

16th August, 2022

BSE Limited 1 st floor, New Trading Ring Rotunda Bldg, P.J Towers Dalal Street, Mumbai -400 001	National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No. C/1, G. Block Bandra Kurla Complex Bandra (East), Mumbai - 400 051
Script Code: 500259	Script Code: LYKALABS

**Sub.: Application for Amalgamation of Lyka Exports Limited (Subsidiary) with
Lyka Labs Limited (Holding Company)**

Dear Sir/Madam,

With respect to above we wish to inform you that Lyka Exports Limited a subsidiary, is amalgamating with its holding Company w.e.f. 1st April, 2022 (Appointed Date). We provide following documents for your processing our application for amalgamation viz:

1. Scheme of Amalgamation.
2. Board Resolutions passed by Board of Directors of Lyka Exports Limited and Lyka Labs Limited approving scheme of amalgamation of Lyka Exports Limited with Lyka Labs Limited.
3. Valuation Report provided by Bhavesh M. Rathod- Registered Valuer.
4. Fairness Opinion regarding Valuation of Shares and Exchange Ratio provided by Kunvarji Finstock Private Limited- SEBI Registered Category I Merchant Banker.
5. Audit Committee Report.
6. Auditors Certificate under section 133 of the Companies Act, 2013 provided by M/s. D. Kothary & Co, Chartered Accountants, for accounting treatment to be given in the proposed amalgamation separately for Lyka Labs Limited and Lyka Exports Limited.

Kindly ask, If any further information / clarification required in the above matter.

Thanking you,
Yours faithfully,

For Lyka Labs Limited



Piyush G. Hindia
Company Secretary & Compliance Officer
ACS-5861

SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232 OF THE COMPANY ACT, 2013

OF

LYKA EXPORTS LIMITED (THE "TRANSFEROR COMPANY") AND

LYKA LABS LIMITED (THE "TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. Description of Company and Background

I. Lyka Exports Limited, Transferor Company (CIN: U51100GJ1992PLC023975) is a unlisted public limited company incorporated under the Company Act, 1956 having its registered office at Plot No C/4/10/B/2nd Floor Adarsh Industrial Complex Opp: S B I Ankleshwar Bharuch-393002 (hereinafter referred to as the "Transferor Company").

The Transferor Company is in the field of marketing and distribution of Generic Pharmaceutical Formulations pan India & across various segments. The Transferor Company is a subsidiary of Transferee Company with 72.8% of its shareholding held by Transferee Company

II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the "Transferee Company"). The Transferee Company is engaged in the business of manufacturing and marketing of pharmaceutical products. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

III. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions therein.

B. Rationale for the Scheme

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

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



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

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

C. Parts of the Scheme:

This Scheme of Amalgamation is divided into the following parts:

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

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



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2(1B) therein. If any terms or provisions of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2 (1B) of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

**PART I
DEFINITIONS AND SHARE
CAPITAL**

1. DEFINITIONS

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

- 1.1. "Act" means the Company Act, 2013 , the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time;
- 1.2. "Appointed Date" means the opening hours of business hours on 1st April 2022;
- 1.3. "Board of Directors" or "Board" means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof
- 1.4. "Effective Date" means the last of the dates on which the certified or authenticated copies of the orders of the National Company Law Tribunal sanctioning the Scheme are filed with the respective Registrar of Company by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.5. "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India, National Company Law Tribunal (to be constituted under Company Act, 2013), and the NCLT ;
- 1.6. "NCLT " means the National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferor and Transferee Company may admit ;
- 1.7. "Registrar of Companies" means the Registrar of Companies, Ahmedabad.
- 1.8. "Scheme" means this Scheme of amalgamation between the Transferor Company and the Transferee Company and their respective shareholders as submitted to the NCLT together with any modification(s) approved or directed by the NCLT Ahmedabad Bench ;
- 1.9. "Stock Exchanges" means Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the shares of Transferee Company are listed;
- 1.10. "Transferor Company" means Lyka Exports Limited (CIN:



U51100GJ1992PLC023975) , a company incorporated under the Company Act, 1956 having its registered office at Plot No C/4/10/B/2nd Floor Adarsh Industrial Complex Opp: S B I Ankleshwaer Bharuch-393002 ;

1.11. "Transferee Company" means Lyka Labs Limited (CIN: L24230GJ1976PLC008738) a company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002;

1.12. "Undertaking" means the whole of the undertaking and entire business of the Transferor Company as a going concern, including (without limitation):

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



- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Company;
- V. All permanent employees engaged by the Transferor Company as on the Effective Date.
- VI. All quotas, rights, entitlements, export/import incentives and benefits including advance licenses, bids, tenders (at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating thereto;
- VII. All brand names, trademarks, trade names, patents and domain names, the intellectual property in relation to ANDAs (Abbreviated New Drug Application), Certificate of Pharmaceutical Products (CoPPs), registrations; applications and authorizations of pharmaceutical products with governmental authorities in any jurisdiction (in so far as such pharmaceutical products pertain to the Undertaking), filings, dossiers copyrights, industrial designs, trade secrets, know-how; data, formulations, technology, methodology, manufacturing procedures and techniques, test procedures, product registrations, applications and authorizations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferor Company;
- VIII. All intellectual property rights created, developed or invented by employees concentrated on the research, development or marketing of products (including process development or enhancement) in connection with the Transferor Company;
- IX. All benefits and privileges under letters of permission and letters, of approvals in respect of Special Economic Zones and Export Oriented Units and the benefits related thereto, all tax credits, including CENVAT credits, refunds; reimbursements, claims, exemptions, benefits under service tax laws, value added tax, purchase tax, sales tax or any other duty or tax or cess or imposts under central or state law including sales tax deferrals, advance taxes, tax deducted at source, right to carry forward and set-off unabsorbed losses, if any and depreciation, deductions and benefits under the Income-tax Act, 1961, as well as any recognition of the In-house Research and Development unit with the Department of Scientific & Industrial Research or any Government Authority;

1.13. All capitalized terms not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts



(Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be, or any statutory amendment(s) or re-enactment thereof, for the time being in force.

2. SHARE CAPITAL

2.1. Transferor Company:

The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on March 31, 2022 was as under:

Particulars	Rs.
Authorised Share Capital:	
90,00,000 Equity Shares of Rs. 10/- each	9,00,00,000
Issued, Subscribed and Paid up Share Capital:	
73,95,424 equity shares of Rs. 10/- each	7,39,54,240

Subsequent to the above balance sheet date there is no change in the Capital Structure of Transferor Company. The Transferor Company is a subsidiary of Transferee Company with 72.8% of its shareholding held by Transferee Company.

2.2. Transferee Company:

The Authorised, Issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2022 was as under:

Particulars	(Rs.)
Authorised Share Capital:	
4,80,00,000 Equity Shares of Rs. 10/- each.	48,00,00,000
2,00,000 Reedemable Preference Shares of Rs. 100/- each	2,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
2,86,90,000 Equity Shares of Rs. 10/- each	28,69,00,000

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

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

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

PART II

TRANSFER AND VESTING OF UNDERTAKING

4. TRANSFER OF UNDERTAKING

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 to 232 of the Act, shall stand transferred to and be vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further



act, instrument, deed, matter or thing to be made, done or executed so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

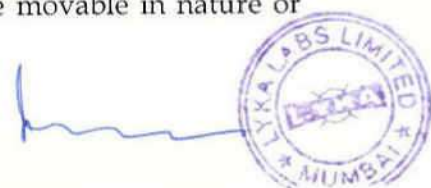
- 4.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire Undertaking(s) of the Transferor Company, including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied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

4.3 Transfer of Assets:

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

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

- 4.3.1.2 Without prejudice to the provisions of Clause 4.3.1.1 above, in respect of such of the assets and properties of the Undertaking as are movable in nature or



incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertaking, without requiring any separate deed or instrument or conveyance for the same.

- 4.3.1.3 In respect of movables other than those dealt with in Clause 4.3.1.2 above including sundry debts, receivables, bills, credits, loans and advances of the Undertaking, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Governmental Authority or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company.
- 4.3.1.4 All interests of the Transferor Company in their respective subsidiaries as on the Appointed Date will become the interests and subsidiaries of the Transferee Company.
- 4.3.1.5 All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 4.3.2 The Transferor Company shall, if so required, also give notice in such form as it may deem fit and proper to the debtors, that pursuant to the sanction of this Scheme by NCLT, Ahmedabad Bench under and in accordance with Sections 230 to 232 and all other applicable provisions, if any, of the Act, the said debtors should pay to the Transferee Company the debt, loan or advance or make the same on account of the Transferor Company and the right of the Transferor Company to recover or realize the same stands extinguished.
- 4.3.3 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the respective Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme. Provided however that no onerous assets shall have been acquired by the Transferor Company after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.



4.4 Transfer of Liabilities:

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

4.5 Encumbrances

- 4.5.1 The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under Clauses 4.1 to 4.3 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.
- 4.5.2 All the existing securities, mortgages, charges, encumbrances or liens



(the "Encumbrances"), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such Encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no Encumbrances shall have been created by the Transferor Company over its assets after the Appointed Date without the consent of the Transferee Company as provided for in this Scheme.

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

4.6 Inter - se Transactions:

Without prejudice to the provisions of Clauses 4.1 to 4.5, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. CONTRACTS, DEEDS, ETC.

- 5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor



Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall without any further act or deed, stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

6. LEGAL PROCEEDINGS

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

7. CONDUCT OF BUSINESS

- 7.1 With effect from the Appointed Date and up to and including the Effective Date:
- 7.1.1 The Transferor Company shall carry on and shall be deemed to have carried



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

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

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

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

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

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

7.2.1.2 if the same is permitted by this Scheme; or

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

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

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

7.2.2.2 if the same is permitted by this Scheme; or

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

7.3 Treatment of Taxes

7.3.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957



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

- 7.3.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 7.3.3 Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 7.3.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, luxury tax, VAT, etc., to which the Transferor Company are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8. STAFF WORKMEN AND EMPLOYEES

8.1 Upon the coming into effect of this Scheme:

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



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

9. SAVING OF CONCLUDED TRANSACTIONS

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

PART III

10. CANCELLATION OF EQUITY SHARES OF THE TRANSFEROR COMPANY HELD BY THE TRANSFEREE COMPANY

The investment held by the Transferee Company in the share capital of Transferor Company shall stand cancelled on and from the Appointed Date

ISSUE OF NEW EQUITY SHARES BY TRANSFEREE COMPANY

10.1 The provisions of this Part III shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

Issue of new equity shares by Transferee Company
As per SEBI order dated 5th June, 2020 on GDR issue made in 2005,

10.1.1 "The Company is restrained from accessing the Securities Market including by issuing prospectus, offer document or advertisement soliciting money from the public and is further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of three years from the date of this order."

The Transferee Company has preferred an appeal before Securities Appellate Tribunal on 03rd November, 2021 for relaxation in the above-mentioned SEBI order.

10.1.2 The Transferee Company, subject to the approval of SEBI, shall issue and allot as per swap ratio based on the valuation report approved by the merchant banker to all the equity shareholders of the Transferor Company (other than the Transferee) whose names are registered in the Register of Members of the Transferor Company on the Record Date or his/her/its legal heirs, executors or administrators or, as the case may be, successors, a total of 4,62,711.24 equity shares of Rs.149.47 each, credited as fully paid up of the Transferee Company in the ratio of 0.23 equity shares of the face value of Rs.149.47 each of the Transferee Company for every 1 equity share of the face value of Rs.34.40 each credited as



fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company with rights attached thereto as mentioned in this Scheme. For the purposes of the allotment referred to in this Clause, fractional entitlements if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI.

10.1.3 Where new equity shares of the Transferee Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.

10.1.4 The ratio in which equity shares of the Transferee Company are to be issued and allotted to the equity shareholders of the Transferor Company (except the Shares held by Transferee) are herein referred to as the "Share Exchange Ratio". In the event that the Transferee Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of such corporate actions.

10.1.5 The equity shares of the Transferee Company are listed and admitted to trading on the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws and regulations for complying with the formalities of the Stock Exchanges with respect to the issue of ordinary (equity) shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The ordinary (equity) shares allotted pursuant to Clause 10.1.2 shall remain frozen in the depositories system till listing /trading permission is given by the Stock Exchanges and shall be subject to such lock-in as may be prescribed by the Stock Exchanges and/or other Governmental Authorities.

10.1.6 Increase in authorized share capital of Transferee Company

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

10.1.7 The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows, assuming that the Scheme of Merger of Lyka Exports Ltd a subsidiary of the Transferee is approved by that date:

"The Authorized equity Share Capital of the Transferee Company is Rs. 48000000 equity shares of Rs. 10 each and 20000 Redeemable Preference shares of Rs.100 each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being



and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Company Act, 2013, for the time being in force.”

PART IV

ACCOUNTING TREATMENT AND DIVIDENDS

11. ACCOUNTING TREATMENT

- 11.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the Transferee Company, all assets and liabilities recorded in the books of the Transferor Company and transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded by the Transferee Company at their carrying value as appearing in the books of the Transferor Company.
- 11.2 The identity of statutory reserves of the Transferor Companies, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company prior to this Scheme becoming effective.
- 11.3 The balance in the Profit & Loss Account and the Free Reserves Account of the Transferor Company shall be carried as the balances in the accounts of the Transferee Company.
- 11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the “Net Book Value” of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with Ind AS 103 Business Combinations .
- 11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Ind AS 103 Business Combinations .
- 11.7 Inter Company balances and transactions, if any, between the Transferor Company and the Transferee Company, shall be cancelled;

12. DECLARATION OF DIVIDEND

- 12.1 During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.



12.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

13. POWER TO GIVE EFFECT TO THIS PART

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

13.2. Upon coming into effect of the Scheme, the Transferee Company and/ or the Transferor Company shall, with reasonable dispatch apply for transition of all licenses and statutory registrations of the Transferee Company including but not limited to product registrations (including applications and authorizations for product registrations), ANDAs, manufacturing licenses, product permissions, certificates, CoPPs, market authorizations, filings, dossiers (including experience and pre-qualification submissions), industrial licences, municipal permissions, approvals, consent, permits, quotas, registration with Food and Drug Administrations of various states, incentives and subsidies. The period between the Effective Date and the last date on which the transfer of all such aforementioned licenses and statutory registrations have occurred is hereinafter referred to as "Transitory Period".

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

PART V

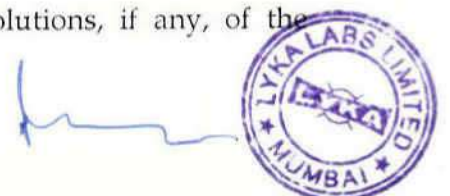
DISSOLUTION OF TRANSFEROR COMPANY AND GENERAL TERMS AND CONDITIONS

14. DISSOLUTION OF TRANSFEROR COMPANY

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

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the



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

16. MODIFICATION OF SCHEME

- 16.1 Subject to approval of Jurisdictional NCLT, the Transferor Company and the Transferee Company by their respective Board of Directors or any director/executives or any committee authorised in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modification(s) or addition(s) to this Scheme which Jurisdictional NCLT or any authorities under law may deem fit to approve of or may impose and which the Board of Directors of the Transferor Company and the Transferee Company may in their discretion accept, or such modification(s) or addition(s) as the Board of Directors of the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may deem fit, or required for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. The Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of the Transferor Company or the Transferee Company find unacceptable for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme.
- 16.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any of the Transferor Company) or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of the Transferor Company or the Transferee Company to be obtained for any matter, the same may be given through their Delegates.

17. FILING OF APPLICATIONS

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

18. APPROVALS

The Transferee Company shall be entitled, pending the sanction of the Scheme, to



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

19. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

19.1 This Scheme is conditional upon and subject to:

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

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

20. COSTS, CHARGES, EXPENSES AND STAMP DUTY

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

For LYKA EXPORTS LTD


Company Secretary

For LYKA LABS LIMITED


Company Secretary

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF LYKA LABS LIMITED AT ITS MEETING HELD ON 8TH AUGUST, 2022 AT 125, CHARKOP ROAD, CHARKOP INDUSTRIAL ESTATE, KANDIVALI WEST, MUMBAI - 400 067

APPROVAL OF THE SCHEME OF AMALGAMATION

“RESOLVED THAT based on the report submitted by the Audit Committee recommending the draft Scheme and pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the requisite approvals and sanction of the National Company Law Tribunal, Ahmedabad Bench (“NCLT”), or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, the approval of the Board of Directors of the Company (“Board”) be and is hereby accorded to the Scheme of Amalgamation of Lyka Exports Limited (‘the Transferor Company’) with Lyka Labs Limited (‘the Transferee Company’) and their respective shareholders (‘the Scheme’) as per the draft Scheme of Amalgamation circulated herewith, subject to modifications, if any, as may be imposed by any regulatory authority or the shareholders of the Company or the NCLT.

RESOLVED FURTHER THAT

- (a) For the purpose of amalgamation of Lyka Exports Limited into Lyka Labs Limited, based on the valuation report of Mr. Bhavesh M. Rathod, Registered Valuer dated 6th August, 2022 the following share entitlement ratio be and is hereby approved as under:

“23 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in the proportion of their holding 100 shares in the Transferor Company.”

- (b) Valuation Report dated 6th August, 2022 of Mr. Bhavesh M. Rathod, Registered Valuers, as placed before the Board be and is hereby accepted and taken on record;
- (c) The Fairness Opinion Report on the share entitlement ratio dated 6th August, 2022 of Kunvarji Finstock Private Limited, a Category I Merchant Banker, as placed before the Board be and is hereby accepted and taken on record;
- (d) The certificate dated 6th August, 2022 issued by the Statutory Auditors of the Company i.e. M/s D. Kothary & Co., to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record;
- (e) the report of the Audit Committee dated 8th August, 2022 recommending the draft Scheme, taking into consideration, inter alia, the valuation report, fairness opinion and the aforesaid certificate from Statutory Auditor, as placed before the Board be and is hereby accepted and taken on record;



- (f) the report explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio under the provisions of Section 232(2)(c) of Act be and is hereby adopted and taken on record;
- (g) BSE Limited (BSE) be chosen as the Designated Stock Exchange for the purpose of coordinating with Securities and Exchange Board of India obtaining approval of SEBI in accordance with Regulation 37 ('SEBI') for of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, a Committee of the Board of Directors of the Company known as "Amalgamation Committee", comprising of the following:-

- a. Mr. Kunal Gandhi
- b. Mr. Yogesh B. Shah
- c. Mr. Babulal Jain

be and are hereby authorized to make such alterations and/or changes in the Scheme as may be expedient or necessary for satisfying the requirement or conditions imposed by NCLT, shareholders or any regulatory authority provided prior approval of Board of Directors shall be obtained for making any material changes in the approved in the Board Meeting.

RESOLVED FURTHER THAT the aforementioned Committee of Board of Directors, be and are hereby authorized to allot equity shares to the shareholders of the Transferor companies and do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for therewith or incidental thereto.

RESOLVED FURTHER THAT Mr. Kunal Gandhi, Managing Director, Mr. Yogesh B. Shah, Executive Director & Chief Financial Officer and Mr. Piyush G. Iindia, Company Secretary and Compliance Officer, be and are hereby severally authorised to take all necessary steps as under:-

- (a) To file Scheme and/or any other information/details with the Central/State Government(s), SEBI, Stock Exchanges or anybody, authority or agency and to obtain sanction or approval to any provisions of the Scheme or for giving effect thereto;
- (b) To file applications with the NCLT or such other competent authority seeking directions to hold or dispense with or to exempt the holding of meetings of the shareholders and /or creditors and/or such other classes as may be concerned with the said Scheme and where necessary to take steps to convene and hold such meetings as per the directions of the NCLT to give effect to the Scheme;
- (c) To sign and file petitions for confirmation of the Scheme with the NCLT or such other competent authority;
- (d) To approve / take on record the final certificates / undertakings given by the statutory auditors / valuers / merchant bankers/ registered valuers etc;
- (e) To file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants, Merchant

Bankers, and other professionals and to sign and execute vakalatnama wherever necessary or incidental to the said proceedings for obtaining confirmation by the NCLT to the said Scheme and for giving effect to the Scheme;

- (f) To apply for and obtain requisite approvals of the Central/State Government(s) and their agencies, Securities and Exchange Board of India, Stock Exchanges and any other authority or agency, whose consent is required including the shareholders by way of Postal Ballot and electronic voting, term loan lenders, financial institution, as may be considered necessary, to the said Scheme;
- (g) To settle any question or difficulty that may arise and give any directions necessary with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (h) To make any alterations/changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central/State Government or the NCLT or shareholders or by the Stock Exchanges where the shares of the Company are listed or any other authority;
- (i) To suspend, withdraw or revive the Scheme from time to time as maybe specified by any statutory authority or as may be suomoto decided by the Board in its absolute discretion;
- (j) To take all steps necessary or incidental and considered appropriate with regard to the above applications or petitions and implementation of the orders passed thereon and generally for putting through the Scheme and completing the same;
- (k) To sign all applications, petitions, documents, or to issue public advertisement and notices relating to the Scheme, appoint Scrutiniser to conduct the process, authorise relevant agencies to conduct the e-voting process or delegate such authority to another person by a valid Power of Attorney;
- (l) To do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (m) To take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions including resolving the difficulties, if any, as and when arises.

RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors.

RESOLVED FURTHER THAT any Director of the Company or the Chief Financial Officer or the Company Secretary be and is hereby authorised to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

For Lyka Labs Limited



Piyush G. Hindia
Company Secretary & Compliance Officer
ACS-5861





Lyka Exports Limited

Correspondence Address: Ground Floor, Spencer Building, 30, Forjett Street,
Grant Road (West), Mumbai - 400 036, Maharashtra, India.
Phone : 022 6611 2200 / 290 / 244 • (CIN U51100GJ1992PLC023975)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF LYKA EXPORTS LIMITED AT ITS MEETING HELD ON FRIDAY, 05TH AUGUST, 2022 AT THE ADMINISTRATIVE OFFICE OF THE COMPANY AT SPENCER BUILDING, GROUND FLOOR, 30 FORJETT STREET, TARDEO, GRANT ROAD WEST, MUMBAI - 400036 AT 03.00 P.M.

Approval of the Scheme of Amalgamation:

"RESOLVED THAT based on the report submitted by the Audit Committee recommending the draft Scheme and pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) and enabling clauses of the Memorandum of Association of the Company and subject to the requisite approvals and sanction of the National Company Law Tribunal, Mumbai Bench ("NCLT"), or such other competent authority as may be applicable and subject to the approval of shareholders and / or creditors of the Company, Central Government, or such other competent authority as may be directed by the NCLT, the approval of the Board of Directors of the Company ('Board') be and is hereby accorded to the Scheme of Amalgamation of Lyka Exports Limited ('the Transferor Company') with Lyka Labs Limited ('the Transferee Company') and their respective shareholders ('the Scheme') as per the draft Scheme of Amalgamation circulated herewith, subject to modifications, if any, as may be imposed by any regulatory authority or the shareholders of the Company or the NCLT.

RESOLVED FURTHER THAT

- (a) For the purpose of amalgamation of Lyka Exports Limited with Lyka Labs Limited, based on the valuation report of Mr. Bhavesh M. Rathod, Registered Valuer dated 6th August, 2022 the following share entitlement ratio be and is hereby approved as under:

"23 equity shares of the face value of Rs. 10 each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in the proportion of their holding 100 shares in the Transferor Company."

- (b) Valuation Report dated 6th August, 2022 of Mr. Bhavesh M. Rathod, Registered Valuers, as placed before the Board be and is hereby accepted and taken on record;
- (c) The Fairness Opinion Report on the share entitlement ratio dated 6th August, 2022 of Kunvarji Finstock Private Limited, a Category I Merchant Banker, as placed before the Board be and is hereby accepted and taken on record
- (d) The certificate dated 6th August, 2022 issued by the Statutory Auditors of the Company i.e. M/s D. Kothary & Co., to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013, as placed before the Board be and is hereby accepted and taken on record;
- (e) the report explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share





Lyka Exports Limited

Correspondence Address: Ground Floor, Spencer Building, 30, Forjett Street,
Grant Road (West), Mumbai - 400 036, Maharashtra, India.
Phone : 022 6611 2200 / 290 / 244 • (CIN : U51100GJ1992PLC023975)

exchange ratio under the provisions of Section 232(2)(c) of Act be and is hereby adopted and taken on record;

RESOLVED FURTHER THAT any one of the Directors of the Company, for the purpose of giving effect to this resolution, be and are hereby authorized to make such alterations and/or changes in the Scheme as may be expedient or necessary for satisfying the requirement or conditions imposed by NCLT, shareholders or any regulatory authority provided prior approval of Board of Directors shall be obtained for making any material changes in the approved Board Meeting.

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorised to take all necessary steps as under:-

- (a) to file Scheme and/or any other information/details with the Central/State Government(s), SEBI, Stock Exchanges or anybody, authority or agency and to obtain sanction or approval to any provisions of the Scheme or for giving effect thereto;
- (b) to file applications with the NCLT or such other competent authority seeking directions to hold or dispense with or to exempt the holding of meetings of the shareholders and /or creditors and/or such other classes as may be concerned with the said Scheme and where necessary to take steps to convene and hold such meetings as per the directions of the NCLT to give effect to the Scheme;
- (c) to sign and file petitions for confirmation of the Scheme with the NCLT or such other competent authority;
- (d) to approve / take on record the final certificates / undertakings given by the statutory auditors / valuers / merchant bankers/ registered valuers etc;
- (e) to file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants, Merchant Bankers, and other professionals and to sign and execute vakalatnama wherever necessary or incidental to the said proceedings for obtaining confirmation by the NCLT to the said Scheme and for giving effect to the Scheme;
- (f) to apply for and obtain requisite approvals of the Central/State Government(s) and their agencies, Securities and Exchange Board of India, Stock Exchanges and any other authority or agency, whose consent is required including the shareholders by way of Postal Ballot and electronic voting, term loan lenders, financial institution, as may be considered necessary, to the said Scheme;
- (g) to settle any question or difficulty that may arise and give any directions necessary with regard to the implementation of the above Scheme, and to give effect to the above resolution;
- (h) to make any alterations/changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central/State Government or the NCLT or shareholders or by the Stock Exchanges where the shares of the Company are listed or any other authority;
- (i) to suspend, withdraw or revive the Scheme from time to time as maybe specified by any statutory authority or as may be suo moto decided by the Board in its absolute discretion;





Lyka Exports Limited


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- (j) to take all steps necessary or incidental and considered appropriate with regard to the above applications or petitions and implementation of the orders passed thereon and generally for putting through the Scheme and completing the same;
- (k) to sign all applications, petitions, documents, or to issue public advertisement and notices relating to the Scheme, appoint Scrutiniser to conduct the process, authorise relevant agencies to conduct the e-voting process or delegate such authority to another person by a valid Power of Attorney;
- (l) to do all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (m) take all such actions and steps in the above matter, as may be required from time to time to give effect to the above resolutions including resolving the difficulties, if any, as and when arises.

RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors.

RESOLVED FURTHER THAT any Director of the Company or the Chief Financial Officer or the Company Secretary be and is hereby authorised to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

For Lyka Exports Limited


Ameya T. Masurkar
Company Secretary
ACS - 60907



Report
On
Share Exchange Ratio

Lyka Labs Limited
("Transferee Company")
&
Lyka Exports Limited
("Transferor Company")

Bhavesh M Rathod
Chartered Accountants Registered Valuer - SFA
12D, White Spring, A wing, Rivali Park Complex,
Wester Express Highway, Borivali East, Mumbai 400066.
Email : info.cabhavesh@gmail.com
Mobile : +91 9769 11 34 90

To,
The Board of Directors,
Lyka Labs Limited,
4801/B & 4802/A
GIDC Industrial Estate
Ankleshwar, Gujarat - 393002
India.

To,
The Board of Directors,
Lyka Exports Limited
Plot No C/4/10/B/2Nd Floor
Adarsh Industrial Complex
Gujarat - 393002
India

Re: Recommendation of Share Exchange Ratio for the purpose of proposed merger of Lyka Exports Limited with Lyka Labs Limited.

Dear Sir(s)/Madam(s),

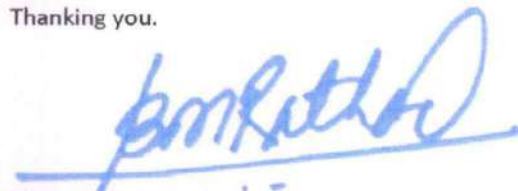
As per our discussions with the Management of Lyka Labs Limited and Lyka Exports Limited (hereinafter collectively referred to as the "Management"), we have carried out the fair valuation of equity shares of Lyka Labs Limited (hereinafter referred to as "the Transferee Company" or "LLL") and Lyka Exports Limited (hereinafter referred to as "the Transferor Company" or "LEL") to recommend the share exchange ratio for the proposed Scheme of Merger of Lyka Exports Limited with Lyka Labs Limited (hereinafter collectively referred to as "Companies").

The cut-off date for the valuation exercise has been considered as 9th July 2022 ("Relevant Date", "Valuation date"). A summary of the analysis is presented in the accompanying report, as well as description, methodology and procedure we used and the factors we considered in formulating our opinion.

We believe that our report should be considered in whole, and the selective reading of the report may not give proper picture and may be misleading.

The report should be read in conjunction of this letter.

Thanking you.



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBB/RV/06/2019/10708)

Place: Mumbai
Date: 06/08/2022

UDIN: **22119158A0LDBN9980**

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1. Purpose of Valuation.

During the financial year 22-23, We have been informed that, the managements of Lyka Labs Limited and Lyka Exports Limited are considering a merger proposal of Lyka Exports Limited with Lyka Labs Limited, (hereinafter referred to as “Amalgamation” or “Merger”) pursuant to Section 230 to 232 of the Companies Act, 2013 (including statutory modifications or re-enactments thereof) for the time being in force, (hereinafter referred to as “Scheme”). Subject to necessary approvals, the merger of Lyka Exports Limited with Lyka Labs Limited will be with effect from the Appointed Date of as may be approved by Hon’ble National Company Law Tribunal, Ahmedabad Bench. Further, as consideration for the proposed merger under Part III of the Scheme, equity shares of the Transferee Company would be issued to the equity shareholders of Transferor Company respectively;

In this connection, I, Bhavesh M Rathod, Registered Valuer-Securities or Financial Assets, have been appointed to recommend the fair equity share exchange ratio.

2. Background of the Companies.

Lyka Exports Limited

Lyka Exports Limited is in the field of marketing and distribution of Generic Pharmaceutical Formulations pan India & across various segments

Further Details of the Company:

CIN	U51100GJ1992PLC023975
Company / LLP Name	LYKA EXPORTS LIMITED
ROC Code	RoC-Ahmedabad
Registration Number	023975
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	90000000
Paid up Capital (Rs)	73954240
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	04/12/1992
Registered Address	PLOT NO C/4/10/B/2ND FLOOR ADARSH INDUSTRIAL COMPLEX OPP:S B I ANKLESHAER BHARUCH GJ 393002 IN
Whether listed or not	Unlisted
Date of last AGM	23/07/2021
Date of Balance Sheet	31/03/2021
Company Status (for efilng)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0000555709	Vinod Shridhar Shanbhag	05/08/2019	Director
0001516156	Kunal Narendra Gandhi	07/07/2014	Director
0007632732	Piyush Girishchandra Hindia	31/07/2020	Director
AWNPM4421C	Ameya Tulshidas Masurkar	27/12/2021	Company Secretary

Shareholding Pattern as on 30th June, 2022:

Name of Shareholders	Total	% Holding
M/s Lyka Labs Limited	53,83,636	72.80%
M/s Enai Trading and Investment Private Limited	3,85,600	5.21%
N. I. Gandhi HUF	17,700	0.24%
I P Gandhi	3,200	0.04%
Mr. Narendra I. Gandhi	8,640	0.12%
Mrs. Nehal N. Gandhi	9,600	0.13%
Mr. Kunal N. Gandhi	27,140	0.37%
MJ Desai – Trustee of Hirakun Trust	4,36,800	5.91%
NC Rathod – Trustee of Ushnal Trust	4,36,800	5.91%
Other	6,86,308	9.28%
Total	73,95,424	100.00%

Face value per share is Rs. 10/-

Note:

We understand that upon Part III of the Scheme being effective, the equity shares of LEL held by LLL shall stand cancelled automatically.

Lyka Labs Limited

Lyka Labs Limited is engaged in the business of manufacturing and marketing of pharmaceutical products

Lyka Labs Limited holds 72.8% shares in Lyka Exports Limited. The equity shares of Lyka Labs Limited are listed on both NSE and BSE.

Company URL: - <https://www.lykalabs.com/>

Further Details of the Company:

CIN	L24230GJ1976PLC008738
Company / LLP Name	LYKA LABS LIMITED
ROC Code	RoC-Ahmedabad
Registration Number	008738
Company Category	Company limited by Shares
Company Subcategory	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	500000000
Paid up Capital (Rs)	286900000
Number of Members (Applicable in case of company without Share Capital)	0
Date of Incorporation	29/12/1976
Registered Address	4801/B & 4802/A GIDC INDUSTRIAL ESTATE ANKLESHWAR GJ 393002 IN
Whether listed or not	Listed
Date of last AGM	01/08/2022
Date of Balance Sheet	31/03/2022
Company Status (for e-filing)	Active

Directors and Key Managerial Persons:

DIN/PAN	Name	Begin date	Designation
0000021580	Nehal Narendra Gandhi	04/02/1995	Director
0000022365	Sandeep Padmakant Parikh	01/11/2019	Director
AJDPG3112D	Kunal Narendra Gandhi	01/01/2016	CEO(KMP)
0001516156		12/02/2019	Managing Director
AAEPS1637H	Yogesh Babulal Shah	01/07/2014	CFO(KMP)
0006396150		12/02/2020	Director
0007530998	Dhara Pratik Shah	04/08/2021	Additional Director
AAAPH3500J	Piyush Girishchandra Hindia	12/02/2020	Company Secretary

Shareholding Pattern as on 30th June, 2022:

Promoters		
(A) Promoter & Promoter Group	Shares	% of Total shares
Kunal Gandhi	1,018,376.00	3.55%
Nehal Gandhi	1,157,453.00	4.03%
Narendra Gandhi	1,167,629.00	4.07%
Narendra Gandhi HUF	1,400,776.00	4.88%
LYKA Generics Limited (Formerly known as Lyka Animal Healthcare Limited)	12,100.00	0.04%
ENAI Trading and Investment Pvt Ltd	993,827.00	3.46%
Bhawna Godha	6,000.00	0.02%
Neetu Godha	10,000.00	0.03%
Usha Premchand Godha	10,686.00	0.04%
Premchand Godha	10,900.00	0.04%
Pranay Godha	300,000.00	1.05%

Ipca Laboratories Limited	7,624,923.00	26.58%
(B) Public		
Institutions	13,64,167.00	4.75%
Non - Institutions		
- Individuals	1,11,47,960.00	38.85%
- Others	24,65,203.00	8.59%
Total	28,690,000.00	100.00%

Face value per share is Rs. 10/-

3. Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.

No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our work does not constitute an audit or certification of the historical financial statements / prospective results, including the working results of the Companies referred to in this report, and should not be construed as such. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report and is as per the agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors, including those impacted by prevailing market trends, in general, and industry. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of, concerning the financial position of both the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review, but have not carried out a due diligence or an audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied upon in this report have been obtained from sources considered by us to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such

information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and its consequential impact on the present exercise.

Our report should not be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law, including companies, taxation and capital market related laws, or as regards any legal implications or issues arising from such proposed merger.

This report is prepared only in connection with the proposed merger, exclusively for the use of the Companies and for submission to any regulatory/statutory authority, as may be required under any applicable law.

Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed merger, as aforesaid, can be done only with our prior permission in writing.

The fee for the engagement and this report is not contingent upon the results reported.

Neither Bhavesh M Rathod, or its employees, nor any of their agents, make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All the aforesaid parties expressly disclaim any and all liability for or based on or relating to any such information contained in the valuation.

4. Approach & Methodology

The valuation methodologies used by registered valuer to arrive at the value attributable to the equity shareholders of Lyka Labs Limited and Lyka Exports Limited are discussed hereunder:

1. Asset Approach:

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialise.

The Net Asset Value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern.

2. Market Approach:

Comparable Company Market (CCM) Multiple Method

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Whereas no publicly traded company provides an identical match to the operations of a given company, important information can be drawn from the way comparable enterprises are valued by public markets. In case of an early stage company and a different business model, the problem aggravates further.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

In the present case, equity shares of LLL are listed on NSE, which are widely held, regularly and frequently traded with reasonable volume on the exchange. We have therefore used the market price approach to value the equity shares of LLL.

Equity shares of LEL are not listed on any stock exchange. We have therefore not considered the market price method to determine the fair value of equity shares of LEL.

Since in the subject case equity shares of a listed company i.e. LLL would be issued to the shareholders of an unlisted company i.e. LEL, the minimum price at which shares are to be issued is prescribed under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 issued vide notification No. SEBI/LAD-NRO/GN/2018/31 dated 11 September 2018 and as amended from time to time. The regulation reads as under:

The price of equity shares to be issued shall be determined by Regulation 164. The relevant extract of the regulations is:

Regulation 164 (Pricing of frequently traded shares)

(1) If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

(a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(b) the 10 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date.

The relevant date for the purpose of computing the price of the equity shares of LLL has been considered to be the date of the board meeting of LLL approving the Scheme in accordance with the SEBI Circulars relating to schemes of arrangement. We have therefore considered the prices upto a day prior to the relevant date i.e. price upto 09 July 2022 have been considered, to ensure that the price of LLL shares being considered for the exchange are not less than the minimum price arrived under the above formula prescribed under Regulation 164.

3. Income Approach:

Discounted Cash Flows – ("DCF")

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta, to arrive at the present value.

Beta is an adjustment that uses historic stock market data to measure the sensitivity of the Company's cash flow to market indices, for example, through business cycles.

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a Company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows.

Lyka Labs Limited is a listed company and since the information related to future financial projections of the Company is price sensitive in nature, we were not provided with the financial projections of these Companies by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of Lyka Labs Limited.

Lyka Exports Limited is a profit making company and generates surplus cash. Going forward as well, Lyka Exports Limited is expected to make profits and generate surplus cash in future. We have therefore used DCF method to determine the fair value of the equity shares of Lyka Exports Limited.

Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

In the instant case, based on the nature of business of the Company, availability of data and generally acceptable valuation methodologies, we have valued the Equity Shares of Lyka Exports Limited as on 9th July 2022 as per the DCF method for our analysis. For Lyka labs Limited being a listed Company, we have considered valuation a per regulation 164 of

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to arrive at fair value of equity shares.

Our choice of methodology and valuation has been arrived using usual and conventional methodologies adopted for purposes of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of similar nature.

Refer Annexures for working.

4. Sources of Information

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

Lyka Exports Limited

- a) Details of Shareholding and numbers of Equity Shares as on valuation date of Lyka Exports Limited
- b) Projected financial statements of Lyka Exports Limited for period of 5 years from FY23 to FY27
- c) Other relevant details regarding the Companies, such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.

Lyka Labs Limited

- Historical Data of Trading Price and Volume traded of the stock on National Stock Exchange of India Ltd.

Further, we have also been informed by the Company that

- 1) The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- 2) The Equity Shares are frequently traded on National Stock Exchange of India Ltd. and meet the definition of Frequently traded shares as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- 3) The Company is proposing to seek approval of Board of Directors on 8th August 2022 to approve the proposed merger/amalgamation of Lyka Exports Ltd, a subsidiary with Lyka Labs Ltd, Holding Company. Hence, the relevant date for the purpose of valuation of shares is considered as 9th July 2022.
- 4) Historical Data of Trading Price and Volume traded of the stock of Lyka Labs Limited on National Stock Exchange of India Ltd.
- 5) Other relevant details regarding the Companies, such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain.

Such other information and explanations as we required, and which have been provided by the management of the Companies. We have relied on the representations made to us by the

management, including financial information, significant transactions and events occurring subsequent to the balance sheet date. We have assumed such representations to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.

(This space is intentionally left blank)

5. Determination of Exchange/Swap Ratio

The share exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transferor company and Transferee company for the proposed scheme of merger based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the recommended share exchange ratio.

Refer Annexure 1 for value per share under different methods prescribed and the share exchange ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions describe in this report and the engagement letter, we recommend the share exchange ratio as follows:

To the equity shareholders of LEL:

23 (Twenty Three) equity share of LLL having face value of INR 10 each fully paid up shall be issued for every 100 (Hundred) equity shares held in LEL having face value of INR 10 each fully paid up.

Computation of Share Exchange Ratio				
Valuation Approach	LLL		LEL	
	(Transferee Company)		(Transferor Company)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
Asset Approach	0.00	0%	0.00	0%
Income Approach (*)	0.00	0%	34.40	100%
Market Approach	0.00	0%	0.00	0%
As per Regulation 164(1) of SEBI (ICDR) Regulations, 2018 (*)	149.47	100%	NA	0%
Fair Value Per Share	149.47		34.40	
Exchange Ratio	0.23			
Swap Ratio				
For every 100 shares of Lyka Exports Limited, 23 shares of Lyka Labs Limited will be issued				

(*) Refer Annexures

Issued under my hand

Yours faithfully



Bhavesh M Rathod
Chartered Accountants
M No: 119158
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/06/2019/10708)
Place: Mumbai
Date: 06/08/2022

UDIN: **22119158AOLDNB9980**

6. Annexure 1

Lyka Labs Limited

Pricing of frequently traded shares as per Regulation 164 (1) of Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2018

Method		in INR
90 trading days' volume weighted average price	A	149.47
10 trading days' volume weighted average price	B	118.90
Higher of A & B	C	149.47

Volume Weighted Average price for 90 trading days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	08-Jul-22	30,771	36,67,405.25
2	07-Jul-22	46,139	55,75,664.95
3	06-Jul-22	1,05,798	1,26,81,148.80
4	05-Jul-22	2,40,855	2,95,64,152.65
5	04-Jul-22	27,065	30,94,061.65
6	01-Jul-22	21,305	23,89,789.75
7	30-Jun-22	65,754	74,34,026.40
8	29-Jun-22	44,244	51,92,055.75
9	28-Jun-22	98,734	1,12,67,215.75
10	27-Jun-22	56,935	68,34,166.00
11	24-Jun-22	39,732	46,85,373.60
12	23-Jun-22	1,80,489	2,15,08,768.10
13	22-Jun-22	87,617	97,29,890.80
14	21-Jun-22	1,32,106	1,43,93,104.75
15	20-Jun-22	2,61,200	2,97,86,494.65
16	17-Jun-22	69,551	80,76,677.50
17	16-Jun-22	79,212	97,15,886.80
18	15-Jun-22	1,21,453	1,53,69,633.40
19	14-Jun-22	1,82,239	2,29,42,031.55
20	13-Jun-22	56,413	71,63,788.10
21	10-Jun-22	1,55,192	2,01,46,395.95
22	09-Jun-22	1,11,702	1,39,40,247.10
23	08-Jun-22	62,289	74,99,277.40
24	07-Jun-22	1,55,050	1,87,61,670.20
25	06-Jun-22	2,75,448	3,36,00,255.50
26	03-Jun-22	66,898	79,20,045.15
27	02-Jun-22	96,850	1,15,81,725.90
28	01-Jun-22	76,243	93,87,218.80
29	31-May-22	86,206	1,04,24,327.80

30	30-May-22	2,70,816	3,41,43,933.20
31	27-May-22	41,270	49,86,004.50
32	26-May-22	95,118	1,10,40,525.65
33	25-May-22	1,61,425	1,96,85,470.00
34	24-May-22	82,191	1,06,40,755.85
35	23-May-22	1,78,466	2,39,73,584.70
36	20-May-22	2,71,501	3,93,46,154.95
37	19-May-22	1,96,003	2,85,51,178.00
38	18-May-22	38,810	57,55,523.00
39	17-May-22	6,595	9,31,543.75
40	16-May-22	18,312	24,58,513.05
41	13-May-22	40,284	51,60,046.90
42	12-May-22	1,03,009	1,26,97,602.40
43	11-May-22	1,31,048	1,71,38,126.15
44	10-May-22	1,90,688	2,73,87,733.75
45	09-May-22	31,079	46,72,694.40
46	06-May-22	1,80,341	2,73,51,629.50
47	05-May-22	49,720	80,19,815.30
48	04-May-22	2,77,971	4,55,15,116.00
49	02-May-22	51,412	79,55,434.85
50	29-Apr-22	87,476	1,42,11,303.00
51	28-Apr-22	51,100	88,73,689.35
52	27-Apr-22	82,383	1,45,80,595.85
53	26-Apr-22	83,425	1,49,59,833.60
54	25-Apr-22	95,390	1,71,67,627.75
55	22-Apr-22	91,672	1,68,18,844.85
56	21-Apr-22	91,167	1,69,35,797.70
57	20-Apr-22	94,153	1,74,25,347.30
58	19-Apr-22	1,51,426	2,82,33,998.20
59	18-Apr-22	1,02,376	1,94,84,294.00
60	13-Apr-22	3,28,441	6,40,64,962.75
61	12-Apr-22	4,56,744	8,54,27,758.95
62	11-Apr-22	10,34,285	20,60,36,385.35
63	08-Apr-22	3,55,449	6,28,13,738.70
64	07-Apr-22	5,98,595	10,23,07,660.95
65	06-Apr-22	9,949	16,36,610.50
66	05-Apr-22	7,263	11,38,112.10
67	04-Apr-22	23,991	35,80,656.75
68	01-Apr-22	76,653	1,07,53,778.05
69	31-Mar-22	36,967	50,31,070.90
70	30-Mar-22	2,71,049	3,69,51,862.90
71	29-Mar-22	1,41,224	1,91,34,858.65
72	28-Mar-22	1,40,959	1,96,63,424.90
73	25-Mar-22	1,98,400	2,77,47,558.90
74	24-Mar-22	65,373	91,63,977.70
75	23-Mar-22	91,836	1,29,69,671.55
76	22-Mar-22	1,17,289	1,63,35,578.35
77	21-Mar-22	47,813	65,05,779.80

78	17-Mar-22	75,444	1,04,93,845.30
79	16-Mar-22	58,166	81,12,655.75
80	15-Mar-22	92,843	1,30,30,477.60
81	14-Mar-22	69,614	97,09,968.30
82	11-Mar-22	29,823	41,40,414.75
83	10-Mar-22	47,461	67,39,869.45
84	09-Mar-22	78,476	1,12,15,438.60
85	08-Mar-22	82,905	1,10,78,464.90
86	07-Mar-22	37,700	50,02,390.25
87	04-Mar-22	1,10,845	1,51,62,264.65
88	03-Mar-22	1,74,323	2,44,93,059.80
89	02-Mar-22	80,312	1,16,10,552.45
90	28-Feb-22	47,944	67,42,634.20
	Total	1,13,68,253	1,69,92,30,701.25

Total Turnover	1,69,92,30,701.25
Total No. of Shares traded	1,13,68,253
Volume Weighted Average Price for 90 trading Days	149.47

Volume Weighted Average Price for 10 trading Days

Sr. No.	Date	No. of Shares Traded	Total Turnover Traded (Rs.)
1	08-Jul-22	30,771	36,67,405
2	07-Jul-22	46,139	55,75,665
3	06-Jul-22	1,05,798	1,26,81,149
4	05-Jul-22	2,40,855	2,95,64,153
5	04-Jul-22	27,065	30,94,062
6	01-Jul-22	21,305	23,89,790
7	30-Jun-22	65,754	74,34,026
8	29-Jun-22	44,244	51,92,056
9	28-Jun-22	98,734	1,12,67,216
10	27-Jun-22	56,935	68,34,166
	Total	7,37,600	8,76,99,686.95

Total Turnover	8,76,99,686.95
Total No. of Shares traded	7,37,600.00
Volume Weighted Average Price for 10 trading Days	118.90

7. Annexure 2

Lyka Exports Limited

Discounted Cash Flows

We have been provided with the business projection of the Company for **Five years** by the Management, which we have considered for our Analysis. Accordingly, the projected free cash flows to Equity ("FCFF") based on these financial statements is set out below:

(INR Million)

Number of Months	9	12	12	12	12
Particulars	FY23	FY24	FY25	FY26	FY27
EBITDA	14.76	20.38	26.11	32.81	40.66
Less: Adjusted Taxes	3.78	5.22	6.69	8.41	10.42
EBIT	10.98	15.16	19.42	24.40	30.24
Add: Depreciation	5.97	5.97	5.97	5.97	5.97
Less: Capex	0.00	0.00	0.00	0.00	0.00
(Increase)/ decrease in working capital	6.94	0.83	0.83	0.98	1.16
Free cash flow to firm ('FCFF')	23.89	21.96	26.23	31.36	37.38
Annual factor	0.73	1.00	1.00	1.00	1.00
Discounting period (end year)	0.73	1.73	2.73	3.73	4.73
Adjusted FCFF	17.41	21.96	26.23	31.36	37.38
PV factor	13.36%	0.91	0.81	0.71	0.63
PV of FCFF	15.89	17.68	18.62	19.64	20.65

PV of FCFF for the horizon period	92.49	A
FCFE for terminal year	31.42	
WACC	13.36%	
Perpetuity Growth	3.00%	
Capitalisation Rate	10.36%	
Gross terminal value	303.17	
PV factor	0.55	
PV of terminal value	167.52	B
Enterprise value	260.01	A+B
Less: Debt and Debt-like item	-6.00	
Add: Investment	0.25	
Add: Cash & Bank	0.12	
Fair Value of Equity	254.38	
No of Share	73,95,424	

Value Per Share (in INR)	34.40
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Assumptions

WACC	13.36 %
Cost of Equity	13.16 %
Cost of Debt	19.47 %
Cost of Debt (Post Tax)	14.48 %
Risk free rate (Rf)	7.17 %
Market Return (Rm)	11.68 %
Long Term Growth Rate	2.00 %
Beta	0.74
Tax Rate	25.63 %
Equity Weightage	84.47 %
Debt Weightage	15.53 %

Terminal Value

The terminal value refers to the present value of the business as a going concern beyond the period of projections up to infinity. This value is estimated by taking into account expected growth rates of the business in future, sustainable capital investments required for the business as well as the estimates growth rate of the industry and economy. Based on dynamics of the sector and discussions with the Management we have assumed a terminal growth rate of **3.00 %** for the Company beyond the projections periods. The cash flows of **Rs. 31.42 Million** have been used to determine the terminal value. Based on these assumptions the terminal value has been calculated at **Rs. 303.17 Million**.

Using these cash flows and a discount rate of **13.36 %**, we estimate the equity value of the Company **Rs. 254.38 Million**.

Discount Factor

Discount Factor considered for arriving at the present value of the Free Cash Flows to the Firm ("FCFF") is the WACC.

The Weighted Average Cost of Capital ("WACC") is based on the proportionate weights of each component of the source of capital, i.e. weighted average of The Cost of Equity ("COE") & The Cost of Debt ("COD") wherein the ratio of Equity/Debt on total capital is the proportionate weights

WACC: COE * Equity Weightage of total Capital + COD * Debt Weightage of total Capital

The Cost of Equity ("COE")

The cost of equity is computed using the capital asset pricing model (CAPM) using the formula shown below.

$$rE = rf + B (rM - rf) + CSP$$

Where,

rf = Risk free rate;

rM =Market return;

B = sensitivity of the index to the market / measure of market risk

CSP – Company Specific Risk

	Rate	Source
Risk free return (rf)	7.17 %	5-year government bond yield
Market Return (Rm)	11.68 %	BSE-SENSEX Average Market Rate of Return over the last 5 years
Measure of market risk(B)	0.74	Based on Average Levered Beta value of BSE-SENSEX
Company Specific Risk	2.63 %	Contingency of revenues, projected high profitability, achievability of projections

Based on the above parameters, the Cost of Equity has been calculated at **13.16 %**.

The Cost of Debt (“COD”)

The Cost of Debt (“COD”) is the current or expected cost of borrowing funds for the company or firm to fund its assets. The Cost of Debt considered for DCF Method of Valuation is always post Tax.

The Cost of Debt is calculated using the formula below:

$$\text{Post - COD} = \text{Pre - COD} * (1 - \text{Tax Rate})$$

Where,

Post – COD = Post Tax Cost of Debt

Pre – COD = Pre Tax Cost of Debt

Tax Rate = Marginal Tax Rate for the firm

	Rate
Pre – Tax COD	19.47 %
Tax Rate	25.63 %
Post – Tax COD	14.48 %

Based on the above parameters, the Cost of Debt has been calculated at **19.47 %**

Debt & Equity Weightage

Particulars

Particulars	% Weightage
Debt	15.53 %
Equity	84.47 %
Total	100.00 %

The debt to total capital ratio has been taken as target debt to total capital ratio as of FY22

Date: August 06, 2022

To,
The Board of Directors,
Lyka Labs Limited,
4801/B & 4802/A
GIDC Industrial Estate
Ankleshwar, Gujarat - 393002
India.

To,
The Board of Directors,
Lyka Exports Limited
Plot No C/4/10/B/2Nd Floor
Adarsh Industrial Complex
OPP:S B I Ankleshwar, Bharuch
Gujarat - 393002, India.

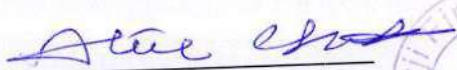
Subject: Fairness opinion on the share exchange ratio recommended by Bhavesh M Rathod, Registered Valuer- Securities or Financial Assets for the proposed amalgamation of Lyka Exports Limited with Lyka Labs Limited.

We refer to the engagement letter dated 01 August 2022 and discussions undertaken with the Management of Lyka Labs Limited ("LLL" or "Transferee Company") and Lyka Exports Limited ("LEL" or "Transferor Company") (hereinafter both of them together referred to as "the Management"), wherein the Management has requested Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us") to provide a fairness opinion on the share exchange ratio recommended by Bhavesh M Rathod, Registered Valuer - Securities or Financial Assets ("Independent Valuer") vide report dated 06 August, 2022 ("Valuation Date") in connection with the proposed amalgamation of Lyka Exports Limited with Lyka Labs Limited (together LLL and LEL are referred to as "Transacting Companies") (hereinafter referred to as "Proposed amalgamation" or "Proposed Transaction").

Please find enclosed our deliverables in the form of report ("the Report"). This Report sets out the transaction overview, scope of work, background of the Transacting Companies, sources of information and our opinion on the share exchange ratio recommended by the Independent Valuer for the aforesaid Proposed amalgamation. This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.

For, Kunvarji Finstock Private Limited


Mr. Atul Chokshi
Director (DIN: 00929553)



Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

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Near Western Express Highway- Metro Station, Andheri (E), Mumbai-400093
CIN - U65910GJ1986PTC008979
000264/2022



FAIRNESS OPINION**IN THE MATTER OF SCHEME OF AMALGAMATION IN THE NATURE OF
PROPOSED AMALGAMATION OF****LYKA EXPORTS LIMITED (TRANSFEROR COMPANY)****WITH****LYKA LABS LIMITED (TRANSFeree COMPANY)****STRICTLY PRIVATE AND CONFIDENTIAL**

Prepared By:

KUNVARJI

SINCE 1960

*Driven By Knowledge***Kunvarji Finstock Private Limited****SEBI Registered Category I Merchant Banker****(Registration Number – INM000012564)**

Kunvarji, B-Wing, Siddhivinayak Towers,
Nr. D.A.V. School, Off. S. G. Road, Makarba,
Ahmedabad-380051

**Kunvarji Finstock Pvt. Ltd.**Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba,
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CIN - U65910GJ1986PTC008979

000273/2022



1. BACKGROUND OF THE COMPANIES**LYKA EXPORTS LIMITED (TRANSFEROR COMPANY)**

Lyka Exports Limited ('LEL' or 'Transferor Company') was incorporated on 04 December 1992 and is engaged in the in the field of marketing and distribution of Generic Pharmaceutical Formulations pan India & across various segments.

The equity shareholding pattern of LEL as at 30 June 2022 is set out below:

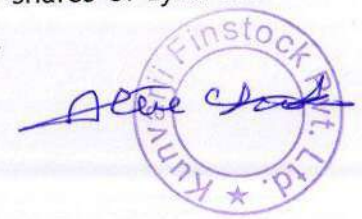
Particulars	Number of shares	% of holding
M/s Lyka Labs Limited	53,83,636	72.80%
M/s Enai Trading and Investment Private Limited	3,85,600	5.21%
N. I. Gandhi HUF	17,700	0.24%
I P Gandhi	3,200	0.04%
Mr. Narendra I. Gandhi	8,640	0.12%
Mrs. Nehal N. Gandhi	9,600	0.13%
Mr. Kunal N. Gandhi	27,140	0.37%
MJ Desai – Trustee of Hirakun Trust	4,36,800	5.91%
NC Rathod – Trustee of Ushnal Trust	4,36,800	5.91%
Others	6,86,308	9.28%
Total	73,95,424	100.00%

Note: We understand that the equity shares of LEL held by LLL shall stand cancelled automatically upon the proposed scheme of amalgamation being effective.

LYKA LABS LIMITED (TRANSFEE COMPANY)

Lyka Labs Limited ('LLL' or 'Transferee Company') was incorporated on 29 December 1976 and is engaged in the business of manufacturing and marketing of pharmaceutical products.

Lyka Labs Limited holds 72.8% shares in Lyka Exports Limited. The equity shares of Lyka Labs Limited are listed on National Stock Exchange and Bombay Stock Exchange.

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CIN - U65910GJ1986PTC008979
000266/2022



The equity shareholding pattern of LLL as at 30 June 2022 is set out below:

Category of shareholder	Number of equity shares (Face Value of INR 10 each)	Percentage %
Promoter and Promoter Group	1,37,12,670	47.80%
Public	1,49,77,330	52.20%
Total	2,86,90,000	100.00%

2. TRANSACTION OVERVIEW AND SCOPE OF SERVICES

Transaction Overview

We understand that the Management of the Transacting Companies is contemplating a scheme of amalgamation, wherein they intend to amalgamate Lyka Exports Limited with Lyka Labs Limited in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and in a manner provided in the draft scheme of amalgamation (hereinafter referred to as 'the Scheme').

As consideration for the proposed amalgamation, equity shareholders of LEL would be issued equity shares of LLL. The equity shares to be issued for the aforesaid proposed amalgamation will be based on the share exchange ratio as determined by the Board of Directors based on the share exchange ratio report prepared by the Independent Valuer appointed by them.

Scope of Services

Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time, we have been requested by the Management to issue a fairness opinion in relation to the share exchange ratio recommended by the Independent Valuer vide report dated 06 August, 2022 for the proposed amalgamation of Transferor Company with Transferee Company.

In this regard, the Management has appointed Kunvarji Finstock Private Limited ("Kunvarji" or "We" or "us"), SEBI Registered (Category I) Merchant Banker to provide a fairness opinion on the share exchange ratio recommended by an Independent Valuer as at Valuation Date for the Proposed amalgamation.

Our scope of work only includes forming an opinion on the fairness of the recommendation of the Valuer on the share exchange ratio arrived at for the purpose of the Scheme and does not involve evaluating or opining on the fairness or economic rationale of the Scheme per se. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed

Kunvarji Finstock Pvt. Ltd.

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000267/2022



hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the Management of the Transacting Companies/ obtained from the public domain for the purpose of this report:

- Signed share exchange ratio report issued and prepared by Bhavesh M Rathod, Registered Valuer- Securities or Financial Assets dated 06 August, 2022;
- Audited standalone/ consolidated financial statements of LLL for the financial year ended 31 March 2022 and 31 March 2021;
- Audited financial statements of LEL for the financial year ended 31 March 2021 and 31 March 2022;
- Financial projections of LEL from 01 April 2022 to 31 March 2027 ('Management Projections') which represents Management's best estimate of the future financial performance of LEL;
- Shareholding pattern of LLL as at 30 June 2022; and shareholding pattern of LEL as at the 30 June 2022;
- Draft scheme of amalgamation between the Transacting Companies pursuant to which proposed amalgamation is to be undertaken;
- Publicly available market data, key trends and valuation multiple of comparable companies;

The Management has been provided with the opportunity to review the draft fairness opinion report (excluding our fairness opinion on the share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided.

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4. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the opinion:

- Requested and received financial and qualitative information.
- Obtained data available of Companies in the public domain.
- Discussion with the Management to:
Understand the business and fundamental factors that affect the business including their earning generating capability and enquire about the historical financial performance, the current state of affairs, business plans and future performance estimates.
- Reviewed signed share exchange ratio report issued and prepared by Bhavesh M Rathod, Registered Valuer- Securities or Financial Assets dated 06 August, 2022;
- Reviewed the draft scheme of amalgamation between the Transacting Companies.
- Reviewed the cashflow projections provided by the Management for LEL including understanding the basis of preparation and the underlying assumptions;
- Discussion with Independent Valuer on such matters which we believed were necessary or appropriate for the purpose of issuing this opinion.



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5. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

The fairness opinion contained herein is not intended to represent a fairness opinion at any time other than the report date. We have no obligation to update this report.

This Report, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) the Report Date; (iii) the shareholding pattern of Transacting Companies (iv) audited financial statements for the year ended 31 March 2022 of LEL; and (vi) draft scheme of amalgamation.

A fairness opinion of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The fairness opinion rendered in this Report only represents our opinion based upon information furnished by the Companies and gathered from the public domain (and analysis thereon) and the said opinion shall be considered to be in the nature of non-binding advice. Our fairness opinion should not be used for advising anybody to take a buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We have not independently audited or otherwise verified the financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Transacting Companies and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the information given by/on behalf of the Transacting Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our fairness opinion.

It is understood that this opinion is solely for the benefit of confidential use by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of facilitating companies to comply with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2018.

Kunvarji Finstock Pvt. Ltd.

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CIN - U65910GJ1986PTC008979

000270/2022



2017, or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, as amended from time to time; disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI, National Company Law Tribunal or as required under applicable law and it shall not be valid for any other purpose. This opinion is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

The Report assumes that the Transacting Companies comply fully with relevant laws and regulations applicable in all its areas of operations, and that the Companies will be managed in a competent and responsible manner. Further, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not represented to us by the Management. Our fairness opinion assumes that the assets and liabilities of the companies, reflected in their respective balance sheet remain intact as of the Report date.

The Report does not address the relative merits of the proposed amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Transacting Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed scheme of amalgamation, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of LLL will trade the following announcement of the proposed amalgamation and we express no

**Kunvarji Finstock Pvt. Ltd.**

Registered Office : Kunvarji, B - Wing, Siddhivinayak Towers, Off. S.G. Road, Makarba, Ahmedabad - 380 051
Phone: +91 79 6666 9000 | Fax : + 91 79 2970 2196 | Email: info@kunvarji.com
Corporate Office : 05, Gr Floor, Summit Business Bay, Opp PVR Cinema, Near Western Express Highway- Metro Station, Andheri (E), Mumbai-400093
CIN - U65910GJ1986PTC008979
000271/2022



opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the proposed amalgamation.

6. OUR RECOMMENDATION

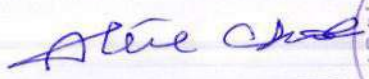
As stated in the Share Exchange Ratio Report dated 06 August, 2022 prepared by Bhavesh M Rathod, Registered Valuer- Securities or Financial Assets, they have recommended the following:

"23 (Twenty Three) equity shares of LLL having face value of INR 10 each fully paid up shall be issued for every 100 (One Hundred) equity shares held in LEL having face value of INR 10 each fully paid up."

The aforesaid amalgamation shall be pursuant to the draft scheme of amalgamation and shall be subject to receipt of approval from the Hon'ble National Company Law Tribunal, Ahmedabad Bench or such other competent authority as may be applicable and other statutory approvals as may be required. The detailed terms and conditions of the amalgamation are more fully set forth in the draft scheme of amalgamation. Kunvarji has issued the fairness opinion with the understanding that the draft scheme of amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of amalgamation alters the Proposed Transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the Share exchange ratio as recommended by Bhavesh M Rathod, Registered Valuer- Securities or Financial Assets in relation to the proposed draft scheme of amalgamation is fair to the equity shareholders of LLL and LEL in our opinion.

For, Kunvarji Finstock Private Limited


Mr. Atul Chokshi
Director (DIN: 00929553)



Date: August 06, 2022
Place: Ahmedabad

Kunvarji Finstock Pvt. Ltd.

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CIN - U65910GJ1986PTC008979
000272/2022



Report of Audit Committee

REPORT OF THE AUDIT COMMITTEE OF LYKA LABS LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF LYKA EXPORTS LIMITED AND WITH LYKA LABS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS.

Date of the Audit Committee meeting : 8th August, 2022

Venue : 125, Charkop Road, Charkop Industrial Estate,
Kandivli west, Mumbai-400067

Present – Members : Shri Sandip P. Parikh
Mr Kunal N. Gandhi
Mrs Dhara P. Shah

1. Background:

I. Lyka Exports Limited, Transferor Company (CIN: U51100GJ1992PLC023975) is a unlisted public limited company incorporated under the Companies Act, 1956 having its registered office at Plot No C/4/10/B/2nd Floor Adarsh Industrial Complex Opp: S B I Ankleshwar Bharuch-393002 (hereinafter referred to as the “Transferor Company”).

The Transferor Company is engaged in the business of pharmaceutical sector. The Transferor Company is 72.8% subsidiary of the Transferee Company.

II. Lyka Labs Limited Transferee Company (CIN: L24230GJ1976PLC008738) is a listed public limited company incorporated under the Company Act, 1956 having its registered office at 4801/B & 4802/A, G.I.D.C. Industrial Estate, Ankleshwar-393002 (hereinafter referred to as the “Transferee Company”). The Transferee Company is engaged in the business of manufacturing and marketing of pharmaceutical products.

III. The Transferor Company is a subsidiary of the Transferee Company. The Transferee Company’s equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 of the Companies Act, 2013.



2. Proposed Scheme:

- 2.1. The Audit Committee reviewed the valuation report and noted the report and recommended the following:

In consideration for the amalgamation of Lyka Exports Limited with Lyka Labs Limited in terms of the Scheme and based on valuation report issued by M/s Bhavesh Rathod (Registered Valuers) and fairness opinion provided by M/s, Kunvarji Finstock Private Limited (Merchant Banker) , Lyka Labs Limited will issue and allot in aggregate 4,62,711.24 fully paid-up equity shares of the face value Rs.10/- (Rupees Ten only) each, in the following manner:

“The Transferee Company, subject to the approval of SEBI, shall issue and allot as per swap ratio based on the valuation report approved by the merchant banker to all the equity shareholders of the Transferor Company (other than the Transferee) whose names are registered in the Register of Members of the Transferor Company on the Record Date or his/her/its legal heirs, executors or administrators or, as the case may be, successors, a total of 4,62,711.24 equity shares of Rs.149.47 each, credited as fully paid up of the Transferee Company in the ratio of 0.23 equity shares of the face value of Rs.149.47 each of the Transferee Company for every 1 equity share of the face value of Rs.34.40 each credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company with rights attached thereto as mentioned in this Scheme. For the purposes of the allotment referred to in this Clause, fractional entitlements if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI.”

- 2.2. Further, the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to the Company and their respective shareholders.
- 2.3. Further, the existing equity shares held by the Transferee Company (i.e. 53,83,636 equity shares of the face value of Rs.10 each fully paid-up) in the share capital of the Transferor Company shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
- 2.4. Further, M/s. D.Kothary & Co., Chartered Accountant, Statutory Auditors of the Company has confirmed that the accounting treatment as specified in the Scheme is in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.



- 2.5. The proposed Appointed Date for the amalgamation will be 1st April, 2022 or such other date fixed by the National Company Law Tribunal, Ahmedabad Bench.
- 2.6. Under the proposed Scheme, all assets and liabilities, pertaining to Lyka Exports Limited, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in the Company as a going concern with effect from the Appointed Date.
- 2.7. The equity shares of Lyka Labs Limited to be issued and allotted to all the shareholders of Lyka Exports Limited pursuant to the Scheme shall be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited (subject to trading permission being granted by the stock exchanges).

3. Recommendations of the Audit Committee:

3.1 The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report and the specific points mentioned above, recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, the Bombay Stock Exchange , the National Stock Exchange and Securities Exchange Board of India.

By Order of the Audit Committee
For and on behalf of
Lyka Labs Limited



Sandeep P. Parikh
DIN: 00022365
Chairperson of the Audit Committee

Date: 8th August, 2022
Place: Mumbai



D. KOTHARY & CO.

Chartered Accountants

Ref: 2022/Misc/312

To,
The Board of Directors,
Lyka Labs Limited
4801/B & 4802/A GIDC,
Industrial Estate, Ankleshwar -393002

Certificate on the Accounting Treatment Proposed in the Scheme of Amalgamation of Lyka Exports Limited (The "Transferor Company") and Lyka Labs Limited (The "Transferee Company") and their Respective Shareholders.

1. This certificate is issued in accordance with the terms of our engagement letter dated 1st August, 2022.
2. We, D. Kothary & Co. , Chartered Accountants have been requested by the Management of Lyka Labs Limited ("the Company") to, provide a certificate that the accounting treatment proposed in clause 11 of draft Scheme of Amalgamation of Lyka Exports Limited (The "Transferor Company") and Lyka Labs Limited (The "Transferee Company") and their Respective Shareholders with the Company as reproduced in Annexure duly initialled by us for the purpose of identification, is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India. This certificate is required to enable the Company to submit to National Stock Exchange of India and the Bombay Stock Exchange in order to obtain No objection certificate from both the stock exchanges.

Management's Responsibility:

3. The Management of the Company is responsible for ensuring that the proposed accounting treatment as stated in Annexure is in conformity with the applicable Indian Accounting Standards under section 133 of the Act, read with the relevant Rules as amended thereafter and other generally accepted accounting principles in India. This responsibility includes design, implementation and maintenance of Internal control relevant for the purpose of ensuring that the proposed scheme of amalgamation is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the provisions of Section 230 to 232 of the Act.

Auditors Responsibility:

5. It is our responsibility to provide a reasonable assurance whether, the proposed accounting treatment is in conformity with applicable Indian Accounting Standards





D. KOTHARY & CO. Chartered Accountants

specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.

6. We conducted our examination of the Statement in accordance with the Guidance Note on reports or certificates for special purposes issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

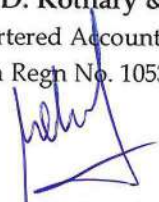
Opinion:

8. Based on our examination as stated above and according to the information, explanations and representations given to us, we are of the opinion that the proposed accounting treatment, as stated in Annexure, is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.

Restrictions on use:

9. This certificate is addressed to and provided to the Board of Directors solely for the above-mentioned purpose to enable the Company to file the certificate along with the draft Scheme of Amalgamation with the above mentioned Stock Exchanges and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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


Mehul N. Patel
(Partner)

Membership No. 132650
UDIN: 22132650AOOCSJ3059
Place: Mumbai
Date: 6th August, 2022





D. KOTHARY & CO.

Chartered Accountants

ANNEXURE

Proposed Accounting treatment as provided in the proposed Scheme of Amalgamation of Lyka Exports Limited (The "Transferor Company") and Lyka Labs Limited (The "Transferee Company") and their Respective Shareholders.

11. ACCOUNTING TREATMENT

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

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

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

11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Indian Accounting Standard (Ind AS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors ', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "Net Book Value" of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Indian Accounting Standard (Ind AS)-103 issued by the Institute of Chartered Accountants of India.

11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Indian Accounting Standard (Ind AS)-103 issued by the Institute of Chartered Accountants of India.

11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

11.8 Inter Company balances shall be cancelled.





D. KOTHARY & CO.

Chartered Accountants

Ref: 2022/Misc/313

To,
The Board of Directors,
Lyka Exports Limited
Plot No. C/4/10/B/2nd Floor,
Adarsh Industrial Complex,
Opp:S B I Ankleshwaer,
Bharuch-393002, Gujarat

Certificate on the Accounting Treatment Proposed in the Scheme of Amalgamation of Lyka Exports Limited (The "Transferor Company") and Lyka Labs Limited (The "Transferee Company") and their Respective Shareholders.

1. This certificate is issued in accordance with the terms of our engagement letter dated 1st August, 2022.
2. We, D. Kothary & Co., Chartered Accountants have been requested by the Management of Lyka Exports Limited ("the Company") to, provide a certificate that the accounting treatment proposed in clause 11 of draft Scheme of Amalgamation of Lyka Exports Limited (The "Transferor Company") and Lyka Labs Limited (The "Transferee Company") and their Respective Shareholders with the Company as reproduced in Annexure duly initialled by us for the purpose of identification, is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.

Management's Responsibility:

3. The Management of the Company is responsible for ensuring that the proposed accounting treatment as stated in Annexure is in conformity with the applicable Indian Accounting Standards under section 133 of the Act, read with the relevant Rules as amended thereafter and other generally accepted accounting principles in India. This responsibility includes design, implementation and maintenance of Internal control relevant for the purpose of ensuring that the proposed scheme of amalgamation is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the provisions of Section 230 to 232 of the Act.

Auditors Responsibility:

5. It is our responsibility to provide a reasonable assurance whether, the proposed accounting treatment is in conformity with applicable Indian Accounting Standards





D. KOTHARY & CO. Chartered Accountants

specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.

6. We conducted our examination of the Statement in accordance with the Guidance Note on reports or certificates for special purposes issued by Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the code of ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion:

8. Based on our examination as stated above and according to the information, explanations and representations given to us, we are of the opinion that the proposed accounting treatment, as stated in Annexure, is in conformity with applicable Indian Accounting Standards specified under section 133 of the Act, read with the relevant Rules, as amended thereafter and other generally accepted accounting principles in India.

Restrictions on use:

9. This certificate is addressed to and provided to the Board of Directors solely for the above-mentioned purpose to enable the Company to file the certificate along with the draft Scheme of Amalgamation with the relevant statutory authorities and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For D. Kothary & Co.

Chartered Accountants

Firm Regn No. 105335W

Mehul N. Patel

(Partner)

Membership No. 132650

UDIN: 22132650AOODIZ4250

Place: Mumbai

Date: 6th August, 2022





D. KOTHARY & CO.

Chartered Accountants

ANNEXURE

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

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

11.4 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Indian Accounting Standard (Ind AS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.5 The difference between the value of respective investments carried in the books of the Transferee Company and the "Net Book Value" of the assets of the respective Transferor Company, shall be treated as goodwill or capital reserve as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Indian Accounting Standard (Ind AS)-103 issued by the Institute of Chartered Accountants of India.

11.6 Subject to provisions of this Scheme, the Transferee Company shall abide by Indian Accounting Standard (Ind AS)-103 issued by the Institute of Chartered Accountants of India.

11.7 The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

11.8 Inter Company balances shall be cancelled.

