | Description | Subsidiaries | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|--------------------------------|------------------|---|------------------|------------------|-----------------------|------------------------|
| 1 | Sale of Goods & Services | 85.84 (49.16) | 2,592.77 (1,857.84) | - - | - - | - - | 2,678.61 (1,907.00) |
| 2 | Purchases of Goods / Machinery | - - | - - | - - | - - | 66.83 (144.93) | 66.83 (144.93) |
| 3 | Sales of Fixed Assets | - - | 230.00 - | - - | - - | 13.33 - | 243.33 - |
| 4 | Rent Expenses | - - | - - | 18.00 (18.00) | 18.00 (18.00) | 30.00 (31.50) | 66.00 (67.50) |
| 5 | Rent Income | 6.00 (9.30) | - - | - - | - - | - - | 6.00 (9.30) |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

| Sr. No. | Description | Subsidiaries | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|---|--------------------|---|--------------------|--------------------|-----------------------|------------------------|
| 6 | Reimbursement of Expenses | - - | 56.00 - | - - | - - | 0.80 - | 56.80 - |
| 7 | Remuneration (Payments / Provisions) to | - - | - - | 578.82 (305.92) | - - | - - | 578.82 (305.92) |
| 8 | Commission Income | 25.68 - | - - | - - | - - | - - | 25.68 - |
| 9 | Directors Sitting Fees | - - | - - | 9.70 (10.10) | - - | - - | 9.70 (10.10) |
| 10 | Interest Income | 18.50 (25.05) | - - | - - | - - | - - | 18.50 (25.05) |
| 11 | Interest Expenses | - - | 20.59 (345.01) | - - | 53.15 (41.76) | 61.14 (52.72) | 134.89 (439.49) |
| 12 | Loan Received | - - | 400.00 - | - - | 305.00 (477.82) | 185.00 (170.00) | 890.00 (647.82) |
| 13 | Loan Repaid | - - | 2,750.00 (3,050.00) | - - | 290.00 (467.82) | 75.00 (190.00) | 3,115.00 (3,707.82) |
| 14 | Loan Given | 120.00 (298.00) | - - | - - | - - | - - | 120.00 (298.00) |
| 15 | Loan (Principle) Received Back | 89.00 (633.00) | - - | - - | - - | - - | 89.00 (633.00) |
| 16 | Issue of Equity Shares | - - | 260.00 (240.00) | - - | - - | - - | 260.00 (240.00) |
| 17 | Issue of Security Premium | - - | 3,367.00 (3,108.00) | - - | - - | - - | 3,367.00 (3,108.00) |

(-) indicate previous year figures

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(c) Balance for the year ended

(₹ in lakhs)

| Sr. No. | Description | Subsidiaries | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|-----------------------------|--------------|---|----------|-----------------|-----------------------|------------|
| 1 | Security Deposit given | - | - | 250.00 | 250.00 | - | 500.00 |
| | | - | - | (251.25) | (251.25) | - | (502.50) |
| 2 | Security Deposit Received | - | - | - | - | - | - |
| | | (13.95) | - | - | - | - | (13.95) |
| 3 | Loan Given | 188.00 | - | - | - | - | 188.00 |
| | | (219.00) | - | - | - | - | (219.00) |
| 4 | Loan Taken | - | 400.00 | - | 400.00 | 590.00 | 1,390.00 |
| | | - | (2,750.00) | - | (385.00) | (480.00) | (3,615.00) |
| 5 | Sundry Debtors | 68.18 | 648.36 | - | - | - | 716.54 |
| | | (110.24) | (170.84) | - | - | - | (281.08) |
| 6 | Sundry Creditors | - | - | - | - | - | - |
| | | - | - | - | - | (87.89) | (87.89) |
| 7 | Other Payable (Interest) | - | - | - | - | - | - |
| | | - | - | - | (3.08) | (3.96) | (7.04) |
| 8 | Other Receivable (Interest) | 13.21 | - | - | - | - | 13.21 |
| | | (5.34) | - | - | - | - | (5.34) |
| 9 | Investments | 3,240.30 | - | - | - | - | 3,240.30 |
| | | (3,240.30) | - | - | - | - | (3,240.30) |

() Indicate previous year figures

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

44. Earnings per Share (EPS) :

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Adjusted (Loss)/Profit for the year (₹ in lakh) (A) | 811.86 | (237.76) |
| Weighted Average number of Equity Shares (B) | 3,55,83,151 | 3,29,78,525 |
| Face Value per Equity Share (₹) (C) | 10.00 | 10.00 |
| Basic and Diluted Earnings per Share (₹) (D = A/B) | 2.28 | (0.72) |

45. Taxation :
Deferred Tax :

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2025 and 31st March 2024

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Accounting profit before tax (after exceptional items) | 1147.46 | (93.25) |
| At India's statutory income tax rate of 25.168% (P.Y. 25.168%) | 288.79 | (23.47) |
| Deferred Tax impact on: | | |
| On Account of Property, Plant and Equipment | 28.36 | (29.21) |
| On Account of Section 43B Disallowances | 28.84 | 1.54 |
| On Account of IndAS Adjustments | (4.86) | 1.35 |
| Less: Deferred Tax Assets not recognised in current year | 288.79 | (23.47) |
| Income tax expenses reported in the Statement of Profit and loss | 52.34 | (26.32) |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

46. Disclosures on Financials Instruments

(a) Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2025.

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Cost / Amotrised Cost | Total Carrying Amount |
|------------------------------|--------------------|-------------------|-----------------------|-----------------------|
| Financial Assets | | | | |
| Investment in subsidiaries | | | 3240.30 | 3240.30 |
| Other Investments | | 1.93 | | 1.93 |
| Other Financial Assets | | | 2028.65 | 2028.65 |
| Trade Receivables | | | 4044.96 | 4044.96 |
| Loans | | | 192.27 | 192.27 |
| Total | - | 1.93 | 9506.18 | 9508.11 |
| Financial Liabilities | | | | |
| Other Financial Liabilities | | - | 915.02 | 915.02 |
| Borrowings | | - | 3792.54 | 3792.54 |
| Trade Payable | | - | 1383.01 | 1383.01 |
| Total | - | - | 6,090.57 | 6,090.57 |

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

(₹ in lakhs)

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

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | | Total |
|-------------------------------|--------------------------------|------------------------------|---------------------------------|-------------|
| | Fair Value Measurement Using | | | |
| | Quoted Price in active markets | Significant observable input | Significant unobservable inputs | |
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value | | | | |
| FVTPL financial investments | | | | |
| Mutual Funds | - | 1.93 | - | 1.93 |
| Total | - | 1.93 | - | 1.93 |

(₹ in lakhs)

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

(c) Valuation technique to determine fair value

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

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

(d) Financial risk management objectives

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

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

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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 foreign currency exposure is as follows:

| Particulars | Currency | As at 31st March, 2025 | As at 31st March, 2024 |
|----------------------------|----------|---------------------------|---------------------------|
| Trade Receivable | USD \$ | 2,258,557.00 | 2,412,372.38 |
| Trade Receivable - Advance | USD \$ | (124,006.00) | (10,590.54) |
| Trade Payable | USD \$ | (10,527.50) | (117,200.00) |
| Net Exposure (\$) | USD \$ | 2,124,023.50 | 2,284,581.84 |
| Trade Receivable | EURO € | - | - |
| Trade Receivable - Advance | EURO € | (2,875.50) | - |
| Net Exposure (€) | EURO € | (2,875.50) | - |
| Trade Payable | JPY ¥ | (1,023,000.00) | (1,023,000.00) |
| Net Exposure (¥) | JPY ¥ | (1,023,000.00) | (1,023,000.00) |

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

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

Foreign currency sensitivity analysis

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------------|---------------------------|---------------------------|
| Impact on profit before tax | | |
| INR / USD - Increase by 5% | 0.30 | 2.02 |
| INR / USD - Decrease by 5% | (0.30) | (2.02) |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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. (₹ in lakhs)

| Particulars | Increase / Decrease | Change in interest rate | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|------------------|---------------------|-------------------------|-------------------------------------|-------------------------------------|
| Interest expense | Increase | 100 basis point | 1.85 | 4.58 |
| | Decrease | 100 basis point | (1.85) | (4.58) |

(e) Credit risk

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

Trade Receivable

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

Financial instruments and cash deposits

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

Liquidity risk

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

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

(₹ in lakhs)

| Particulars | Year | Less than 1 Year | More than 1 Year | Total |
|------------------------------|-----------------|------------------|------------------|-----------------|
| Financial Liabilities | | | | |
| Trade Payable | 31st March 2025 | 1,350.85 | 32.16 | 1,383.01 |
| | 31st March 2024 | 1,052.06 | 38.61 | 1,090.66 |
| Borrowings | 31st March 2025 | 1,471.91 | 2,320.63 | 3,792.54 |
| | 31st March 2024 | 1,366.28 | 4,290.66 | 5,656.95 |
| Other Financial Liabilities | 31st March 2025 | 799.98 | 115.04 | 915.02 |
| | 31st March 2024 | 774.83 | 114.31 | 889.14 |

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(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.

47 Capital Management

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

48 Derivatives Financial Instruments

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

| Particulars | Currency | As at 31st March, 2025 | As at 31st March, 2024 |
|-----------------------------|----------|---------------------------|---------------------------|
| Forward Contracts - Exports | USD | - | 975,000.00 |

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

| Particulars | Currency | As at 31st March, 2025 | As at 31st March, 2024 |
|--|----------|---------------------------|---------------------------|
| Forward Contracts - Exports | | | |
| Not later than one months | USD | - | - |
| Later than one month and not later than three months | USD | - | - |
| Later than three months and not later than one year | USD | - | 975,000.00 |

49 Payments to Auditors :

(₹ in lakhs)

| Sr. No. | Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|---------|--|--|--|
| (i) | Audit Fees | 16.00 | 16.00 |
| (ii) | GST Compliance Fees | 0.81 | 3.50 |
| (ii) | Tax Audit Fees | 3.50 | 3.50 |
| (iii) | For other services (certification work etc.) | 1.78 | 1.38 |
| (iv) | Due Dilligenec Fees | | 2.50 |
| | Total | 22.09 | 26.88 |

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

50 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) Company has created various charges in favour of Banks, Financial Institutions and Others for securing loan to the Company. The Company is in process of satisfaction of Charges and filing with the Registrar of Companies, Ahamadabad in respect of which dues are settled.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts except for the following:

| Name of Bank | Working capital limit sanctioned | Quarter | Nature of current assets offered as security | Amount disclosed as per return (in Lakhs) (A) | Amount as per books of accounts (in Lakhs) (B) | Difference (in lakhs) (A-B) | Remarks/ reason, if any |
|---------------|----------------------------------|-----------|--|---|--|-----------------------------|---|
| Yes Bank Ltd. | 1,200.00 | Quarter 1 | Inventory and Trade Receivables | 2,993.16 | 2,980.46 | 12.70 | Under/over reporting of assets numbers in stock statement is on account of revaluation of foreign trade receivables on closing date as per requirements of Ind AS, reclassification entries and provisional valuation of WIP & Finished Goods inventory |
| | | Quarter 2 | | 4,128.61 | 4,173.84 | (45.23) | |
| | | Quarter 3 | | 3,477.50 | 3,491.53 | (14.02) | |
| | | Quarter 4 | | 3,497.37 | 3,558.69 | (61.32) | |

- (viii) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Company has not been declared as a Wilful Defaulter by any bank or financial institution or government or any government authority.

Lyka Labs Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- (xi) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.

51 Ratio Analysis

| Sr. No. | Ratio | As at 31st March, 2025 | As at 31st March, 2024 | % change | Reason for variance |
|---------|----------------------------------|------------------------|------------------------|----------|--|
| 1 | Current Ratio | 1.62 | 1.39 | 16.32% | |
| 2 | Debt Equity Ratio | 0.30 | 0.60 | -50.35% | Ratio improved due to Repayment of Loans during the year and Issue of Equity Shares. |
| 3 | Interest Coverage Ratio | 5.52 | 0.80 | 586.52% | EBIT is higher in current year & reduction in finance cost. |
| 4 | Return on Equity Ratio | 0.07 | -0.03 | -371.34% | Company has made net Profit for the year compare to loss in pervious year, hence ratio has improved. |
| 5 | Inventory Turnover Ratio | 4.87 | 5.68 | -14.25% | Inventory increased in line with trunover. |
| 6 | Trade Receivables Turnover Ratio | 3.92 | 4.73 | -17.23% | |
| 7 | Trade Payables Turnover Ratio | 4.62 | 4.90 | -5.69% | |
| 8 | Net Capital Turnover Ratio | 5.12 | 7.21 | -28.99% | Ratio reduce due to Higher Inventory & receivable |
| 9 | Net Profit Ratio | 6.35% | -2.24% | -383.20% | Company has made net Profit for the year compare to loss in pervious year, hence ratio has improved. |
| 10 | Return on Capital employed | 7.86% | 2.39% | 229.08% | Profit for the year is higher than previous year & increased in net worth. |
| 11 | Return on Investment | 3.09% | 5.11% | -39.51% | Fixed Deposits are matured in 1st Qtr hance average return on Investment is lower. |

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

In terms of our report of even date,

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

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

Kunal Gandhi
Managing Director
DIN : 01516156

Prashant Godha
Director
DIN : 00012759

Deepak O Narsaria
Partner
Membership No. 121190

Yogesh Shah
Whole time Director & CFO
DIN : 06396150

Shekhar Singh
Company Secretary &
Compliance Officer

Place : Mumbai
Date : 26th May, 2025

Place : Mumbai
Date : 26th May, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Lyka Labs Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Lyka Labs Limited** (herein after referred as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Shareholders' Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management Responsibility for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We have audited the financial statements and other financial information in respect of two Subsidiaries whose financial statements reflect total assets of Rs. 978.30 lakhs as at 31st March, 2025, total revenues of Rs. 543.83 lakhs, and net cash outflow amounting to Rs. 3.71 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by us whose reports have been furnished by us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on the reports furnished by us.

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

Report on Other Legal and Regulatory Requirements

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

Lyka Labs Limited

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

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2025 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of the subsidiaries as noted in the "Other matter" paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2025 on the consolidated financial position of the Group – Refer Note 36 to the consolidated financial statements.
 - ii. The Holding company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31st March, 2025.
 - iv. (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.
- vi. Based on our examination which included test checks, the Holding Company have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, the audit trail feature has not been tampered with and the audit trail has been preserved by the Holding Company as per statutory requirements for record retention.

And in case of two Subsidiaries incorporated in India which have been audited by us, we have observed that the feature of recording audit trail (edit log) facility of the accounting software used for maintaining general ledger was not enabled for the year ended 31st March, 2025.

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

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

Deepak O. Narsaria
Partner
Membership No. 121190
UDIN: 25121190BMLLWK1401

Place: Mumbai
Date: May 26, 2025

Lyka Labs Limited

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

Annexure – A

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

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

We have audited the internal financial controls over financial reporting of **Lyka Labs Limited** (“the Company”) as of 31st March, 2025 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as the “Group”) for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial control system with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

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

of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group, have in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2025, based on the internal controls with reference to financial statements criteria established by the Holding Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Deepak O. Narsaria
Partner
Membership No. 121190
UDIN: 25121190BMLLWK1401

Place: Mumbai
Date: May 26, 2025

Lyka Labs Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | Notes | As at 31st March, 2025 | As at 31st March, 2024 |
|---|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 7,689.84 | 4,687.01 |
| (b) Capital Work- In- Progress | 3 | 20.14 | 2,197.17 |
| (c) Intangible assets | 4 | 821.66 | 1,082.90 |
| (d) Intangible assets under development | 4 | 100.29 | 108.09 |
| (e) Financial Assets | | | |
| (i) Investments | 5 | 2.14 | 7.47 |
| (ii) Other Financial Assets | 6 | 1,572.44 | 1,675.53 |
| (f) Other Non Current Assets | 7 | 536.74 | 746.06 |
| (g) Non Current Tax Assets | 8 | 134.19 | 116.09 |
| (h) Deferred Tax Assets (net) | | - | - |
| | | 10,877.44 | 10,620.33 |
| Current Assets | | | |
| (a) Inventories | 9 | 1,246.55 | 957.18 |
| (b) Financial Assets | | | |
| (i) Investments | 5 | 1.93 | 1.71 |
| (ii) Trade Receivables | 10 | 4,307.75 | 2,699.25 |
| (iii) Cash and Cash Equivalents | 11 | 134.41 | 594.88 |
| (iv) Loans | 12 | 5.01 | 5.66 |
| (v) Other Financial Assets | 13 | 510.97 | 341.18 |
| (c) Other Current Assets | 14 | 536.55 | 465.36 |
| | | 6,743.16 | 5,065.22 |
| Total Assets | | 17,620.60 | 15,685.55 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 15 | 3,569.00 | 3,309.00 |
| (b) Other Equity | 16 | 6,786.02 | 3,506.44 |
| Equity Attributable To Owners Of The Company | | | |
| (c) Non - Controlling Interest | 16 | 3.17 | 11.11 |
| | | 10,355.02 | 6,815.44 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 1,920.63 | 4,290.67 |
| (ii) Lease Liabilities | | 69.26 | 125.84 |
| (iii) Other Financial Liabilities | 18 | 115.04 | 100.36 |
| (b) Provisions | 19 | 65.09 | 182.22 |
| (c) Deferred Tax Liabilities (net) | 20 | 429.28 | 382.76 |
| | | 2,599.29 | 5,081.85 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 1,871.91 | 1,366.28 |
| (ii) Lease Liabilities | | 56.59 | 82.22 |
| (iii) Trade Payables due to : | | | |
| - Micro and Small Enterprise | 22 | 212.09 | 103.22 |
| - Other than Micro and Small Enterprise | 22 | 1,283.26 | 1,107.06 |
| (iv) Other Financial Liabilities | 23 | 833.79 | 828.13 |
| (b) Current Tax Liabilities | 24 | 0.40 | 13.11 |
| (c) Other Current Liabilities | 25 | 248.73 | 125.47 |
| (d) Provisions | 26 | 156.36 | 151.63 |
| | | 4,663.12 | 3,777.12 |
| Total Equity and Liabilities | | 17,620.60 | 15,685.55 |

See accompanying notes to the Consolidated Financial Statements

In terms of our report of even date,

For D. Kothary & Co.

Chartered Accountants
Firm Registration No. 105335W

Deepak O Narsaria

Partner
Membership No. 121190

Place : Mumbai
Date : 26th May, 2025

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

Kunal Gandhi

Managing Director & CEO
DIN : 01516156

Yogesh Shah

Whole time Director & CFO
DIN : 06396150

Place : Mumbai
Date : 26th May, 2025

Prashant Godha

Director
DIN : 00012759

Shekhar Singh

Company Secretary &
Compliance Officer



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | Notes | For the Year Ended 31 st March, 2025 | For the Year Ended 31 st March, 2024 |
|--|-------|--|--|
| INCOME | | | |
| Income from Operations | 27 | 13,356.44 | 10,513.23 |
| Other Operating Income | 28 | 493.10 | 606.23 |
| | | 13,849.54 | 11,119.46 |
| Other Income | 29 | 223.17 | 146.45 |
| Total Income | | 14,072.71 | 11,265.93 |
| Cost of Materials Consumed | 30 | 3,707.18 | 3,214.31 |
| Purchases of Stock-in-Trade | | 1,987.95 | 1,349.36 |
| Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade | 31 | (135.96) | (78.50) |
| Employee Benefits Expense | 32 | 3,463.26 | 2,676.54 |
| Finance Costs | 33 | 227.25 | 489.09 |
| Depreciation and Amortization Expense | 3 & 4 | 676.93 | 1,280.18 |
| Other Expenses | 34 | 3,033.61 | 2,387.25 |
| Total Expenses | | 12,960.22 | 11,318.25 |
| Profit / (Loss) before Exceptional items | | 1,112.49 | (52.32) |
| Exceptional items | 35 | - | 41.06 |
| Profit / (Loss) before tax | | 1,112.49 | (93.39) |
| Tax Expense: | | | |
| Current Tax / Earlier Year Tax | | 272.65 | 186.93 |
| Deferred Tax | | 46.52 | (18.26) |
| Profit / (Loss) for the year | | 793.32 | (262.05) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plans (net of tax) | | 18.08 | 7.06 |
| Fair Value Changes of Investments in Equity Shares | | - | 3.48 |
| Total Other Comprehensive Income (Net of Tax) - Net Credit / (Charge) | | 18.08 | 10.54 |
| Total Comprehensive Income for the year | | 811.40 | (251.51) |
| Total Comprehensive Income attributable to: | | | |
| Owners of the Parent | | 819.34 | (239.62) |
| Non-controlling Interest | | (7.94) | (11.90) |
| (Loss) Attributable To: | | | |
| Owners of the Parent | | 801.20 | (248.94) |
| Non-controlling Interest | | (7.88) | (13.12) |
| Other Comprehensive Income attributable to: Remeasurement of defined benefit plans (net of tax) | | | |
| Owners of the Parent | | 18.14 | 6.79 |
| Non-controlling Interest | | (0.05) | 0.27 |
| Other Comprehensive Income attributable to: Fair Value Changes of Investments in Equity Shares | | | |
| Owners of the Parent | | - | 2.54 |
| Non-controlling Interest | | - | 0.94 |
| Earnings per share (of Rs. 10 /- each): | | | |
| Basic / Diluted | 44 | 2.22 | (0.79) |

See accompanying notes to the consolidated financial statements

In terms of our report of even date,

For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W
Deepak O Narsaria
Partner
Membership No. 121190

Place : Mumbai
Date : 26th May, 2025

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

Kunal Gandhi
Managing Director & CEO
DIN : 01516156
Yogesh Shah
Whole time Director & CFO
DIN : 06396150

Place : Mumbai
Date : 26th May, 2025

Prashant Godha
Director
DIN : 00012759
Shekhar Singh
Company Secretary &
Compliance Officer

Lyka Labs Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

A. Equity Share Capital (Refer Note 15)

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the reporting year | 3,30,90,000 | 3,309.00 | 3,06,90,000 | 3,069.00 |
| Changes in equity share capital during the year | 26,00,000 | 260.00 | 24,00,000 | 240.00 |
| Balance at the end of reporting year | 3,56,90,000 | 3,569.00 | 3,30,90,000 | 3,309.00 |

B. Other Equity (Refer Note. 16)

(₹ in lakhs)

| Particulars | Reserves and surplus | | | | Items of Other Comprehensive Income (Remeasurement of the defined benefit plan) | Non - Controlling Interest | Money received against share warrants (Refer Note No. 16) | Total |
|--|----------------------|----------------------------|-----------------|-----------------|--|----------------------------|--|-----------------|
| | Retained Earnings | Securities Premium Account | Capital Reserve | General Reserve | | | | |
| Balance As at 31st March, 2024 | (13,814.72) | 15,441.97 | 49.13 | 952.57 | (29.27) | 11.11 | 906.75 | 3,517.55 |
| Profit / (Loss) for the year | 801.20 | - | - | - | - | (7.88) | - | 793.32 |
| Add / (Less) : On Issue of Equity Shares / Warrants | - | 3,367.00 | - | - | - | - | (906.75) | 2,460.25 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | 18.14 | (0.05) | - | 18.09 |
| Balance as at 31st March, 2025 | (13,013.52) | 18,808.97 | 49.13 | 952.57 | (11.13) | 3.18 | - | 6,789.21 |

In terms of our report of even date,

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

Deepak O Narsaria
Partner
Membership No. 121190

Place : Mumbai
Date : 26th May, 2025

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

Kunal Gandhi
Managing Director & CEO
DIN : 01516156

Yogesh Shah
Whole time Director & CFO
DIN : 06396150

Place : Mumbai
Date : 26th May, 2025

Prashant Godha
Director
DIN : 00012759

Shekhar Singh
Company Secretary &
Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | For the year Ended 31st March, 2025 | | For the Year Ended 31st March, 2024 | |
|--|--|-------------------|--|-------------------|
| | | | | |
| A. Cash Flow from Operating Activities | | | | |
| Profit / (Loss) for the year before tax | | 1,112.49 | | (93.38) |
| Adjusted for | | | | |
| Depreciation | 676.93 | | 1,280.18 | |
| Interest Income | (46.29) | | 25.67 | |
| Finance Cost | 227.25 | | 489.09 | |
| Provision for Doubtful Trade Receivables, Advances, Employee Benefits | 93.03 | | 57.27 | |
| Exchange rate fluctuation | (102.20) | | (48.88) | |
| Return on Investment | (2.68) | | (0.87) | |
| | | 846.04 | | 1,802.47 |
| Operating profit before working capital change | | 1,958.51 | | 1,709.09 |
| Changes in Working Capital : | | | | |
| (Increase) / Decrease in Other Non-Current Financial Assets | 103.09 | | (45.05) | |
| (Increase) / Decrease in Other Non-Current Assets | 209.32 | | (218.89) | |
| (Increase) / Decrease in Inventories | (289.37) | | (261.75) | |
| (Increase) / Decrease in Trade and other receivables | (1,518.99) | | (633.18) | |
| (Increase) / Decrease in Other Current Financial Assets | (169.79) | | (86.13) | |
| (Increase) / Decrease in Other Current Assets | (71.19) | | (188.13) | |
| (Increase) / Decrease in Non-Current Loans | - | | - | |
| (Increase) / Decrease in Current Loans | 0.65 | | 2.52 | |
| Increase / (Decrease) in Other Non-Current Financial Liabilities | 15.00 | | 7.00 | |
| Increase / (Decrease) in Non-Current Provisions | (117.13) | | (61.57) | |
| Increase / (Decrease) in Trade Payables | 285.07 | | 269.72 | |
| Increase / (Decrease) in Other Current Financial Liabilities | 22.50 | | (94.25) | |
| Increase / (Decrease) in Other Current Liabilities | 123.26 | | (46.54) | |
| Increase / (Decrease) in Current Provisions | (57.53) | | (23.64) | |
| | | (1,465.11) | | (1,379.89) |
| Cash Generated From Operations | | 493.40 | | 329.19 |
| Net Income Tax Payment | (303.46) | (303.46) | (151.86) | (151.86) |
| Net cashflow from operating activities (A) | | 189.94 | | 177.34 |
| B. Cash Flow for Investing activities | | | | |
| Purchase of Fixed Assets | (1,565.48) | | (923.14) | |
| Sale of Fixed Assets | 331.79 | | - | |
| Sale of Investment | 7.80 | | - | |
| Interest Received | 46.29 | | (25.67) | |
| Net cash used in Investing Activities (B) | | (1,179.60) | | (948.81) |

Lyka Labs Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in lakhs)

| Particulars | For the year Ended 31st March, 2025 | | For the Year Ended 31st March, 2024 | |
|--|--|-----------------|--|----------|
| C. Cash Flow from Financing activities | | | | |
| Proceed from / (Repayment) of Non Current Borrowings Net | (2,426.95) | | (2,170.72) | |
| Proceed from / (Repayment) of Current Borrowings Net | 480.00 | | 572.42 | |
| Proceeds from Issue of Equity Shares and warrants (Including Premium) | 2,720.25 | | 2,511.00 | |
| Interest Paid | (244.10) | | (717.42) | |
| Net cash used in Financing Activities (C) | | 529.20 | | 195.28 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | | (460.46) | | (576.20) |
| Cash and Cash Equivalents at the beginning of the year | | | | |
| Cash and Cash Equivalents | | 25.71 | | 274.19 |
| Earmarked Balances | | 569.17 | | 896.89 |
| | | 594.88 | | 1,171.08 |
| Cash and Cash Equivalents at the end of the year | | | | |
| Cash and Cash Equivalents | | 38.93 | | 25.71 |
| Deposits with Banks (Rs 95.48 lakhs Lien against Bank Guarantee) | | 95.48 | | 569.17 |
| | | 134.41 | | 594.88 |

In terms of our report of even date,

For D. Kothary & Co.

Chartered Accountants
Firm Registration No. 105335W

Deepak O Narsaria

Partner
Membership No. 121190

Place : Mumbai
Date : 26th May, 2025

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

Kunal Gandhi

Managing Director & CEO
DIN : 01516156

Yogesh Shah

Whole time Director & CFO
DIN : 06396150

Place : Mumbai
Date : 26th May, 2025

Prashant Godha

Director
DIN : 00012759

Shekhar Singh

Company Secretary &
Compliance Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1. CORPORATE INFORMATION

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

2. THE MATERIAL ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

A. THE MATERIAL ACCOUNTING POLICIES:

2.1A Basis of Preparation of Ind-AS Consolidated financial statements

These Ind-AS consolidated financial statements of Lyka Labs Limited (“the Company”) and its subsidiaries (hereinafter referred to as “the Group”), have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These consolidated financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind-AS. Refer to note 55 for information on how the Group adopted IndAS, including the details of the first time adoption exemptions availed by the Group.

The Ind-AS consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.11 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

2.1B Accounting estimates, assumptions and judgements

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

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

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

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

2.2 Principles of Consolidation:

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries and jointly controlled entity have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

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

2.4 PROPERTY, PLANT AND EQUIPMENT:

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

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

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

2.5 DEPRECIATION:

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

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

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

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

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

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

2.6 CAPITAL WORK IN PROGRESS AND CAPITAL ADVANCES:

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

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

2.7 INTANGIBLE ASSETS AND AMORTISATION THEREOF:

2.7.1 INTERNALLY GENERATED INTANGIBLE ASSETS (RESEARCH AND DEVELOPMENT):

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

2.7.2 OTHER INTANGIBLE ASSETS:

An intangible asset is recognized if

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

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

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

2.7.3. AMORTISATION OF INTANGIBLE ASSETS:

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

Estimated useful life of the following assets of Lyka BDR Limited, and Lyka Exports Limited (Subsidiary Companies)

| Class of Assets | Useful life in years |
|----------------------------------|-----------------------------|
| Registration Rights | 10 |
| Technical and Marketing Know-How | 10 |
| Brands / Goodwill | 10 |

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

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

2.8 IMPAIRMENT OF PROPERTY PLANT & EQUIPMENT AND INTANGIBLE ASSETS

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

2.9 INVENTORIES

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

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

2.10 REVENUE RECOGNITION

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

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

- Interest Income:

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

- Dividend Income:

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

2.11 FINANCIAL INSTRUMENTS:

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

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

FINANCIAL ASSETS:

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

Financial Assets at Amortized Cost:

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

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

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

Equity Instruments at FVTOCI:

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

Financial Assets at FVTPL:

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

DERECOGNITION:

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

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

IMPAIRMENT OF FINANCIAL ASSETS:

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

- Financial assets at amortized cost.
- Trade Receivables

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

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

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

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

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

FINANCIAL LIABILITIES:

Initial Recognition and Measurement:

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

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

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

DERECOGNITION:

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

OFFSETTING OF FINANCIAL INSTRUMENTS:

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

EQUITY INSTRUMENTS:

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

2.12 EMPLOYEE BENEFITS

- Defined Contribution Plan:

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

- Defined Benefit Plan:

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

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

2.13 BORROWING COST

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

2.14 LEASES:

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

(i) Company as a lessee

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

(ii) Company as a lessor

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

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

2.15 FOREIGN CURRENCY TRANSACTIONS:

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

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

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

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

2.16 TAXES ON INCOME:

Current Income Taxes:

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

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

Deferred Taxes:

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

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

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

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

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

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

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

Minimum Alternate Tax (MAT):

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

2.17 PROVISIONS AND CONTINGENT LIABILITIES:

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

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

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

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

2.18 EARNINGS PER SHARE:

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

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

2.19 CASH AND CASH EQUIVALENT:

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

2.20 CASH FLOW STATEMENT:

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

2.21 COMMITMENTS:

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

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

2.22 SEGMENT REPORTING:

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

2.23 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

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

2.24 ESTIMATES ASSUMPTIONS AND JUDGEMENTS:

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

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

a) Estimation of current tax expense and deferred tax:

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

b) Recognition of deferred tax assets/ liabilities:

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

c) Estimation of Provisions & Contingent Liabilities:

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

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

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

e) Estimation of Provision for Inventory:

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

f) Estimation of Defined Benefit Obligation:

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

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

h) Estimated fair value of Financial Instruments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3. Property Plant and Equipment

Carrying amounts of :

(₹ in lakhs)

| Particulars | As at 31st March 2025 | As at 31st March, 2024 |
|-------------------------|--------------------------|---------------------------|
| Land | 1,464.57 | 1,488.93 |
| Buildings | 2,834.14 | 1,577.87 |
| Plant and Machinery | 3,094.54 | 1,148.81 |
| Computers | 15.43 | 12.71 |
| Vehicles | 33.03 | 130.36 |
| Furnitures and Fixtures | 85.42 | 93.81 |
| Office Equipments | 19.11 | 18.35 |
| Right To Use Property | 143.60 | 216.16 |

| Particulars | Land | Buildings | Plant and Machinery | Computers | Vehicles | Furnitures and Fixtures | Office Equipments | Right To Use Property | Total |
|--|-----------------|-----------------|---------------------|--------------|--------------|-------------------------|-------------------|-----------------------|------------------|
| Gross Block (Cost or Deemed Cost) : | | | | | | | | | |
| Balance at 31st March, 2024 | 1,751.99 | 2,939.61 | 4,101.30 | 54.44 | 188.27 | 117.22 | 182.63 | 314.42 | 9,649.88 |
| Additions | - | 1,362.75 | 2,085.96 | 10.24 | 92.25 | 8.06 | 4.51 | 9.49 | 3,573.26 |
| Deletion | - | - | - | - | (238.32) | - | - | - | (238.32) |
| Balance at 31st March, 2025 | 1,751.99 | 4,302.36 | 6,187.26 | 64.68 | 42.21 | 125.29 | 187.14 | 323.91 | 12,984.83 |
| Accumulated Depreciation and Impairment : | | | | | | | | | |
| Balance at 31st March, 2024 | 263.06 | 1,361.74 | 2,952.49 | 41.73 | 57.91 | 23.41 | 164.28 | 98.25 | 4,962.87 |
| Depreciation for the year | 24.36 | 106.49 | 140.24 | 7.52 | 4.29 | 16.45 | 3.74 | 82.06 | 385.14 |
| Deletion | - | - | - | - | (53.02) | - | - | - | (53.02) |
| Disposals / Written Off / Adjustment | - | - | - | - | - | - | - | - | - |
| Balance at 31st March, 2025 | 287.42 | 1,468.22 | 3,092.72 | 49.25 | 9.18 | 39.87 | 168.02 | 180.31 | 5,294.98 |
| Carrying amounts of : | | | | | | | | | |
| Balance at 31st March, 2024 | 1,488.93 | 1,577.87 | 1,148.81 | 12.71 | 130.36 | 93.81 | 18.35 | 216.16 | 4,687.01 |
| Balance at 31st March, 2025 | 1,464.57 | 2,834.14 | 3,094.54 | 15.43 | 33.03 | 85.42 | 19.11 | 143.60 | 7,689.84 |

The Group has not revalued its Property, Plant and Equipment (including Right of Use Assets) or Intangible Assets or both during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

3.1 Details of Tangible Capital Work in Progress :

(₹ in lakhs)

| Particulars | As at 31st March 2025 | As at 31st March, 2024 |
|---------------------------|--------------------------|---------------------------|
| Opening balance | 2,197.17 | 1,510.37 |
| Capitalised | (3,229.95) | (79.35) |
| Additions during the year | 1,052.92 | 766.15 |
| Closing Balance | 20.14 | 2,197.17 |

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

As at 31st March, 2025

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|-------------|----------|--------------|-----------|--------------|
| Projects in Progress | 6.11 | - | 14.03 | - | 20.14 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 6.11 | - | 14.03 | - | 20.14 |

Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

| Particulars | To be completed | | | | |
|---------------|-----------------|--------------|-----------|-----------|--------------|
| | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
| Project - I | - | 10.00 | - | - | 10.00 |
| Project - II | 6.11 | 4.03 | - | - | 10.14 |
| Project - III | - | - | - | - | - |
| Total | 6.11 | 14.03 | - | - | 20.14 |

As at 31st March, 2024

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|---------------|---------------|-------------|-----------------|-----------------|
| Projects in Progress | 700.04 | 101.59 | 5.31 | 869.05 | 1,675.99 |
| Projects temporarily suspended | - | - | - | 521.18 | 521.18 |
| Total | 700.04 | 101.59 | 5.31 | 1,390.23 | 2,197.17 |

Expected Completion schedule of Capital Work in Progress :

(₹ in lakhs)

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

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

4. Intangible Assets

Carrying amounts of :

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Internally Developed Intangible Assets (Research and development expenditure) | 200.99 | 338.77 |
| Computer Software | 38.89 | 30.65 |
| Intangible Assets (Trade Mark / Brand) | 436.84 | 483.28 |
| Intangible Assets (Goodwill) | 17.76 | 19.91 |
| Technical and Marketing Knowhow | 127.16 | 209.97 |
| Registration Rights | (0.00) | 0.31 |

(₹ in lakhs)

| Particulars | Internally Developed Intangible Assets (Research and development expenditure) | Computer Software | Intangible Assets (Trade Mark / Brand) | Intangible Assets (Goodwill) | Technical and Marketing Knowhow | Registration Rights | Total |
|--|--|----------------------|--|------------------------------------|--|------------------------|-----------------|
| Gross Block (Cost or Deemed Cost) : | | | | | | | |
| Balance at 31st March, 2024 | 1,293.70 | 172.13 | 3,990.91 | 22.59 | 609.50 | 35.84 | 6,124.68 |
| Additions | - | 15.55 | 15.00 | - | - | - | 30.55 |
| Balance at 31st March, 2025 | 1,293.70 | 187.68 | 4,005.91 | 22.59 | 609.50 | 35.84 | 6,155.23 |
| Accumulated Amortisation and Impairment : | | | | | | | |
| Balance at 31st March, 2024 | 954.93 | 141.48 | 3,507.62 | 2.68 | 399.53 | 35.53 | 5,041.78 |
| Amortisation for the year | 137.78 | 7.31 | 61.44 | 2.15 | 82.81 | 0.31 | 291.79 |
| Balance at 31st March, 2025 | 1,092.71 | 148.79 | 3,569.06 | 4.83 | 482.34 | 35.84 | 5,333.57 |
| Carrying amounts of : | | | | | | | |
| Balance at 31st March, 2024 | 338.77 | 30.65 | 483.28 | 19.91 | 209.97 | 0.31 | 1,082.90 |
| Balance at 31st March, 2025 | 200.99 | 38.89 | 436.84 | 17.76 | 127.16 | (0.00) | 821.66 |

4.1 Details of Intangible Assets under Development :

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------------|---------------------------|---------------------------|
| Opening balance | 108.09 | 112.28 |
| Capitalised | (7.80) | (27.26) |
| Additions during the year | - | 23.07 |
| Disposals / Written Off / Adjustment | - | - |
| Closing Balance | 100.29 | 108.09 |

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

As at 31st March, 2025

(₹ in lakhs)

| Particulars | <1 Year | 1-2 Year | 2-3 Years | > 3 Years | Total |
|--------------------------------|---------|----------|-----------|---------------|---------------|
| Projects in Progress | - | - | - | 31.22 | 31.22 |
| Projects temporarily suspended | - | - | - | 69.06 | 69.06 |
| Total | - | - | - | 100.29 | 100.29 |

As at 31st March, 2024

(₹ in lakhs)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
5. Non-Current Investments

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-------------|------------------------|-------------|
| | No of Shares / units | Amount | No of Shares / units | Amount |
| Investments : | | | | |
| (a) Other Investments (Quoted) - FVTOCI : | | | | |
| Equity Shares of Rs. 10 each fully paid up in Paramount Printpackaging Ltd | 10,000.00 | 0.08 | 10,000.00 | 0.08 |
| Equity Shares of Rs. 10 each fully paid up in Themis Medicare Ltd | - | - | 334.00 | 7.38 |
| HDFC Liquid Fund | 41.34 | 2.04 | | |
| b) Other Investments (Unquoted)- FVTPL : | | | | |
| Janata Sahakari Bank Ltd | 10.00 | 0.01 | 10.00 | 0.01 |
| Total | | 2.14 | | 7.47 |

Current Investments

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--------------------------------------|------------------------|-------------|------------------------|-------------|
| | No of units | Amount | No of units | Amount |
| Investments at FVTPL : | | | | |
| Investments in Mutual Fund : | | | | |
| Debt Mutual Fund: | | | | |
| Birla Sun Life Plus Collection A/c | 12.66 | 0.05 | 12.66 | 0.05 |
| HDFC Liquid Fund Post IPO Collection | 35.39 | 1.87 | 35.39 | 1.66 |
| Total | | 1.93 | | 1.71 |

6. Other Non-Current Financial Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Security Deposit | 476.25 | 643.08 |
| Others - Deposit with Drug Price Equalisation Account | 1,096.19 | 1,032.45 |
| Total | 1,572.44 | 1,675.53 |

7. Other Non-Current Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|------------------------|------------------------|
| (Unsecured, considered good) | | |
| Capital Advances | 18.85 | 228.00 |
| Balance with Government Authorities | 517.90 | 518.06 |
| Total | 536.74 | 746.06 |

8. Non-Current Tax Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|------------------------|------------------------|
| Advance Tax and Tax deducted at source | 134.19 | 116.09 |
| Total | 134.19 | 116.09 |

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

9. Inventories

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------------|---------------------------|---------------------------|
| Raw Materials (Refer Note No. 39) | 400.72 | 360.04 |
| Packing Material (Refer Note No. 39) | 423.86 | 311.13 |
| Work-in-Progress | 163.54 | 34.45 |
| Finished Goods | 258.44 | 251.57 |
| Total | 1,246.55 | 957.18 |

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the period amount to ₹ 14.69 lakh (Previous year ₹ 23.56 lakh). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

10. Trade Receivables

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| (Unsecured) | | |
| Considered Good | 4,310.79 | 2,704.61 |
| Considered Doubtful | 351.39 | 336.38 |
| Less: Provision for Expected Credit Loss | (53.54) | (40.85) |
| Less: Provision for Doubtful Debt | (300.89) | (300.89) |
| Total | 4,307.75 | 2,699.25 |

10.1 Trade receivables ageing :

As at 31st March, 2025

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-----------------|--------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade Receivables - considered good | 2,765.75 | 1,340.60 | 50.46 | 80.40 | - | 4,237.20 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good | - | - | - | - | 124.09 | 124.09 |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | 300.89 | 300.89 |
| Total : Trade receivables | 2,765.75 | 1,340.60 | 50.46 | 80.40 | 424.98 | 4,662.18 |

As at 31st March, 2024

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-----------------|---------------|--------------|-------------------|-----------------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | 2,291.46 | 99.76 | 216.79 | 20.15 | 7.81 | 2,635.97 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - considered good | - | - | - | - | 104.12 | 104.12 |
| (iv) Disputed Trade Receivables - considered doubtful | - | - | - | - | 300.89 | 300.89 |
| Total : Trade receivables | 2,291.46 | 99.76 | 216.79 | 20.15 | 412.82 | 3,040.99 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

11. Cash and Cash Equivalents

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| (A) Cash and Cash Equivalents | | |
| Balances with Banks | 31.73 | 17.93 |
| Cash on hand | 7.20 | 7.78 |
| (B) Bank Balances other than Cash and Cash Equivalents | | |
| Deposits with Banks (Lien against Bank Guarantee) | 95.48 | 569.17 |
| Total | 134.41 | 594.88 |

12. Current Loans

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Loan to Employees | 5.01 | 5.66 |
| Total | 5.01 | 5.66 |

13. Other Current Financial Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Deposits | 47.21 | 32.56 |
| Others | 463.76 | 308.62 |
| Total | 510.97 | 341.18 |

14. Other Current Assets

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------------------|---------------------------|---------------------------|
| Trade Advances | 51.78 | 57.73 |
| Prepaid Expenses | 183.55 | 25.76 |
| Balance with Government Authorities | 301.21 | 381.87 |
| Total | 536.55 | 465.36 |

15. Share Capital

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount (₹) | Number of shares | Amount (₹) |
| Authorised | | | | |
| Equity Shares of ₹ 10/- each | 4,80,00,000 | 4,800.00 | 4,80,00,000 | 4,800.00 |
| Redeemable Preference Shares of ₹ 100/- each | 2,00,000 | 200.00 | 2,00,000 | 200.00 |
| | 4,82,00,000 | 5,000.00 | 4,82,00,000 | 5,000.00 |
| Issued, Subscribed and Fully Paid | | | | |
| Equity Shares of ₹ 10/- each | 3,56,90,000 | 3,569.00 | 3,30,90,000 | 3,309.00 |
| Redeemable Preference Shares of ₹ 100/- each | 1,08,570 | 108.57 | 1,08,570 | 108.57 |
| Total | 3,57,98,570 | 3,677.57 | 3,31,98,570 | 3,417.57 |

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

15.1 Rights, Preferences And Restriction Attached To Equity Shares :

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

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

During the year, The Holding Company has allotted 26,00,000 Equity shares to IPCA Laboratories Ltd at a price of Rs. 139.50 (including premium), hence equity capital and securities premium shall stand increased.

15.2 Reconciliation of number of Shares Outstanding as at the beginning and end of the year

| Particulars | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | Equity Shares | Preference Shares | Equity Shares | Preference Shares |
| Balance as at the beginning of the Year | 3,30,90,000 | 1,08,570 | 3,06,90,000 | 1,08,570 |
| Add : Issued during the Year | 26,00,000 | - | 24,00,000 | - |
| Balance as at the end of the Year | 3,56,90,000 | 1,08,570 | 3,30,90,000 | 1,08,570 |

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

| Name of the shareholders | As at 31st March, 2025 | | As at 31st March, 2024 | |
|--|------------------------|-------------|------------------------|-------------|
| | No of Shares held | % of Shares | No of Shares held | % of Shares |
| Equity Shares of ₹ 10/- each | | | | |
| Ipca Laboratories Limited | 1,46,24,923 | 40.98% | 1,20,24,923 | 36.34% |
| Nehal Narendra Gandhi | - | 0.00% | 23,30,000 | 7.04% |
| Kunal Narendra Gandhi | 34,93,629 | 9.79% | 24,25,000 | 7.33% |
| 10% Cumulative Redeemable Preference Shares | | | | |
| Dr. D. B. Parikh | 1,08,570 | 100.00% | 1,08,570 | 100.00% |

15.4 Details of shares held by promoter / promoter group

| Name of the Promoter / Promoter group | As at 31st March, 2025 | | | | |
|---------------------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total shares | % Change during the year |
| Equity Shares of ₹ 10/- each | | | | | |
| Kunal Narendra Gandhi | 24,25,000 | 10,68,629 | 34,93,629 | 9.79% | 44.07% |
| Nehal Narendra Gandhi | 23,30,000 | (10,93,629) | 12,36,371 | 3.46% | -46.94% |
| Alisha Kunal Gandhi | 20,000 | 25,000 | 45,000 | 0.13% | 125.00% |
| Hiralaxmi Business Finance Pvt. Ltd. | 708 | - | 708 | 0.00% | 0.00% |
| Enai Trading & Investment Pvt. Ltd. | 10,00,000 | - | 10,00,000 | 2.80% | 0.00% |
| Bhawna Godha | 6,000 | - | 6,000 | 0.02% | 0.00% |
| Neetu Godha | 10,000 | - | 10,000 | 0.03% | 0.00% |
| Usha Premchand Godha | 10,686 | - | 10,686 | 0.03% | 0.00% |
| Premchand Godha | 10,900 | - | 10,900 | 0.03% | 0.00% |
| Pranay Godha | 3,00,000 | - | 3,00,000 | 0.84% | 0.00% |
| Lyka Generics Limited | 20,000 | - | 20,000 | 0.06% | 0.00% |
| Ipca Laboratories Limited | 1,20,24,923 | 26,00,000 | 1,46,24,923 | 40.98% | 21.62% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

16. Other Equity

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---------------------------------------|---------------------------|---------------------------|
| Retained Earning | (13,013.52) | (13,814.72) |
| Securities Premium Account | 18,808.97 | 15,441.97 |
| Capital Reserve | 49.13 | 49.13 |
| General Reserve | 952.56 | 952.57 |
| Items of Other Comprehensive Income | (11.13) | (29.26) |
| Non Controlling Interest | 3.17 | 11.11 |
| Money received against share warrants | - | 906.75 |
| Total | 6,789.19 | 3,517.56 |

16.1 Nature of Reserves:
Capital Reserves

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

Securities Premium

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

General Reserves

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

16.2 During the year ended 31st March 2023, the Holding Company has issued 50,00,000 Warrants convertible into Equity Shares to IPCA Laboratories Ltd at a price of Rs. 139.50 per warrant, against which the Holding Company has received 25% of the amount and shown under other equity, which will be converted within a period of 18 months from the date of allotment of warrants. During the year, The Holding Company has allotted 26,00,000 Equity shares to IPCA Laboratories Ltd, hence reduction in Money received against Share Warrants.

17. Non Current Borrowings

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Secured Loan: | | |
| Term Loans from Bank (Refer Note no. 17.1) | 972.22 | 717.59 |
| Finance Lease Obligations | - | - |
| Unsecured Loan: | | |
| 10% Redeemable Preference Shares of Rs. 100/- each (for terms of preference shares Refer Note no. 17.2) | 108.41 | 108.08 |
| Loans and Advances from related parties | 840.00 | 3,465.00 |
| Total | 1,920.63 | 4,290.67 |

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

17.1 a) Term Loan of Rs. 1,361.11 lakhs from Yes Bank Ltd. Repayable in 18 quarterly instalments starting from 30th April 2024. Interest @ EBLR + 2.10% p.a.

b) Above Term Loan is secured by i) first charged by way of Hypothecation on Plant. ii) Machineries & Second charge by way of Hypothecation on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.

17.2 108570 10% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up were issued on 30th September 2005 redeemable at the option of the company but not later than 20 years from the date of allotment.

17.3 Interest on Loan and Advances from related parties ranges between 10.65% p.a. to 11.00% p.a. (simple interest).

18. Other Non-current Financial Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Security Deposit | 114.88 | 99.88 |
| Interest Accrued and not Due on Borrowings | 0.16 | 0.49 |
| Total | 115.04 | 100.36 |

19. Non Current Provisions

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------|---------------------------|---------------------------|
| Employee Benefits: | | |
| Provision for Leave Encashment | 41.46 | 74.25 |
| Provision for Gratuity | 23.63 | 107.97 |
| Total | 65.09 | 182.22 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
20. Deferred Tax Liabilities (net)

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------|---------------------------|---------------------------|
| Deferred Tax Liabilities | 429.28 | 382.76 |
| Total | 429.28 | 382.76 |

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| On Account of Property, Plant and Equipment | 497.15 | 473.41 |
| On Account of Section 43B Disallowances | (55.48) | (83.13) |
| On Account of IndAS Adjustments | (12.40) | (7.51) |
| Total | 429.28 | 382.76 |

21. Current Borrowings

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Secured Loans: | | |
| From Bank | | |
| Loans repayable on demand (Refer Note No. 21.1) | 933.02 | 1,011.26 |
| Current Maturities of Long-Term Borrowings | 388.89 | 205.03 |
| Unsecured: | | |
| Loans and Advances from related parties | 550.00 | 150.00 |
| Total | 1,871.91 | 1,366.28 |

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

- 21.1 a) Interest on Loans repayable on demand ranges from 5.65% p.a. to 9.25% p.a. (simple Interest).
- b) Above Loan from Yes Bank Ltd is secured by i) second charged by way of Hypothication on Plant Machineries ii) Exclusive charge by way of Hypothication on Inventory & Book debts. iii) Negative lien on Fixed Assets of the Company at 4801/B & 4802/A GIDC Ankleshwar, Gujarat.
- 21.2 Interest on Loans from related parties ranges from 10.65% p.a. to 11.00% p.a. (simple Interest).

22. Trade Payables

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| (i) Total outstanding dues of Micro Enterprises and Small Enterprises | 212.09 | 103.22 |
| (ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 1,283.26 | 1,107.06 |
| Total | 1,495.35 | 1,210.28 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date | 66.54 | 278.70 |
| Interest accrued on the dues to suppliers under MSMED Act, 2006 on the above amount | 0.54 | 2.72 |
| Payment made to suppliers (Other than interest) beyond the appointed date, during the year | NIL | NIL |
| Interest paid to suppliers under MSMED Act, 2006 (other than Section 16) | NIL | NIL |
| Interest paid to suppliers under MSMED Act, 2006 (Section 16) | NIL | NIL |
| Interest due and payable to suppliers under MSMED Act, 2006 for payments already made | NIL | NIL |
| Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006 | NIL | NIL |

22.2 Trade payables ageing :

As at 31st March, 2025

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 212.09 | - | - | - | 212.09 |
| Others | 1,251.10 | 4.20 | 1.32 | 26.64 | 1,283.26 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,463.20 | 4.20 | 1.32 | 26.64 | 1,495.35 |

As at 31st March, 2024

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|-------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 103.22 | - | - | - | 103.22 |
| Others | 1,068.45 | 3.79 | 3.64 | 31.17 | 1,107.06 |
| Disputed dues - Others | - | - | - | - | - |
| Total | 1,171.67 | 3.79 | 3.64 | 31.17 | 1,210.28 |

23. Other Current Financial Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Current Maturities of Long-Term Debt: | | |
| Debentures - Privately Placed Non Convertible | 7.00 | 13.00 |
| Interest Accrued and due | 3.00 | 19.85 |
| Employee dues | 60.20 | 30.52 |
| Payable Against Acquisition | 6.79 | 23.17 |
| Creditors for: | | |
| Expenses | 320.55 | 315.42 |
| Capital Expenditure | 123.82 | 56.54 |
| Other Outstanding Liabilities | 312.43 | 369.64 |
| Total | 833.79 | 828.13 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
24. Current Tax Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-------------------------|---------------------------|---------------------------|
| Provision for tax (Net) | 0.40 | 13.11 |
| Total | 0.40 | 13.11 |

25. Other Current Liabilities

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------|---------------------------|---------------------------|
| Other Payables: | | |
| Statutory dues | 84.47 | 69.16 |
| Advance from Customers | 131.45 | 56.32 |
| Total | 248.73 | 125.47 |

26. Current Provisions

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--------------------------------|---------------------------|---------------------------|
| Employee Benefits: | | |
| Provision for Bonus | 24.92 | 27.06 |
| Provision for Gratuity | 98.11 | 90.05 |
| Provision for Leave Encashment | 33.32 | 34.52 |
| Total | 156.36 | 151.63 |

27. Revenue from Operations

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|------------------|--|--|
| Sale of Products | 13,356.44 | 10,513.23 |
| Total | 13,356.44 | 10,513.23 |

28. Other Operating Revenue

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|-----------------------------|--|--|
| Processing Charges Received | 362.07 | 213.72 |
| Export Incentives | 42.76 | 45.47 |
| Royalty | 59.94 | 59.65 |
| Commssion Income | - | 112.50 |
| Rodtep License - Income | 28.32 | - |
| Other Operating Income | - | 174.89 |
| Total | 493.10 | 606.23 |

29. Other Income

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---------------------------------|--|--|
| Interest from Banks on Deposits | 10.27 | 35.95 |
| Other Interest | 36.02 | 50.20 |
| Foreign Exchange Fluctuation | 102.20 | 48.88 |
| Profit on sale of Investent | 2.46 | - |
| Miscellaneous Income | 69.90 | 5.55 |
| ECL Provision Income | 2.32 | 5.60 |
| Total | 223.17 | 146.45 |

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

30. Cost of Material Consumed

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Opening stock of raw material and packing material | 671.17 | 487.91 |
| Add: Purchases | 3,860.59 | 3,397.57 |
| Less: Closing stock of raw material and packing material | (824.58) | (671.17) |
| Total | 3,707.18 | 3,214.31 |

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

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|---|--|--|
| As at the beginning of the year: | | |
| Finished Goods | 251.57 | 136.71 |
| Work-in-Progress | 34.45 | 70.81 |
| Total Opening Stock (a) | 286.01 | 207.52 |
| As at the end of the year: | | |
| Finished Goods | 258.44 | 251.57 |
| Work-in-Progress | 163.54 | 34.45 |
| Total Closing Stock (b) | 421.98 | 286.01 |
| Net Increase in Finished Goods, work-in-progress and stock in trade (a) - (b) | (135.96) | (78.50) |

32. Employee Benefit Expenses

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Salaries and Wages | 3,101.20 | 2,384.23 |
| Contribution to Provident and Other Funds : | | |
| Provident / ESI Fund | 142.30 | 120.61 |
| Provision for Gratuity | 40.08 | 40.40 |
| Provision for Leave Encashment | 40.26 | 21.49 |
| Staff Welfare Expenses | 139.44 | 109.82 |
| Total | 3,463.26 | 2,676.54 |

33. Finance Costs

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--------------------------------|--|--|
| Interest Expenses on : | | |
| Borrowings From Banks : | | |
| Working Capital | 58.03 | 25.57 |
| Borrowing Others : | | |
| Bank Charges | 18.51 | 11.90 |
| Others | 150.70 | 443.39 |
| Total | 227.25 | 489.09 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
34. Other Expenses

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Consumption of Stores and Spare Parts | 41.55 | 33.99 |
| Power and Fuel | 390.20 | 392.83 |
| Processing Charges | - | 4.29 |
| Rent including Lease Rentals | 177.85 | 169.62 |
| Repairs and Maintenance - Buildings | 49.21 | 23.73 |
| Repairs and Maintenance - Machinery | 99.59 | 102.69 |
| Repairs and Maintenance - Others | 36.64 | 36.26 |
| Insurance | 41.78 | 30.94 |
| Rates and Taxes | 28.57 | 14.14 |
| Commission & Discount | 360.66 | 142.15 |
| Travelling and Conveyance | 492.18 | 375.97 |
| Advertisement and Sales Promotion | 214.42 | 110.96 |
| Legal and Professional Charges | 238.63 | 195.90 |
| Payments to Auditors (Refer Note No. 49) | 23.75 | 23.75 |
| Factory Expenses | 57.90 | 54.29 |
| Fees & Subscription | 27.23 | 30.45 |
| Security Service Expenses | 43.95 | 41.33 |
| Laboratory Chemicals & Expenses | 139.71 | 132.74 |
| Clinical Trial and Other Expenses (R & D) | 97.88 | 63.81 |
| Printing and Stationery | 37.70 | 37.32 |
| Miscellaneous Expenses | 139.95 | 140.25 |
| ECL Provision Expenses | 15.01 | 0.98 |
| Directors Fees | 11.42 | 12.20 |
| Freight & Forwarding Expenses | 267.83 | 216.65 |
| Total | 3,033.61 | 2,387.25 |

35. Exceptional Items

(₹ in lakhs)

| Particulars | For the Year Ended 31st March, 2025 | For the Year Ended 31st March, 2024 |
|--|--|--|
| Sales Tax Paid\GST paid/provided on earlier years assessment | - | 41.06 |
| Total | - | 41.06 |

35 a. Estimated amounts of commitments remaining to be executed as on 31st March, 2025 are as follows:

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|-----------------------------------|---------------------------|---------------------------|
| Against Purchase of Capital Goods | 202.52 | 901.95 |
| Against Purchase of RM and PM | 253.96 | 171.53 |
| Total | 456.48 | 1,073.48 |

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

- (i) Demands were raised against the Holding Company aggregating to ₹ 680.62 Lakhs (as at 31st March 2024 ₹ 680.62 Lakhs) plus interest thereon under the Drug Price Control Order 1979 by the Government of India and the same was contested by the Holding Company. In the earlier years, the Holding Company had received recovery notices for recovery of ₹ 2,094.41 Lakhs (as at 31st March 2024 ₹ 2,094.41 Lakhs) to be deposited into "Drug Price Equalisation Account".

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The Holding Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Holding Company depositing certain amounts against the said demands. Accordingly, the Holding Company has deposited ₹ 1,032.45 Lakhs (as at 31st March 2024 ₹ 1,032.45 Lakhs).

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

- (ii) (a) The Holding Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Holding Company's appeal against the demand for Gujarat Sales Tax of ₹ 1,324.08 Lakhs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to ₹ 85.44 Lakhs (as at 31st March 2024 ₹ 85.44 Lakhs) against which Holding Company has made payment of ₹ 45.81 Lakhs (as at 31st March 2024 ₹ 45.81 Lakhs) under protest. The Holding Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of ₹ 45.81 Lakhs (as at 31st March 2024 ₹ 45.81 Lakhs) are considered by the Holding Company as good and recoverable.
- (b) There are disputed Sales Tax demands from state of Maharashtra in respect of prior years amounting to ₹ 412.41 Lakhs (as at 31st March 2024 ₹ 412.41 Lakhs) against which the Holding Company has made payment of ₹ 20.78 Lakhs (as at 31st March 2024 ₹ 20.78 Lakhs) under protest. The Holding Company has further contested these demands before the Sales Tax Commissioner / Tribunal. The matters are sub-judice and the payments of ₹ 20.78 Lakhs for the Maharashtra state demand (as at 31st March 2024 ₹ 20.78 Lakhs) are considered by the Holding Company as good and recoverable.
- (iii) Employees (Including Ex-Employees) Claims relating to ex-gratia and other benefits aggregating to ₹ 433.66 Lakhs (as at 31st March 2024 ₹ 433.66 Lakhs) as the matter is sub-judice.
- (iv) Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to ₹ 211.72 Lakhs (as at 31st March 2024 ₹ 200.86 Lakhs).
- (v) The Holding Company has received order from Income Tax Department raising demand aggregating to ₹ 100.76 Lakhs (as at 31st March 2024 ₹ 100.76 Lakhs) relating to prior years against which the Holding Company has paid ₹ 20.00 Lakhs (as at 31st March 2024 ₹ 20.00 Lakhs). The matter is sub-judice and the payment of ₹ 20.00 Lakhs (as at 31st March 2024 ₹ 20.00 Lakhs) is considered by the Holding Company as good and recoverable.
- (vi) That cheque dishonor cases under Section 138 of the Negotiable Instruments Act are currently pending against Holding Company before the Metropolitan Magistrate Court at Mazgaon. In compliance with the law under Section 143-A of the NI Act and order dated 04/01/2022, without prejudice to its rights and contentions and under protest, Holding Company has deposited 20% of the cheque amount, totaling ₹ 124.26 lakhs, as interim compensation. The main complaint remains sub-judice.

A Suit (commercial summary suit) has been filed against the Holding Company in the Mumbai City Civil Court. The Ld. Court ordered the Company to deposit ₹ 22.00 lakhs (as of 31st March 2024 ₹ 22.00 lakhs) to be allowed to defend the case. In compliance of the order and to defend their case the Holding Company has made the required deposit of ₹ 22.00 lakhs (as of 31st March 2024 ₹ 22.00 lakhs). The matter is pending and sub-judice. The Holding Company considers this amount is recoverable on disposal of the Suit.

In a commercial suit filed in the City Civil Court at Mazgaon, Mumbai, where the court ordered Holding Company to furnish security for ₹ 873.26 lakhs by providing solvent sureties or a bank guarantee within two months. The Holding Company has appealed this order in the Bombay High Court, seeking a stay on its operation; the application is currently pending adjudication.

37. Debentures:

Debenture of ₹ 7.00 Lakhs (as at 31st March 2024 ₹ 13.00 Lakhs) is outstanding due to cheques returned undelivered / Unclaimed.

38. Capital Expenditure:

- (i) Tangible Project Capital Work-in-Progress ₹ 20.14 Lakhs as at 31st March 2025, (as at 31st March 2024 ₹ 2,197.17 Lakhs) During the year, the Holding Company has capitalized ₹ 2177.03 Lakhs (as at 31st March 2024 ₹ Nil Lakhs) on completion of Lyolophiztion phase I project at Ankleshwar.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- (ii) The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31st March 2025 in respect of “new product development and applied research” aggregating to ₹ 100.29 Lakhs (as at 31st March 2024 ₹ 100.29 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 ₹ Nil (as at 31st March 2024 ₹ 3.75 Lakhs) as “Self-Generated Intangible Assets” upon successful development of respective products.

39. During the year, inventories include slow / non-moving raw-material and packing materials procured during the earlier years amounting to ₹ 27.11 Lakhs (as at 31st March 2024 ₹ 48.39 Lakhs), which are valued at lower of net realisable value or cost whichever is lower. The Holding Company is evaluating to utilize / realize the same.

40. 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, 2025. The following tables set out the amounts recognized in the financial statements as at 31st March, 2025 for the defined benefit plans.

(₹ in lakhs)

| Particulars | | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|-------------|---|--|--|
| a) | Liability recognized in Balance Sheet | | |
| | Change in Benefit Obligation | | |
| | Opening Balance of Present Value of Obligations | 291.50 | 286.91 |
| | Service Cost | 25.59 | 22.06 |
| | Interest Cost | 20.91 | 21.40 |
| | Liability Transferred In/ Acquisitions | - | - |
| | Actuarial Loss / (Gain) on Obligations | (17.81) | (6.21) |
| | Benefits Paid | (48.83) | (32.67) |
| | Closing Balance of Present Value of Obligations | 271.37 | 291.50 |
| | Less : Fair Value of Plan Assets | | |
| | Opening Balance of Plan Assets | 87.43 | 41.07 |
| | Expected Return on Plan assets | 6.72 | (2.98) |
| | Employer’s Contribution | 49.00 | 48.48 |
| | Return on plan assets, excluding amount recognised in net interest expenses | 0.48 | 0.86 |
| | Closing Balance of Plan Assets | 143.58 | 87.43 |
| | Net Liability | 127.79 | 204.07 |
| b) | Expense during the year | | |
| | Service Cost | 25.59 | 22.06 |
| | Interest Cost | 14.24 | 18.38 |
| | Expected Return on Plan Assets | (0.05) | (0.04) |
| | Actuarial Loss / (Gain) on Obligations | (18.29) | (7.06) |
| | Total | 21.50 | 33.34 |
| c) | Principal Actuarial Assumptions | | |
| | Rate of Discounting | 6.55% | 7.19% |
| | Rate of Return on Plan Assets | 6.55% | 7.19% |
| | Salary Growth Rate | 5.00% | 5.00% |

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

- (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, 2025. The following tables set out the amounts recognized in the financial statements as at 31st March, 2025 for the defined benefit plan.

(₹ in lakhs)

| Particulars | | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|-------------|---|--|--|
| a) | Liability recognized in Balance Sheet | | |
| | Change in Benefit Obligation | | |
| | Opening balance of present value of obligations | 138.92 | 110.80 |
| | Service Cost | 15.10 | 19.09 |
| | Interest Cost | 9.64 | 8.26 |
| | Liability Transferred In/ Acquisitions | - | - |
| | Actuarial (Gain) on Obligations | 17.48 | 14.95 |
| | Benefits Paid | (74.25) | (14.18) |
| | Closing balance of present value of obligations | 106.91 | 138.92 |
| | Less : Fair Value of Plan Assets | | |
| | Opening Balance of Plan Assets | 30.16 | 20.64 |
| | Expected Return on Plan Assets | 2.32 | 1.63 |
| | Employer's Contribution | - | 7.89 |
| | Return on plan assets, excluding amount recognised in net interest expenses | - | - |
| | Adjustment to the Opening Value of Plan Assets | - | - |
| | Closing Balance of Plan Assets | 32.48 | 30.16 |
| | Net Liability | 74.43 | 108.76 |
| b) | Expense during the year | | |
| | Service Cost | 15.10 | 19.09 |
| | Interest Cost | 9.64 | 8.26 |
| | Expected Return on Plan Assets | (2.32) | (1.63) |
| | Actuarial (Gain) / Loss on Obligations | 17.48 | 14.95 |
| | Return on plan assets, excluding amount recognised in net interest expenses | - | - |
| | Total | 39.91 | 40.68 |
| c) | Principal Actuarial Assumptions | | |
| | Rate of Discounting | 6.55% | 7.19% |
| | Rate of Return on Plan Assets | 6.55% | 7.19% |
| | Salary Growth Rate | 5.00% | 5.00% |

(iii) Sensitivity Analysis:

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

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|-----------------------------------|--|--|
| Defined Benefit Obligation (Base) | 270.73 | 291.50 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2025 | | For the year ended 31st March, 2024 | |
|--|--|----------|--|----------|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 279.75 | 262.46 | 302.24 | 281.62 |
| (% change compared to base due to sensitivity) | 3.3% | -3.1% | 3.7% | -3.4% |
| Salary Growth Rate (- / + 1%) | 262.92 | 279.10 | 282.20 | 301.11 |
| (% change compared to base due to sensitivity) | -2.9% | 3.1% | -3.2% | 3.3% |
| Attrition Rate (- / + 50% of attrition rates) | 270.00 | 271.54 | 290.18 | 292.94 |
| (% change compared to base due to sensitivity) | -0.3% | 0.3% | -0.4% | 0.5% |

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.

41. Assets taken on operating lease:

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Not later than one year | 97.17 | 97.17 |
| Later than one year but not later than five years | 72.88 | 170.05 |
| Total | 170.05 | 267.23 |

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

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

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

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---------------------------|---------------------------|
| Revenue by Geography | | |
| India | 8478.56 | 6,317.48 |
| Rest of world | 4877.88 | 4,195.75 |
| Total | 13356.44 | 10,513.23 |
| Major Customers : | | |
| Number of Customers individually contributing towards revenue more than 10% of the Company's total revenue | 2 | 1 |
| Revenue from the customers individually contributing towards revenue more than 10% of the Company's total revenue | 4617.14 | 1857.84 |

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

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

| Sr. No. | Name of the Related Party | Relationship |
|---------|---|--|
| 1 | Ipca Laboratories Limited | Entity Exercising Significant Influence |
| 2 | Mr. Kunal Gandhi - Managing Director & Chief Executive Officer Mr. Yogesh Shah - Executive Director & Chief Financial Officer Mr. Kishore P. Shah - Company Secretary & Compliance officer (upto 18th September, 2024) Mr. Shekhar R. Singh - Company Secretary & Compliance officer (w.e.f. 12th November 2024) Mrs. Dhara P. Shah - Independent Director Mr. Babu Lal Jain - Chairman & Independent Director Mr. Prashant Godha - Non Executive Director Mr. Shashil Mendonsa - Non Executive Director Mr. Neeraj Golas - Independent Director | Key Management Personnel (KMP) |
| 3 | Mrs. Nehal N. Gandhi Mrs. Alisha K. Gandhi | Relative of KMP |
| 4 | Enai Trading & Investment Private Limited Lyka Generics Limited Hiralaxmi Multitrade Private Limited - formerly known as Hiralaxmi Business Finance Private Limited | Entities owned by / over which KMP is able to exercise significant influence |

(b) Disclosure of related party transactions:

(₹ in lakhs)

| Sr. No. | Description | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|---|---|--------------------|------------------|-----------------------|------------------------|
| 1 | Sales of Goods | 2,592.77 (1,857.84) | - - | - - | - - | 2,592.77 (1,857.84) |
| 2 | Purchases of Goods / Machinery | - - | - - | - - | 66.83 (144.93) | 66.83 (144.93) |
| 3 | Sales of Fixed Assets | 230.00 - | - - | - - | 13.33 - | 243.33 - |
| 4 | Rent Expenses | - - | 18.00 (18.00) | 18.00 (18.00) | 30.00 (31.50) | 66.00 (67.50) |
| 5 | Remuneration (Payments / Provisions) to | - - | 578.82 (305.92) | 29.28 (29.45) | - - | 608.10 (335.37) |
| 6 | Reimbueshment of Expenses | 56.00 - | - - | 3.00 - | 0.80 - | 59.80 - |
| 7 | Directors Sitting Fees | - - | 10.90 (11.90) | - - | - - | 10.90 (11.90) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

| Sr. No. | Description | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|---------------------------|---|--------|--------------------|-----------------------|------------------------|
| 8 | Interest Expenses | 20.59 (345.01) | - - | 53.15 (41.76) | 61.14 (52.72) | 134.89 (439.49) |
| 9 | Loan Received | 400.00 - | - - | 305.00 (477.82) | 185.00 (170.00) | 890.00 (647.82) |
| 10 | Loan Repaid | 2,750.00 (3,050.00) | - - | 290.00 (467.82) | 75.00 (190.00) | 3,115.00 (3,707.82) |
| 11 | Issue of Equity Shares | 260.00 (240.00) | - - | - - | - - | 260.00 (240.00) |
| 12 | Issue of Security Premium | 3,367.00 (3,108.00) | - - | - - | - - | 3,367.00 (3,108.00) |

() indicate previous year figures

(c) Balance for the year ended

(₹ in lakhs)

| Sr. No. | Description | Entity Exercising Significant Influence | KMP | Relative of KMP | Entities Owned by KMP | Total |
|---------|--------------------------|---|--------------------|--------------------|-----------------------|------------------------|
| 1 | Security Deposit given | - - | 250.00 (251.25) | 250.00 (251.25) | - - | 500.00 (502.50) |
| 2 | Loan Taken | 400.00 (2,750.00) | - - | 400.00 (385.00) | 590.00 (480.00) | 1,390.00 (3,615.00) |
| 3 | Sundry Debtors | 648.36 (170.84) | - - | - - | - - | 648.36 (170.84) |
| 4 | Sundry Creditors | - - | - - | - - | - (87.89) | - (87.89) |
| 5 | Other Payable (Interest) | - - | - - | - (3.08) | - (3.96) | - (7.04) |

() indicate previous year figures

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

44. Earnings per Share (EPS):

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|------------------------|------------------------|
| Adjusted Profit/(Loss) for the year (₹ in lakh) (A) | 790.34 | (259.80) |
| Weighted Average number of Equity Shares (B) | 3,55,83,151 | 3,29,78,525 |
| Face Value per Equity Share (₹) (C) | 10.00 | 10.00 |
| Basic and Diluted Earnings per Share (₹) (D = A/B) | 2.22 | (0.79) |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

45. Taxation :

Deferred Tax :

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2025 and 31st March 2024.

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|--|---------------------------|---------------------------|
| Accounting profit before tax (after exceptional items) | 1,112.49 | (93.39) |
| At India's statutory income tax rate of 25.168% (P.Y. 25.168%) | 279.99 | (23.50) |
| Deferred Tax impact on: | | |
| On Account of Property, Plant and Equipment | 23.75 | (263.25) |
| On Account of Section 43B Disallowances | 27.66 | 239.90 |
| On Account of IndAS Adjustments | (4.89) | 5.09 |
| Less: Deferred Tax Assets not recognised in current year | 279.99 | (23.50) |
| Income tax expenses reported in the Statement of Profit and loss | 46.52 | (18.26) |

46. Disclosures on Financials Instruments

(a) Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2025.

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Cost / Amotrised Cost | Total Carrying Amount |
|------------------------------|-----------------------|----------------------|--------------------------|--------------------------|
| Financial Assets | | | | |
| Investment | 0.08 | 1.94 | - | 2.02 |
| Other Financial Assets | - | - | 2,083.41 | 2,083.41 |
| Trade Receivables | - | - | 4,307.75 | 4,307.75 |
| Loans | - | - | 5.01 | 5.01 |
| Total | 0.08 | 1.94 | 6,396.16 | 6,398.18 |
| Financial Liabilities | | | | |
| Other Financial Liabilities | - | - | 948.83 | 948.83 |
| Borrowings | - | - | 3,792.54 | 3,792.54 |
| Trade Payable | - | - | 1,495.35 | 1,495.35 |
| Total | - | - | 6,236.72 | 6,236.72 |

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

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Cost / Amotrised Cost | Total Carrying Amount |
|------------------------------|-----------------------|----------------------|--------------------------|--------------------------|
| Financial Assets | | | | |
| Investment | 7.47 | 1.71 | - | 9.18 |
| Other Financial Assets | - | - | 2,016.71 | 2,016.71 |
| Trade Receivables | - | - | 2,699.25 | 2,699.25 |
| Loans | - | - | 5.66 | 5.66 |
| Total | 7.47 | 1.71 | 4,721.62 | 4,730.80 |
| Financial Liabilities | | | | |
| Other Financial Liabilities | - | - | 928.49 | 928.49 |
| Borrowings | - | - | 5,656.95 | 5,656.95 |
| Trade Payable | - | - | 1,210.28 | 1,210.28 |
| Total | - | - | 7,795.72 | 7,795.72 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(b) Fair value hierarchy

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

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

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

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

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

(₹ in lakhs)

| Particulars | As at 31st March, 2025 | | | Total |
|--------------------------------------|--------------------------------|------------------------------|---------------------------------|-------------|
| | Fair Value Measurement Using | | | |
| | Quoted Price in active markets | Significant observable input | Significant unobservable inputs | |
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value | | | | |
| FVTOCI financial investments | | | | |
| Quoted equity instruments | 0.08 | - | - | 0.08 |
| FVTPL financial investments | | | | |
| Unquoted equity instruments | - | 0.01 | - | 0.01 |
| Mutual Funds | - | 1.94 | - | 1.94 |
| Total | 0.08 | 1.95 | - | 2.03 |

(₹ in lakhs)

| Particulars | As at 31st March, 2024 | | | Total |
|--------------------------------------|--------------------------------|------------------------------|---------------------------------|-------------|
| | Fair Value Measurement Using | | | |
| | Quoted Price in active markets | Significant observable input | Significant unobservable inputs | |
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value | | | | |
| FVTOCI financial investments | | | | |
| Quoted equity instruments | 7.47 | - | - | 7.47 |
| FVTPL financial investments | | | | |
| Unquoted equity instruments | - | - | - | - |
| Mutual Funds | - | 1.71 | - | 1.71 |
| Total | 7.47 | 1.71 | - | 9.18 |

(c) Valuation technique to determine fair value

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

- 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.
- The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(d) Financial risk management objectives

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

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

Market Risk

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

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Group'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 Group's foreign currency exposure arises mainly from foreign exchange imports, exports and other income/expenses in foreign currency, primarily with respect to USD.

As at the end of the reporting period, the carrying amounts of the 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, 2025 | As at 31st March, 2024 |
|----------------------------|----------|---------------------------|---------------------------|
| Trade Receivable | USD \$ | 26,48,719.60 | 15,02,739.46 |
| Trade Receivable - Advance | USD \$ | (1,34,898.31) | (41,108.54) |
| Trade Payable | USD \$ | (16,639.50) | (1,47,873.52) |
| Net Exposure (\$) | USD \$ | 24,97,181.79 | 13,13,757.40 |
| Trade Receivable | EURO € | - | - |
| Trade Receivable - Advance | EURO € | (2,875.50) | - |
| Net Exposure (€) | EURO € | (2,875.50) | - |
| Trade Payable | JPY ¥ | (10,23,000.00) | (10,23,000.00) |
| Net Exposure (¥) | JPY ¥ | (10,23,000.00) | (10,23,000.00) |

The Group exposure to foreign currency changes for all other currencies is not material.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Foreign currency sensitivity analysis

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

(₹ in lakh)

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------------|---------------------------|---------------------------|
| Impact on profit before tax | | |
| INR / USD - Increase by 5% | 0.32 | 0.42 |
| INR / USD - Decrease by 5% | (0.32) | (0.42) |

Interest rate risk management

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

Interest rate sensitivity

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

| Particulars | Increase / Decrease | Change in interest rate | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|------------------|------------------------|-------------------------|--|--|
| Interest expense | Increase | 100 basis point | - | 4.58 |
| | Decrease | 100 basis point | - | (4.58) |

(e) Credit risk

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

Trade Receivable

Customer credit risk is managed by SCM team subject to the Holding 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 Holding Company's treasury department in accordance with the Holding 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 Holding Company will not be able to settle or meet its obligations on time or at reasonable price. The Holding Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Holding 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 Holding Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Holding Company assessed the concentration of risk with respect to its debt and concluded it to be low.

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

(₹ in lakhs)

| Particulars | Year | Less than 1 Year | More than 1 Year | Total |
|------------------------------|------------------------|------------------|------------------|-----------------|
| Financial Liabilities | | | | |
| Trade Payable | 31st March 2025 | 1,463.20 | 32.16 | 1,495.35 |
| | 31st March 2024 | 1,171.68 | 38.61 | 1,210.28 |
| Borrowings | 31st March 2025 | 1,871.91 | 1,920.63 | 3,792.54 |
| | 31st March 2024 | 1,366.28 | 4,290.67 | 5,656.95 |
| Other Financial Liabilities | 31st March 2025 | 833.79 | 115.04 | 948.83 |
| | 31st March 2024 | 828.13 | 100.36 | 928.49 |

(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.

47. Capital Management

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

48. Derivatives Financial Instruments

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

| Particulars | Currency | As at 31st March, 2025 | As at 31st March, 2024 |
|------------------------------------|------------|------------------------|------------------------|
| Forward Contracts - Exports | USD | - | 9,75,000.00 |

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

| Particulars | Currency | As at 31st March, 2025 | As at 31st March, 2024 |
|--|------------|------------------------|------------------------|
| Forward Contracts - Exports | | | |
| Not later than one months | USD | - | - |
| Later than one month and not later than three months | USD | - | - |
| Later than three months and not later than one year | USD | - | 9,75,000.00 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

49. Payments to Auditors :

(₹ in lakhs)

| Sr. No. | Particulars | For the year ended 31st March, 2025 | For the year ended 31st March, 2024 |
|---------|--|--|--|
| (i) | Audit Fees | 19.25 | 19.25 |
| (ii) | GST Compliance Fees | 1.86 | 3.50 |
| (iii) | Tax Audit Fees | 4.50 | 4.50 |
| (iv) | For other services (certification work etc.) | 1.83 | 1.38 |
| (v) | Due Dilligenec Fees | - | 2.50 |
| | Total | 27.44 | 31.13 |

50. Other Statutory Information

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

Lyka Labs Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

In terms of our report of even date,

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

For D. Kothary & Co.

Chartered Accountants

Firm Registration No. 105335W

Kunal Gandhi

Managing Director & CEO

DIN : 01516156

Prashant Godha

Director

DIN : 00012759

Deepak O Narsaria

Partner

Membership No. 121190

Yogesh Shah

Whole time Director & CFO

DIN : 06396150

Shekhar Singh

Company Secretary &

Compliance Officer

Place : Mumbai

Date : 26th May, 2025

Place : Mumbai

Date : 26th May, 2025

BY COURIER / POST / REGD. AD

To,

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If undelivered, please return to:

Lyka Labs Limited

Corporate Office:

Ground Floor, Spencer Building, 30, Forjett Street,
Grant Road (West), Mumbai - 400 036