

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPT, 2017

Rs. In Lakhs

| Particulars   | Quarter Ended              |                            |                            | Year to date figures for the Current Period Ended | Year to date figures for the Previous Period Ended |
|---|----------------------------|----------------------------|----------------------------|---|--|
|   | 30-Sep-2017<br>(Unaudited) | 30-Jun-2017<br>(Unaudited) | 30-Sep-2016<br>(Unaudited) | 30-Sep-2017<br>(6 Months)<br>(Unaudited)          | 30-Sep-2016<br>(6 Months)<br>(Unaudited)           |
| <b>I. Revenue from Operations (Gross)</b>   | 832.00                     | 732.09                     | 2449.58                    | 1,564.09  | 3,970.34   |
| <b>II. Other Income</b>   | 69.49                      | 28.58                      | 37.08                      | 98.07   | 65.33  |
| <b>III. Total Revenue (I+II)</b>  | <b>901.49</b>              | <b>760.67</b>              | <b>2,486.66</b>            | <b>1,662.16</b>                                   | <b>4,035.67</b>                                    |
| <b>IV. Expenses</b>   |                            |                            |                            |   |  |
| (a) Cost of Materials Consumed  | 452.40                     | 282.94                     | 999.35                     | 735.34  | 1,695.90   |
| (b) Purchase of traded goods  | 9.66                       | 75.24                      | 52.02                      | 84.90   | 162.15   |
| (c) Change in inventories of finished goods, work-in-progress and stock-in-trade, | 12.47                      | (1.96)                     | 134.15                     | 10.51   | (23.50)  |
| (d) Excise Duty   | -                          | 81.00                      | 202.44                     | 81.00   | 341.27   |
| (e) Employee benefits expense   | 321.23                     | 220.92                     | 243.74                     | 542.15  | 479.51   |
| (f) Finance Costs   | 422.09                     | 423.20                     | 384.88                     | 845.29  | 764.17   |
| (g) Depreciation and amortisation expense   | 157.59                     | 139.31                     | 123.85                     | 296.90  | 244.37   |
| (h) Other expenses  | 440.30                     | 300.01                     | 368.82                     | 740.31  | 678.63   |
| <b>Total expenses</b>   | <b>1,815.74</b>            | <b>1520.66</b>             | <b>2509.23</b>             | <b>3,336.40</b>                                   | <b>4,342.50</b>                                    |
| <b>Profit/(Loss) before Exceptional Items and Taxes (III - IV)</b>                | <b>(914.25)</b>            | <b>(759.99)</b>            | <b>(22.57)</b>             | <b>(1,674.24)</b>                                 | <b>(306.83)</b>                                    |
| <b>V. Exceptional Items (Net)</b>   | -                          | -                          | -                          | -   | -  |
| <b>VII. Profit/(Loss) before Tax (V - VI)</b>                                     | <b>(914.25)</b>            | <b>(759.99)</b>            | <b>(22.57)</b>             | <b>(1,674.24)</b>                                 | <b>(306.83)</b>                                    |
| <b>VIII. Tax Expenses</b>   | 24.25                      | 7.58                       | (24.69)                    | 31.83   | (46.32)  |
| <b>IX. Profit for the Period (VII + VIII)</b>                                     | <b>(890.00)</b>            | <b>(752.41)</b>            | <b>2.12</b>                | <b>(1,642.41)</b>                                 | <b>(260.51)</b>                                    |
| <b>X. Other Comprehensive Income</b>  | (1.39)                     | (1.39)                     | (1.39)                     | (2.78)  | (2.77)   |
| <b>XI. Total Comprehensive Income (IX + X)</b>                                    | <b>(891.39)</b>            | <b>(753.80)</b>            | <b>0.73</b>                | <b>(1,645.19)</b>                                 | <b>(263.28)</b>                                    |
| <b>XII. Paid up equity share capital</b><br>( face value Rs.10/- per share)       | <b>2814.00</b>             | <b>2204.00</b>             | <b>2204.00</b>             | <b>2,814.00</b>                                   | <b>2,204.00</b>                                    |
| <b>Earnings Per Share</b><br>(of Rs 10/-each (not annualised))                    |                            |                            |                            |   |  |
| (a) Basic   | (3.79)                     | (3.43)                     | (0.003)                    | (6.99)  | (1.19)   |
| (b) Diluted   | (3.79)                     | (3.43)                     | (0.003)                    | (6.99)  | (1.19)   |





## Notes:

1. The above unaudited 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 24<sup>th</sup> November, 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> September, 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 Company has entered into wages settlement agreement with its permanent workers for its Ankleshwar division affiliated to G.I.D.C Employees Union, Ankleshwar on 19<sup>th</sup> September, 2017, whereby the terms of wages were settled for the period 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2019. Accordingly, during the quarter, the company has provided Rs. 75.68 lacs under Employee benefits expense for the period from 1<sup>st</sup> July, 2016 to 30<sup>th</sup> September, 2017.
5. The reconciliation of net loss reported for the quarter and Half year ended 30<sup>th</sup> September, 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> September, 2016 | Half Year ended 30 <sup>th</sup> September, 2016 |
|---------|---|--|--|
| a.      | Net Profit/(Loss) as per Indian GAAP  | 62.77  | (153.77)   |
| b.      | Fair value of financial liabilities/ Assets   | (2.72)   | 3.20   |
| c.      | Fair value of financial Investments   | (1.28)   | (0.38)   |
| d.      | Incremental Depreciation on fair value for selective items of Property, Plant & Equipment                   | (31.19)  | (62.38)  |
| e.      | Employee benefits – actuarial loss on defined benefit plan reclassified to Other Comprehensive Income (OCI) | 1.39   | 2.77   |
| f.      | Expected credit loss on financial assets  | (51.55)  | (96.28)  |
| g.      | Effect of Deferred Tax on above   | 24.69  | 46.32  |
| h.      | <b>Net Profit /(Loss) before OCI as per Ind AS</b>  | <b>2.12</b>                                    | <b>(260.51)</b>                                  |
| i.      | Other comprehensive income (OCI)  | (1.39)   | (2.77)   |
| j.      | <b>Total Comprehensive income under Ind AS</b>  | <b>0.73</b>                                    | <b>(263.28)</b>                                  |



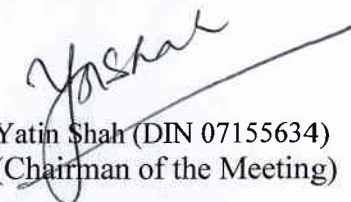
6. The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFB/CMD/15/2015 dt. Nov 30, 2015 has been modified to comply with the requirements of SEBI's circular dt. Jul 5, 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013.
7. The Statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's circular dt. Jul 5, 2016.
8. These quarterly and half-yearly Financial Results may require adjustments before constituting the final Ind AS Financial statements as at and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standard or interpretation issued by MCA/appropriate authority or changes in the use of one more optional exemptions from full retrospective application of certain IndAS as permitted under IndAS 101.
9. Post the applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST, accordingly, the revenue from operations and other expenses for the quarter/six months ended on September 30, 2017 are not comparable with the corresponding previous period figures.
10. As the Company's business activity falls within a single business segment viz. "Pharmaceuticals" and the sales substantially being in the domestic market, the financial statements are reflective of the information required by Ind AS 108.
11. The figures for previous period have been regrouped/ rearranged wherever considered necessary.



Mumbai  
24<sup>th</sup> November, 2017



For LYKA LABS LIMITED

  
Yatin Shah (DIN 07155634)  
(Chairman of the Meeting)

## Statement of Assets & Liabilities

[Rs. in lakhs]

| Particulars                                  |  | As at 30th September, 2017 |
|--|--|----------------------------|
| <b>ASSETS</b>                                |  |                            |
| <b>1</b>                                     | <b>Non-Current Assets</b>                |                            |
|  | (a) Property, Plant and Equipment        | 7,919.54                   |
|  | (b) Capital Work- In- Progress           | 1,660.18                   |
|  | (c) Other Intangible assets              | 470.86                     |
|  | (d) Intangible assets under development  | 848.00                     |
|  | (e) Financial Assets                     |                            |
|  | (i) Investments                          | 6,245.30                   |
|  | (ii) Loans                               | 1,512.88                   |
|  | (iii) Deferred tax assets(net)           | 136.38                     |
|  | <b>Total Non Current Assets (A)</b>      | <b>18,793.14</b>           |
| <b>2</b>                                     | <b>Current Assets</b>                    |                            |
|  | (a) Inventories                          | 1,187.98                   |
|  | (b) Financial Assets                     |                            |
|  | (i) Investments                          | 202.69                     |
|  | (iii) Trade Receivables                  | 3,012.75                   |
|  | (ii) Cash and cash equivalents           | 155.98                     |
|  | (iv) Loans                               | 1,878.35                   |
|  | (c) Other Current Assets                 | 138.24                     |
|  | <b>Total Current Assets (B)</b>          | <b>6,575.99</b>            |
| <b>Total Assets (A)+ (B)</b>                 |  | <b>25,369.13</b>           |
| <b>1</b>                                     | <b>EQUITY AND LIABILITIES</b>            |                            |
|  | <b>Equity</b>                            |                            |
|  | (a) Equity Share capital                 | 2,814.00                   |
|  | (b) Other Equity                         | 6,703.06                   |
|  | <b>Total Equity (A)</b>                  | <b>9,517.06</b>            |
|  | <b>LIABILITIES</b>                       |                            |
|  | <b>Non-Current Liabilities</b>           |                            |
|  | (a) Financial Liabilities                |                            |
|  | (i) Long- term Borrowings                | 2,694.13                   |
|  | (ii) Other Financial Liabilities         | 12.99                      |
|  | (b) Long Term Provisions                 | 228.82                     |
|  | (c) Other Non Current Liabilities        | -                          |
|  | <b>Total Non Current Liabilities (A)</b> | <b>2,935.94</b>            |
| <b>2</b>                                     | <b>Current Liabilities</b>               |                            |
|  | (a) Financial Liabilities                |                            |
|  | (i) Short- term Borrowings               | 3,713.71                   |
|  | (ii) Trade & Other Payables              | 3,124.54                   |
|  | (b) Other Current Liabilities            | 5,959.80                   |
|  | (c) Short- term Provisions               | 118.08                     |
|  | <b>Total Current Liabilities (B)</b>     | <b>12,916.13</b>           |
| <b>Total Equity and Liabilities (A)+ (B)</b> |  | <b>25,369.13</b>           |



FOR LYKA LABS LIMITED

YATIN SHAH (DIN 07155634)  
CHAIRMAN OF THE MEETING



# *Mehta Chokshi & Shah*

## CHARTERED ACCOUNTANTS

### Auditor's Report On Quarterly and Half-Yearly 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

We have reviewed the accompanying statement of 'Un-audited financial results' of Lyka Labs Limited for the quarter and half-year ended 30<sup>th</sup> September, 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.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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.

We draw attention to the following matters:

1. **Fixed Deposits:**

During the quarter, the Company has repaid fixed deposits that were claimed aggregating to Rs. 12.65 lacs. As regards the balance of Rs. 53.77 lacs, the same shall be paid as and when claimed.

2. **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> September, 2017 | Payable by                      |
|--------------|---|--|---------------------------------|
| 1            | Upto 31 <sup>st</sup> March, 2015 (See Note)                      | 4.00   | 30 <sup>th</sup> July, 2017     |
| 2            | From 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> July, 2015   | 185.00   | 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>325.75</b>                                      |                                 |





Note:

Out of Rs. 375 lacs paid by the Company during the quarter, 3 cheques aggregating to Rs. 4 lacs were returned undelivered by the courier.

3. 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 limited pledged by her as security for finance supposed to have been provided by KSM Securities & Finance Pvt. Ltd. (KSM) to Lyka Labs limited. These pledged shares were invoked by KSM due to alleged non-payment of dues by Lyka Labs limited to KSM. Further, the said Director has claimed interest of Rs. 11.80 lacs (Includes of Rs. 5.17 lacs for quarter ended 30<sup>th</sup> September, 2017) for the period 9<sup>th</sup> December, 2016 to 30<sup>th</sup> September, 2017 on Rs. 128.25 lacs and the same has been recorded as Finance cost for the quarter and half-year ended 30<sup>th</sup> September, 2017.

Pending receipt of documentary evidence to substantiate the above claims, the Company has credited the said Director with Rs.140.05 lacs (Including interest Rs. 11.80 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 and half-year ended 30<sup>th</sup> September, 2017.

The Company is in the process of resolving the counter claims of both the parties.

4. Attention is drawn to Note No. 4 of the unaudited results for the quarter and half-year ended 30<sup>th</sup> September, 2017 regarding the wages settlement of the employees at Ankleshwar and debit of Rs. 75.68 lacs to Employee Benefits expense during the quarter ended 30<sup>th</sup> September, 2017.

**5. Interest On Borrowings:**

In view of restructuring proposal pending with two banks, the Company has not provided for additional interest estimated at Rs. 40.92 lacs, on account of defaults for repayment of installment and interest as per the terms of sanction of the said banks.

Had the Company provided for interest on above loans, the loss before tax for the quarter would have been higher by Rs. 40.92 lacs.

**6. Investment In Subsidiaries:**

- 6.1 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, 2017 by the Board of Directors at their meeting held on 30<sup>th</sup> August, 2017 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:**

The company has reviewed its portfolio of products under development and applied research. Accordingly, a sum of Rs. 848 lakhs including finance cost is carried forward as "Capital Work-in-Progress - Intangibles" to be recognized as "Self-Generated Intangible Assets" upon successful development and commercial viability of the respective products. However, the carrying cost of those products which do not conform to the test of commercial viability are charged to the Statement of Profit and Loss.

8. Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 167.37 lacs for which steps are being taken to utilize/realize the same.

9. Contingent Liabilities where amounts are paid under protest:

- 9.1 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.

- 9.2 The Company has received Orders from Sales Tax department raising demands of Rs. 279.82 lacs against which it has paid Rs. 65.02 lacs under protest.

- 9.3 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.

- 9.4 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.

- 9.5 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 and half-year ended 30<sup>th</sup> September, 2017.





10. 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 and half-year ended 30<sup>th</sup> September, 2017.

11. In view of loss for the period, current tax has not been provided.

12. The balances relating to Sundry Debtors, Sundry Creditors, Group Companies and Loans & Advances as on 30<sup>th</sup> September, 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.

Based on our review conducted and read with the matters specified in para 1 to 12, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Other matters:**

- a. Note No. 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from 1<sup>st</sup> April, 2016 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 and half-year ended 30<sup>th</sup> September, 2016 and accordingly, we do not express any opinion on the results in the Statement for the quarter and half-year ended 30<sup>th</sup> September, 2016. As stated in Note No. 3 to the Statement, these figures have been furnished by the Management.

For Mehta Chokshi & Shah.  
Chartered Accountants  
Firm Reg. No. 106201W

  
Partner

Name: Abhay Mehta  
Membership No. 046088



Place : Mumbai

Date : 24<sup>th</sup> November, 2017