

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED  
30TH JUNE, 2017**

(Rs. In lacs)

	Particulars	Quarter Ended	
		30-Jun-2017 (Unaudited)	30-Jun-2016 (Unaudited)
1	<b>Revenue</b>		
	(a) Revenue from Operations (Net)	732.09	1520.76
	(b) Other Income	16.02	15.11
	<b>Total Revenue</b>	<b>748.11</b>	<b>1535.87</b>
2	<b>Expenses</b>		
	(a) Cost of Materials Consumed	282.94	696.55
	(b) Purchase of traded goods	75.24	110.13
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(1.96)	(157.65)
	(d) Excise Duty	81.00	138.84
	(e) Employee benefits expense	220.92	235.77
	(f) Finance Costs	423.20	379.29
	(g) Depreciation and amortisation expense	139.31	120.52
	(h) Other expenses	287.45	296.67
	<b>Total expenses</b>	<b>1508.10</b>	<b>1820.12</b>
3	<b>Profit/(Loss) from Ordinary Activities before tax (1-2)</b>	<b>(759.99)</b>	<b>(284.25)</b>
4	<u>Tax Expenses</u>		
	Deferred Tax	7.58	21.63
5	<b>Net Profit/(Loss) for the period (3-4)</b>	<b>(752.41)</b>	<b>(262.62)</b>
6	<b>Other Comprehensive Income:</b>		
	Actuarial Loss on Employee Benefit	(1.39)	(1.39)
	<b>Total Comprehensive Income</b>	<b>(753.80)</b>	<b>(264.01)</b>
7	Paid up equity share capital ( face value Rs.10/- per share)	2204.00	2204.00
8	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-
9.1	<b>Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))</b>		
	(a) Basic	(3.43)	(1.21)
	(b) Diluted	(3.43)	(1.21)
9.2	<b>Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))</b>		
	(a) Basic	(3.43)	(1.21)
	(b) Diluted	(3.43)	(1.21)



Contd...2/-..

Notes:

1. The above unaudited (Provisional) financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 30<sup>th</sup> August 2017. The limited review as required as per listing agreement has been carried out by the statutory auditors of the Company.
2. The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs w.e.f. 1<sup>st</sup> April, 2017 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 – "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
3. The Ind AS compliant financial results pertaining to quarter ended on 30<sup>th</sup> June, 2016 have not been subjected to Review/Audit. However, the Management has exercised necessary due diligence to ensure that the results provide a true and fair view of its affairs.
4. The reconciliation of net loss reported for the quarter ended 30<sup>th</sup> June, 2016 in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended 30 <sup>th</sup> June, 2016
a.	Net Loss as per Indian GAAP	(216.54)
b.	Fair value of financial liabilities/ Assets	5.92
c.	Fair value of financial Investments	0.90
d.	Incremental Depreciation on fair value for selective items of Property, Plant & Equipment	(31.19)
e.	Employee benefits – actuarial loss on defined benefit plan reclassified to Other Comprehensive Income (OCI)	1.39
f.	Expected credit loss on financial assets	(44.73)
g.	Deferred Tax	21.63
h.	<b>Net Loss before OCI as per Ind AS</b>	<b>(262.62)</b>
i.	Other comprehensive income (OCI)	(1.39)
j.	<b>Total Comprehensive income under Ind AS</b>	<b>(264.01)</b>

5. The Company has one Single Segment "Pharmaceuticals".
6. Figures for previous period have been regrouped/rearranged wherever necessary, to conform to the relevant current years' classification.

For LYKA LABS LIMITED

V. S. Shanbhag  
(Chairman of the Meeting)

Mumbai  
30<sup>th</sup> August, 2017



**M. A. PARIKH & CO.**  
**CHARTERED ACCOUNTANTS**

**Auditor's Report On Quarterly Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
Board of Directors of Lyka Labs Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of Lyka Labs Limited for the quarter ended 30<sup>th</sup> June, 2017 hereinafter referred to as 'Statement' (which includes the Statement of the Company's branch at Ankleshwar reviewed by other auditor and relied upon by us, after making such changes as are considered necessary for incorporation). This Statement which is the responsibility of the Company's Management has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 on "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our limited review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagement to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Fixed Deposits:**

During the quarter, the Company has repaid fixed deposits that were claimed aggregating to Rs. 6.6 lacs. As regards the balance of Rs. 66.42 lacs, the same shall be paid as and when claimed.

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

4. **Debentures:**

The Company has received Order of National Company Law Tribunal (Ahmedabad Bench) dated 22<sup>nd</sup> May, 2017, granting extension of time for repayment of Debentures as follows:

(Rs. In Lacs)

Sr. No.	Outstanding Debentures	Outstanding as on 30 <sup>th</sup> June, 2017	Payable by
1	Upto 31 <sup>st</sup> March, 2015	375.00	30 <sup>th</sup> July, 2017
2	From 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> July, 2015	199.50	31 <sup>st</sup> December, 2017
3	From 1 <sup>st</sup> August, 2015 to 30 <sup>th</sup> April, 2016	136.75	31 <sup>st</sup> March, 2018
<b>Total</b>		<b>711.25</b>	

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



5. The Company has received claims vide letters dated 31st May, 2017 Rs. 116.66 lacs and 16th June, 2017 Rs. 11.59 lacs from a Director aggregating to Rs. 128.25 lacs being the value of 225,000 equity shares of Lyka Labs pledged by her as security for finance supposed to have been provided by KSM Securities & Finance Pvt. Ltd. (KSM) to Lyka Labs. These pledged shares were invoked by KSM due to alleged non-payment of dues by Lyka Labs to KSM. Further, the said Director has claimed interest of Rs. 6.63 lacs for the period 9<sup>th</sup> December, 2016 to 30<sup>th</sup> June, 2017 on Rs. 128.25 lacs and the same has been recorded as Finance cost for the quarter ended 30<sup>th</sup> June, 2017.

Pending receipt of documentary evidence to substantiate the above claims, the Company has credited the said Director with Rs.134.88 lacs and debited KSM with Rs. 128.25 lacs. However, the said KSM has not confirmed the same for which no provision has been made in the books and hence, we are unable to express our opinion of its impact, if any, on the loss for the quarter ended 30<sup>th</sup> June, 2017.

The Company is in the process of verifying the said claims of the said Director with those of KSM. Upon receiving the necessary evidences/ documents, the Company shall pass the necessary entries upon completion of the verification.

**6. Investment In Subsidiaries:**

- 6.1 The proposed merger of the Company's Subsidiaries i.e. Lyka Healthcare Limited and Lyka Exports Limited with the Company would be in the best interest of the Company, its shareholders, creditors and all other stakeholders. Accordingly, the Board of Directors at their meeting held on 10<sup>th</sup> March, 2016 resolved to merge Company's Subsidiaries i.e. Lyka Exports Limited and Lyka Healthcare Limited with it, effective from 1<sup>st</sup> April, 2015 ("appointed date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1<sup>st</sup> April, 2016 by the Board of Directors at their meeting held on 4<sup>th</sup> June, 2016 and the "appointed date" of the said merger of Lyka Health Care Limited is postponed to 1<sup>st</sup> April, 2017 by the Board of Directors at their meeting held on 1<sup>st</sup> April, 2017.
- 6.2 Though the present book values of the company's investments in equity shares of the Company's Subsidiaries i.e. Lyka BDR International Limited, Lyka Healthcare Limited and Lyka Exports Limited are lower than their cost of acquisition, keeping in view their long term business synergy and potential, the management is of the opinion that no provision for fall in their values is required to be made at this juncture.

**7. Capital Expenditure:**

- 7.1 Tangible Project Capital Work-In-Progress Rs. 1,769.64 lacs as on 30<sup>th</sup> June, 2017, includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 557.81 lacs (including Interest of Rs. 299.66 lacs) which is pending allocation to Fixed Assets on completion of the project.
- 7.2 The Company has incurred direct expenditure and allocable indirect expenditure up to 30<sup>th</sup> June, 2017 in respect of "new product development and applied research" aggregating to Rs.1,493.44 lacs including finance cost of Rs. 214.40 lacs which is carried forward under "Capital Work in Progress - Intangibles", to be recognized as "Self Generated Intangible Assets" upon successful development of the respective products or to be charged to the Statement of Profit and Loss in the year in which development is abandoned. Hence, we are unable to express our opinion of its impact, if any, on the loss for the quarter ended 30<sup>th</sup> June, 2017.





During the quarter, the Company has capitalised Rs. 42.93 lacs as "Self Generated Intangible Assets" upon successful development of respective products.

8. Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 161.44 lacs for which steps are being taken to utilize/realize the same.
9. Loans and advances include Rs. 185.35 lacs granted to a Company as financial assistance is considered good for recovery by the management.
10. Contingent Liabilities are not provided for in respect of:

- 10.1 There were demands raised against the Company aggregating to Rs. 680.62 lacs plus interest thereon under the Drug Price Control Order, 1979 by the Government of India which were contested by the Company. In the earlier year, the Company had received recovery notices for recovery of Rs. 2,094.41 lacs to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Company depositing certain amounts against the said demands. Accordingly the Company has deposited Rs.1,032.45 lacs.

- 10.2 The Company has received Orders from Sales Tax department raising demands of Rs. 406.74 lacs against which it has paid Rs. 141.14 lacs under protest.
- 10.3 The Company has received an order from Central Excise department raising demand of Rs.108.75 lacs against which it has paid Rs. 25 lacs under protest.
- 10.4 The Company has received an order from Income Tax department raising demand of Rs.2,325.04 lacs against which it has paid Rs. 100.00 lacs under protest.
- 10.5 The Company has received an Order from Service Tax Department raising demand of Rs. 18.10 lacs against which it has paid Rs. 1.81 lacs under protest

The Company has filed appeals in respect of all the above matters which are resting with the respective forums and hence, the amounts paid have been treated as advances which are considered as good for recovery.

Hence, we are unable to express our opinion of its impact, if any, on the loss for the quarter ended 30<sup>th</sup> June, 2017.

11. During the earlier years, the Company had lodged claims for refund of excess finance costs charged by two banks aggregating to Rs. 88.79 lacs

The above claims are subject to confirmation by the respective banks and the same are considered good for recovery by the Management. We are unable to express our opinion of its impact, if any, on the loss for the quarter ended 30<sup>th</sup> June, 2017.

12. In view of loss for the period, current tax has not been provided.
13. The balances relating to Sundry Debtors, Sundry Creditors, Group Companies and Loans & Advances as on 30<sup>th</sup> June, 2017 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the financial results cannot be presently ascertained and shall be adjusted in the year in which the confirmation process is completed.



14. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, except:

- i. note no. 5 relating to non confirmation of Rs.128.25 lacs,
- ii. note no. 7.2 relating to "Intangible Assets"

has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

15. We draw attention to the following matters:

- a. Note No. 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April, 2017 and accordingly, the statement has been prepared by the Company's Management in compliance with Ind AS.
- b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended 30<sup>th</sup> June, 2016 and accordingly, we do not express any opinion on the results in the Statement for the quarter ended 30<sup>th</sup> June, 2016. As stated in Note No 3 to the Statement, these figures have been furnished by the Management.

Our opinion is not qualified in respect of these matters.

For M. A. Parikh & Co  
Chartered Accountants  
Firm Reg. No. 107556W



*Nalin Shah*

Partner  
Name: Nalin Shah  
Membership No. 136978

Place : Mumbai  
Date : 30<sup>th</sup> August, 2017