

‘ANNEXURE D’

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

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

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS :

CIN	L24230GJ1976PLC008738
Registration Date	29/12/1976
Name of Company	LYKA LABS LIMITED
Category/ Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	4801/B & 4802/A GIDC Industrial Estate, Ankleshwar- 393 002, Gujarat. Contact No: 02646 214422
Whether Listed company	Yes Listed on BSE and NSE
Name, Address and Contact details of Registrar and Transfer agent, if any	Sharex Dynamic (India) Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400 083. Contact No. 28515606

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sr. No.	Name and Description of main products /services	NIC Code of the product / service	% of total turnover of the company
1.	Formulation	21001	94%

III. PRINCIPAL OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name and Address of the Company	CIN /GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Lyka BDR International Limited Gala No. P/ 4, 5 & 6 Rajlaxmi Commercial Complex Kalher, Bhiwandi Road, Thane – 421302, Maharashtra, India	U24234MH1993PLC072947	Subsidiary	65.22	2(87)
2.	Lyka Healthcare Limited Building No. M, Gala No. 16, Shree Rajlaxmi Complex Bhiwandi, Thane – 421302, Maharashtra, India.	U85190MH2013PLC244062	Subsidiary	100	2(87)
3.	Lyka Exports Limited Plot No. C/4/10/B/2, Adarsh Commercial Complex, G.I.D.C. Ankleshwar - 393 002.	U51100GJ1992PLC023975	Subsidiary	72.80	2(87)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	4819850	-	4819850	4669850	0	4669850	16.595
b) Central Govt.	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-
d) Bodies Corp.	432415	-	432415	432415	0	432415	1.537
e) Banks /FI	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-
Sub-total (A)(1):	5252265	0	5252265	5102265	0	5102265	18.132
(2) Foreign							
a) NRIs-Individuals	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	5252265	0	5102265	5102265	0	5102265	18.132
B. Public Shareholding							
(1) Institutions							
a) Mutual Funds	51505	3400	54905	51505	3400	54905	0.195
b) Banks /FI	71179	650	71829	70281	650	70931	0.252
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	157000	1000	158000	157000	1000	158000	0.561

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year	
	Demat	Physical	Total	Demat	Physical	Total		% of Total Shares
g) FIs	1004659	500	1005159	1024659	500	1025159	3.643	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	
Sub-total (B) (1):	1284343	5550	1289893	1303445	5550	1308995	4.651	
(2) Non-Institutions								
a) Bodies Corp.								
i) Indian	2088682	862	2089544	1728909	862	1729771	6.147	
ii) Overseas	-	-	-	-	-	-	-	
b) Individuals								
i) Individual Shareholders holding nominal share capital upto ` 1 Lakh	7491424	252281	7743705	7844059	237367	8081426	28.719	
ii) Individual Shareholders holding nominal share capital in excess of ` 1 Lakh	10087546	0	10087546	10582832	0	10582832	37.608	
c) Others (specify)	1672090	4957	1677047	1329754	4957	1334711	4.743	
Sub-total (B) (2):	21339742	258100	21597842	21485554	243186	21728740	77.217	
Total Public Shareholding (B) = (B)(1)+(B)(2)	22624085	263650	22887735	22788999	248736	23037735	81.868	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	
Grand Total (A) +(B) +(C)	27876350	263650	28140000	27876350	263650	28140000	100.00	
							0	

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

(ii) Category-wise Share Holding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Narendra Ishwarlal Gandhi HUF	1400776	4.978	0	1400776	4.978	0	0
2.	Nehal Narendra Gandhi	1144803	4.068	4.067	1144803	4.068	4.067	0
3.	Narendra Ishwarlal Gandhi	1167629	4.149	4.149	1167629	4.149	4.149	0
4.	Kunal Narendra Gandhi	1106642	3.933	3.731	956642	3.400	3.198	-0.533
5.	Enai Trading And Investment Private Limited	432415	1.537	0	432415	1.537	0	0
	Total	5252265	18.665	11.947	5102265	18.132	11.414	(0.533)

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

Sr. No.	For Each of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Shareholding at the beginning of the year of Mr. Kunal N. Gandhi	1106642	3.933		
	Change during the year				
	Invoked on 03.04.2018	-50000	0.178	1056642	3.755
	Invoked on 19.04.2018	-50000	0.178	1006642	3.577
	Invoked on 08.06.2018	-50000	0.178	956642	3.400
	Shareholding at the end of the year	956642	3.400	956642	3.400

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

Sr No	Name	No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	MAYANK J SHAH -Closing Balance	2000000	7.107	01-04-2018 31-03-2019		No Change	2000000	7.107
2	SHRUTI MAYANK SHAH -Closing Balance	1515846	5.387	01-04-2018 06-04-2018 15-06-2018 31-03-2019	-1500000 1500000	Sold Buy	15846 1515846 1515846	0.072 5.387 5.387
3	PRASHAM M SHAH -Closing Balance	1500000	5.330	01-04-2018 31-03-2019		No Change	1500000	5.330
4	COBRA INDIA (MAURITIUS) LIMITED -Closing Balance	1004659	3.570	01-04-2018 31-03-2019		No Change	1004659	3.570
5	AMEE PARIKH	975356	3.466	01-04-2018 31-03-2019		No Change	975356	3.466

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Sr No	Name	No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
6	DALAL & BROACHA STOCK BROKING PVT. LTD.	788534	2.802	01-04-2018				
				04-05-2018	400	Buy	788934	3.580
				11-05-2018	-400	Sold	788534	3.578
				25-05-2018	2000	Buy	790534	3.587
				08-06-2018	-1300	Sold	789234	3.581
				15-06-2018	-700	Sold	788534	2.802
				22-06-2018	500	Buy	789034	2.804
				06-07-2018	6900	Buy	795934	2.828
				13-07-2018	-7400	Sold	788534	2.802
				27-07-2018	2000	Buy	790534	2.809
				03-08-2018	-2000	Sold	788534	2.802
				10-08-2018	2000	Buy	790534	2.809
				17-08-2018	-2000	Sold	788534	2.802
				31-08-2018	5000	Buy	793534	2.820
				21-09-2018	-5000	Sold	788534	2.802
				12-10-2018	500	Buy	789034	2.804
				02-11-2018	-500	Sold	788534	2.802
22-03-2019	1500	Buy	790034	2.808				
	-Closing Balance			31-03-2019			790034	2.808
7	SHREYANS J SHAH	500000	1.777	01-04-2018				
				31-03-2019		No Change	500000	1.777
8	M J SHAH	300000	1.066	01-04-2018				
				31-03-2019		No Change	300000	1.066
9	PRANAY GODHA	300000	1.066	01-04-2018				
				31-03-2019		No Change	300000	1.066

Sr No	Name	No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
10	VIPUL PRIYAKANT DALAL -Closing Balance	240121	0.853	01-04-2018 31-03-2019		No Change	240121	0.853

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Name of the Directors			
		Shareholding at beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mr. N I Gandhi				
	At the beginning of the year	1167629	4.149	1167629	4.149
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	No Change during the year			
	At the end of the year	1167629	4.149	1167629	4.149
2.	Nehal N Gandhi				
	At the beginning of the year	1144803	4.068	1144803	4.068
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	No Change during the year			
	At the end of the year	1144803	4.068	1144803	4.068
3.	Vinod Shanbhag*				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	No Change during the year			
	At the end of the year	500	0.002	500	0.002
4.	Yatin Shah				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-

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5.	At the end of the year	-	-	-	-
	Atit Shukla				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
6.	At the end of the year	-	-	-	-
	Ajit Bagadia				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
7.	Kunal N Gandhi				
	At the beginning of the year	1106642	3.933	1106642	3.933
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	Decrease in Shareholding due to invocation			
		-50000 Invoked on 03.04.2019	0.178	1056642	3.755
		-50000 invoked on 19.04.2019	0.178	1006642	3.577
		-50000 invoked on 08.06.2019	0178	956642	3.400
	At the end of the year	956642	3.400	956642	3.400
8.	Neha Anant Thakore**				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	No Change during the year			
	At the end of the year	800	0.002	800	0.002
9.	Dinesh Darji ***				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	-	-	-	-
10.	Raj Trivedi (KMP)****				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.

	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	1	-	1	-
11.	Yogesh Shah	-	-	-	-
	At the beginning of the year	50	-	50	-
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.,)	-	-	-	-
	At the end of the year	50	-	50	-

* NA, as Shri Vinod Shanbhag was appointed as Additional Director on the Board of the Company w.e.f., 1st November, 2018

** Smt. Neha A Thakore was appointed as Independent on the Board of the Company w.e.f. 29.09.2018

***Shri Dinseh Darji resigned w.e.f. 30.11.2018

****Shri Raj Trivedi appointed as Company Secretary and Compliance Officer of the Company w.e.f. 01.12.2018

V. INDEBTEDNESS

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

	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	899828951	10,79,98,779	4952000	1,01,27,79,730
ii) Interest due but not paid	9067279	3964081	1012262	1,40,43,622
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	90,88,96,230	11,19,62,860	59,64,262	1,02,68,23,352
Change in indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(12,81,05,834)	2,51,32,654	(4,92,944)	(10,34,66,124)
Net Change				
Indebtedness at the end of financial year				
i) Principal amount	78,03,13,638	12,41,27,873	44,82,000	90,89,23,512
ii) Interest due but not paid	4,76,757	1,29,67,641	9,89,318	1,44,33,716
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	78,07,90,396	13,70,95,514	54,71,318	92,33,57,228

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Narendra Ishwarlal Gandhi Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,20,000
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	10,31,919
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	- others, please specify...	-
	Total	41,51,919

B. Remuneration to other directors :

1. Non executive Director

Sr. No.	Particulars of Remuneration	Mrs. Nehal Gandhi
a	Fees for attending Board/Committee meetings	₹ 90000
b	Commission	-
c	Others, please specify	-
	Total (1)	₹ 90000

2. Independent Director

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount
		Vinod Shanbhag	Neha Anant Thakore	Atit Shukla	Yatin Shah	Ajit Bagadia	
a	Fees for attending Board/Committee meetings	60,000	1,80,000	2,70,000	2,70,000	2,70,000	10,50,000
b	Commission	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-
	Total (2)	60,000	1,80,000	2,70,000	2,70,000	2,70,000	10,50,000
	TOTAL B =(1+2)	-	-	-	-	-	11,40,000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		Mr. Kunal Gandhi, Chief Executive Officer	Mr. Yogesh Shah, Chief Finance Officer	Mr. Dinesh Darji, Company Secretary	Mr. Raj Trivedi, Company Secretary	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,30,000	4,80,000	5,59,355	1,52,333	4821688
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11,00,697	6,31,800	5,08,857	1,36,816	23,78,170
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, please specify...	-	-	-	-	-
	Total	47,30,697	11,11,800	10,68,212	2,89,149	71,99,858

**Mr. Dinesh Darji resigned w.e.f. 30.11.2018*

**Mr. Raj Trivedi appointed w.e.f. 01.12.2018*

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

By the order of the Board

Nehal N Gandhi
(DIN:00021580)
Non-Executive Director

Kunal N. Gandhi
(DIN:01516156)
Managing Director

Place: Mumbai
Date: 9th August, 2019

‘ANNEXURE E’

Statement of Subsidiaries Financial

In format of AOC 1

**Statement containing salient features of the financial statements of the Subsidiaries/Joint Ventures/
Associate Companies**

Pursuant to Section 129(3) of the Companies Act, 2013

[Read with Rule 5 of the Companies (Accounts) Rules, 2014]

Sr No	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3
1.	Name of Subsidiaries	Lyka BDR International Ltd	Lyka Exports Ltd.	Lyka Healthcare Ltd.
2.	Date of Acquisition	04.05.2009	30.05.2014	05.06.2013
3.	Reporting period for the Subsidiary concerned	April, 18 to Mar, 19	April, 18 to Mar, 19	April, 18 to Mar, 19
4.	Reporting currency and Exchange rate as on the last date of relevant Financial year	Indian Rupees	Indian Rupees	Indian Rupees
5.	Share Capital	225,000,000	73,954,240	75,500,000
6.	Reserve & Surplus	(2,58,891,693)	1,66,60,815	(3,61,22,307)
7.	Total Asset	18,98,89,392	13,72,20,512	32,69,90,807
8.	Total Liabilities	18,98,89,392	13,72,20,512	32,69,90,807
9.	Investments	-	1,08,214	-
10.	Turnover	28,11,87,515	10,33,28,870	10,04,32,830
11.	Profit/ (Loss) before taxation	(1,42,44,997)	(1,04,07,854)	(5,85,86,173)
12.	Provision for Taxation	(13,73,275)	(27,69,994)	(31,46,936)
13.	Profit/ (Loss) after Taxation	(1,28,71,722)	(76,37,860)	(5,54,39,237)
14.	Proposed Dividend	-	-	-
15.	% of Shareholding	65.22%	72.80%	100%

By the order of the Board

**Nehal N Gandhi
(DIN:00021580)
Non-Executive Director**

**Kunal N. Gandhi
(DIN:01516156)
Managing Director**

Place: Mumbai
Date: 9th August, 2019

Annexure F

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

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

Name	% Increase in the remuneration	Ratio of the remuneration of each Directors/to median remuneration of the employees
Shri Narendra I Gandhi	Nil	12.35

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

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

Name	% Increase in the remuneration
Shri Narendra I Gandhi	Nil
Shri Kunal N Gandhi	9.86
Shri Yogesh B Shah	23.48
Shri Dinesh J Darji	Nil
Shri Raj T Trivedi	Nil

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

- 3) The Percentage increase in the median remuneration of employees in the financial year: 0.94 %
- 4) The number of permanent employees on the rolls of the Company: 132
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average Percentage Increase made in the salaries of Employees other than the managerial personnel in the last financial year i.e. 2018-19 was 3.45%.
- 6) It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other Employees is as per the Remuneration Policy of the Company: The Company affirms that remuneration is as per remuneration policy.
- 7) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection on all working days, during business hours, at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

By the order of the Board

Nehal N Gandhi
(DIN:00021580)
Non-Executive Director

Kunal N. Gandhi
(DIN:01516156)
Managing Director

Place: Mumbai
Date: 9th August, 2019

'ANNEXURE G'

CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations'), the Company presents the Report on Corporate Governance for the Financial year ended 31st March, 2019 containing the matters detailed in the said Regulations with respect to Corporate Governance requirements.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

The Company has code of conduct for employees including Directors. These codes are available on the Company's website. The Company's Corporate Governance philosophy has been further strengthened through Lyka's Insider Trading Code.

A report on Corporate Governance is given hereunder:

2. BOARD OF DIRECTORS

- a) As on 31st March, 2019, the Company has Six Directors consisting of a two Managing Directors, one Non-Executive Women Director and three Non-Executive Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 149 of the Companies Act, 2013 ("the Act").

The composition of the Board of Directors of the Company as on 31st March, 2019 is given below:

Name	Category	Shareholding as on 31 st March, 2019
Shri Narendra I Gandhi	Chairman & Managing Director	1167629
Shri Kunal N Gandhi	CEO & Joint Managing Director	956642
Smt Nehal N Gandhi	Non-Executive Director	1144803
Smt Neha A Thakore	Non-Executive Independent Director	800
Shri Atit N Shukla	Additional Non-Executive Independent Director	0
Shri Vinod S Shanbhag	Additional Non-Executive Independent Director	500

- b) Independent Directors are Non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

- c) The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 (“The Act”) and SEBI Listing Regulations. None of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. Chairmanships/ Memberships of Board Committees shall only include Audit Committee and Stakeholders’ Relationship Committee.
- d) The attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. During the financial year 2018-19, Seven Board Meetings were held on 5th April, 2018, 29th May, 2018, 21st July, 2018, 13th August, 2018, 27th September, 2018, 1st November, 2018 and 12th February, 2019. Details of Board Meetings are given in the appended table:

Name	No. of Board Meetings Attended during the year 2018-19	Whether attended last AGM held on 29 th September, 2018	No. of Directorships in other companies as on 31 st March, 2019	No. of Committee positions in other public companies as on 31 st March, 2019	
				Member	Chairman
Shri Narendra I Gandhi *****	5	No	4	2	0
Smt. Nehal N Gandhi*****	3	No	1	0	0
Smt Neha A Thakore	5	No	0	0	0
Shri Vinod S Shanbhag**	1	NA	0	2	2
Shri Yatin N Shah*	6	No	NA	NA	NA
Shri Ajit S Bagadia*	6	Yes	NA	NA	NA
Shri Atit N Shukla[*(***)]	6	No	2	2	0
Shri Kunal N Gandhi*****	NA****	No	3	0	0

*Shri Yatin N Shah, Shri Atit Shukla and Shri. Ajit S. Bagadia, ceased to be Independent Director of the Company w.e.f. 29th December, 2018.

**Shri Vinod S Shanbhag was appointed as Additional Independent Director w.e.f 1st November, 2018.

***Shri Atit Shukla was appointed as Additional Independent Director for the Second term w.e.f 12th February, 2019.

****Shri Kunal N Gandhi was appointed as a Joint Managing Director w.e.f. 12th February, 2019.

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

- e) Familiarisation Programme imparted to Independent Directors has been given on the Company's Website i.e. www.lykalabs.com.
- f) The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr No.	Area of skills/expertise/ competencies
1.	Financial Skills/Accounts
2.	Pharma marketing strategy
3.	Legal and Regulatory Compliance and Governance
4.	Risk Management
5.	Plant Management
6.	Human Resource/Leadership
7.	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.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee is as set out in Regulations 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013 and as adopted by the Board of Directors of the Company. This inter alia includes:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to conditions as prescribed under Rule 6A of Companies (Meeting of Board and its power) Rules, 2014.

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188 of the Companies Act, 2013, between the company and its wholly owned subsidiary company.

5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I. Role of Audit Committee:

- i. Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - ii. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
 - iii. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - iv. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - v. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
 - vii. Evaluation of internal financial controls and risk management systems;
 - viii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - ix. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - x. Discussion with internal auditors of any significant findings and follow up there on;
 - xi. 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;
 - xii. 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;
 - xiii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xiv. To review the functioning of the whistle blower mechanism;
 - xv. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
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