

## STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

Particulars		Quarter Ended			Rs. In Lakhs	
					Current year Ended	Previous Period Ended
		31-Mar-2017 (Audited)	31-Dec-2016 (Unaudited)	31-Mar-2016 (Audited)	31-Mar-2017 12 months (Audited)	31-Mar-2016 9 months (Audited)
1	<b>Revenue</b>					
	(a) Revenue from Operations (Gross)	1,984.07	2,544.66	1,959.54	8,522.72	6,075.88
	less : Excise duty	157.86	164.12	104.57	663.25	348.92
	Revenue from Operations (Net)	1,826.21	2,380.54	1,854.97	7,859.47	5,726.96
	(b) Other Income	120.75	7.47	293.67	170.23	1,124.11
	<b>Total Revenue</b>	<b>1,946.96</b>	<b>2,388.01</b>	<b>2,148.64</b>	<b>8,029.70</b>	<b>6,851.07</b>
2	<b>Expenses</b>					
	(a) Cost of Materials Consumed	1,043.68	797.09	736.31	3,536.67	2,345.49
	(b) Purchase of traded goods	(19.94)	130.85	390.31	273.06	908.25
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(196.49)	41.28	57.73	(178.70)	167.57
	(d) Employee benefits expense	261.34	261.22	226.32	1,004.85	658.11
	(e) Finance Costs	308.03	444.40	377.28	1,512.49	1,144.35
	(f) Depreciation and amortisation expense	154.13	92.78	87.30	428.90	264.02
	(g) Other expenses	277.30	314.11	274.89	1,176.61	853.79
	<b>Total expenses</b>	<b>1,828.05</b>	<b>2,081.73</b>	<b>2,150.14</b>	<b>7,753.88</b>	<b>6,341.58</b>
	<b>Profit/(Loss) before Exceptional Items, Extra Ordinary Item and Taxes</b>	<b>118.91</b>	<b>306.28</b>	<b>(1.50)</b>	<b>275.82</b>	<b>509.49</b>
3						
4	<b>Exceptional Items (Net)</b>	<b>15.19</b>	<b>181.13</b>	<b>(84.92)</b>	<b>196.32</b>	<b>(60.23)</b>
5	Prior Period Adjustments	-	-	(35.78)	4.41	87.70
6	<b>Profit/(Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>103.73</b>	<b>125.15</b>	<b>119.20</b>	<b>75.09</b>	<b>482.02</b>
7	Tax Expenses	-	-	-	-	-
8	<b>Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>103.73</b>	<b>125.15</b>	<b>119.20</b>	<b>75.09</b>	<b>482.02</b>
9	Extraordinary Item (expenses)	-	18.22	-	18.22	-
10	<b>Net Profit/(Loss) for the period (12+13)</b>	<b>103.73</b>	<b>106.93</b>	<b>119.20</b>	<b>56.87</b>	<b>482.02</b>
11	Paid up equity share capital ( face value Rs.10/- per share)	2,204.00	2,204.00	2,204.00	2,204.00	2,204.00
12	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	4,132.90	4,076.01
13 i.	<b>Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))</b>					
	(a) Basic	0.46	0.56	0.53	0.29	2.17
	(b) Diluted	0.46	0.56	0.53	0.29	2.17
13 ii.	<b>Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))</b>					
	(a) Basic	0.46	0.47	0.53	0.21	2.17
	(b) Diluted	0.46	0.47	0.53	0.21	2.17



## Notes:

1. The above Audited Financial results has been reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2017.
2. The figures for the last quarter ended 31<sup>st</sup> March, 2017 being balancing figures between audited figures in respect of the year ended 31<sup>st</sup> March, 2017 and published year to date figures upto 31<sup>st</sup> December, 2016.
3. The Statutory Auditors of the Company have carried out the audit on Standalone basis of the financial results for the quarter ended 31<sup>st</sup> March, 2017 and for the year ended 31<sup>st</sup> March, 2017.
4. During the Quarter the Company has charged to Profit & Loss Account Rs.81.84 lacs being depreciation on revalued assets.
5. Exceptional items consist of:

Sr. No.	Particulars	Year ended 31st March, 2017 (Rs. In lacs)
1.	Loss on Sale of Fixed Assets	11.20
2.	Loss on Sale of Investments	1.61
3.	Irrecoverable claim/advances written off	54.88
4.	VAT paid under Amnesty Scheme	128.63
	<b>TOTAL</b>	<b>196.32</b>

6. Current year Tax has not been provided in view of unabsorbed business losses and depreciation of the earlier years.
7. The Company has one Single Segment "Pharmaceuticals".
8. Figures for previous period have been regrouped/rearranged wherever necessary, to conform to the relevant current years' classification.

For LYKA LABS LIMITED

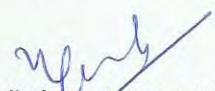
  
N. I. GANDHI (DIN: 00021530)  
Chairman & Managing DirectorMumbai  
29-May-17

**Standalone statement of Assets and Liabilities**

(Rs.in lakhs)

Particulars		As at 31st March, 2017	As at 31st March, 2016
		Audited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	2,312.57	2,312.57
	(b) Reserves and Surplus	4,394.62	4,337.73
		6,707.19	6,650.30
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Long-Term Borrowings	3,473.45	2,526.99
	(b) Other Long-Term Liabilities	13.95	13.95
	(c) Long-Term Provisions	219.52	207.11
		3,706.92	2,748.05
<b>3</b>	<b>Current Liabilities</b>		
	(a) Short-Term Borrowings	3,772.05	4,624.26
	(b) Trade Payables	3,575.25	3,108.24
	(c) Other Current Liabilities	5,682.22	5,581.66
	(d) Short-Term Provisions	112.74	90.22
		13,142.26	13,404.38
	<b>TOTAL</b>	<b>23,556.37</b>	<b>22,802.73</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets	9,143.17	9,042.69
	(b) Non-Current Investments	6,245.30	6,256.56
	(c) Long-Term Loans and Advances	1,598.54	1,630.33
		16,987.01	16,929.58
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	925.16	696.42
	(b) Trade Receivables	3,142.09	2,644.85
	(c) Cash and Cash Equivalents	145.74	173.41
	(d) Short-Term Loans and Advances	2,218.13	2,218.96
	(e) Other Current Assets	138.24	139.51
		6,569.36	5,873.15
	<b>TOTAL</b>	<b>23,556.37</b>	<b>22,802.73</b>

**FOR LYKA LABS LIMITED**

  
**N.I.Gandhi (DIN : 00021530)**  
**(Chairman & Managing Director)**

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

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

To  
The Board of Directors of Lyka Labs Limited

1. We have audited the quarterly financial results ("the Statement") of Lyka Labs Limited ("the Company") for the quarter ended 31st March, 2017 and the year to date financial results for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statement, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statement, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS) 25, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

**3. Fixed Deposits:**

During the year, the Company has repaid deposits that were claimed aggregating to Rs. 624.15 lacs. As regards the balance of Rs. 67.37 lacs, the same shall be paid as and when claimed.

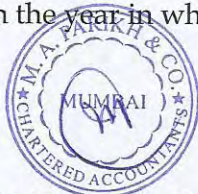
The additional liability of interest, if any, arising on account of delayed payment/non-payment shall be provided for in the year in which the said liability is settled.

**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:

Sr. No.	Outstanding Debentures	Amount (Rs. In Lacs)	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	207.00	31 <sup>st</sup> December, 2017
3	From 1 <sup>st</sup> August, 2015 to 30 <sup>th</sup> April, 2016	142.00	31 <sup>st</sup> March, 2018
<b>Total</b>		<b>724.00</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. Investment In Subsidiaries:

- 5.1 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.
- 5.2 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.

## 6. Capital Expenditure:

- 6.1 Tangible Project Capital Work-In-Progress Rs. 1,781.30 lacs as on 31<sup>st</sup> March, 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 project.
- 6.2 The Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> March, 2017 in respect of "new product development and applied research" aggregating to Rs. 1,465.07 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 respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned. This being a technical matter, we are unable to express our opinion of its impact, if any, on the profit for the quarter/year ended 31<sup>st</sup> March, 2017

During the year, the Company has capitalised Rs. 93.27 lacs as "Self Generated Intangible Assets" upon successful development of respective products.

7. Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 153.52 lacs (previous period Rs. 126.63 lacs) for which steps are being taken to utilize/realize the same.
8. Loans and advances include Rs. 185.21 lacs (previous period Rs. 231.01 lacs) granted to a company as financial assistance is considered good for recovery by the management.
9. During a earlier period, the Company has recognized revenue by way of insurance claim aggregating to Rs. 270.97 lacs on account of loss of certain fixed assets and materials due to fire. During previous quarter, Company has received final payment from insurance company



settled at Rs. 252.75 lacs and hence the Company has written off balance claim of Rs. 18.22 lacs in the Statement of Profit and Loss as an extraordinary item.

10. Certain Contingent Liabilities in respect of which part payments are made but are not provided for in respect of the following:

- 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 a 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 under protest Rs. 141.14 lacs.

- 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 causing 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 profit for the quarter/year ended 31<sup>st</sup> March, 2017.

11. During the year, the Company has lodged a claim for refund of excess finance costs charged by a bank amounting to Rs. 39.91 lacs which is adjusted against finance cost for the quarter/year.

During the previous year, the Company had lodged claims for refund of excess finance costs charged by two banks aggregating to Rs. 48.88 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 profit for the quarter/year ended 31<sup>st</sup> March, 2017.



12. Taxation:

12.1 Current Tax:

In view of carry forward unabsorbed Business Losses and Depreciation, current tax has not been provided for the year.

12.2 Deferred Tax:

The Company has not recognized Deferred Tax Assets in view of virtual uncertainty of sufficient future taxable income to set off carried forward losses and unabsorbed depreciation.

13. Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs.124.86 lacs (previous period Rs. 113.99 lacs).

14. The balances relating to Sundry Debtors, Sundry Creditors, Group Companies and Loans & Advances as on 31<sup>st</sup> March, 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.

15. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results subject to *para no. 6.2 relating to Intangible Assets Under Development*, the Statement:

(i) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regard;

and

(ii) gives a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March, 2017 as well as the year to date results for the year ended 31<sup>st</sup> March, 2017.



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

Partner  
**Name: Mukul M. Patel**  
Membership No: 032489

Place: Mumbai

Date: 29<sup>th</sup> May, 2017

LYKA LABS LIMITED

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

Particulars	Quarter Ended			Current Year Ended	Previous Period
	31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016
	(Audited)	(Unaudited)	(Audited)	12 Months (Audited)	9 Months (Audited)
(Rs.in Lakhs)					
1 <b>Income from operations</b>					
(a) Revenue from Operations/(Gross)	3218.10	3354.14	3566.33	12321.50	13389.82
less: Excise duty	157.86	164.12	104.57	663.25	348.92
Revenue from Operation (Net)	<b>3060.24</b>	<b>3190.02</b>	<b>3461.76</b>	<b>11658.25</b>	<b>13040.90</b>
(b) Other Income	187.46	7.09	10.36	246.21	172.63
<b>Total Revenue</b>	<b>3,247.70</b>	<b>3,197.11</b>	<b>3,472.12</b>	<b>11,904.46</b>	<b>13,213.53</b>
2 <b>Expenses</b>					
(a) Cost of Materials Consumed	1043.69	797.08	943.70	3536.67	2345.49
(b) Purchase of traded goods	425.79	856.08	912.84	2040.98	4444.82
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	10.89	(124.49)	90.21	(192.88)	252.51
(d) Employee benefits expense	421.68	434.87	402.70	1745.25	1471.19
(e) Finance costs	362.13	504.10	450.89	1733.03	1518.84
(f) Depreciation and amortisation expense	129.15	262.12	249.78	901.69	932.46
(g) Other expenses	651.24	578.86	709.80	2375.61	2476.93
<b>Total expenses</b>	<b>3,044.57</b>	<b>3,308.62</b>	<b>3,759.92</b>	<b>12,140.35</b>	<b>13,442.25</b>
3 <b>Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>203.13</b>	<b>(111.51)</b>	<b>(287.80)</b>	<b>(235.89)</b>	<b>(228.72)</b>
4 Exceptional Items (Net)	233.09	180.55	1,138.57	413.65	(742.55)
5 Prior Period Adjustmens	-	-	-	4.41	123.47
6 <b>Profit/(Loss) from Ordinary Activities before tax</b>	<b>(29.96)</b>	<b>(292.06)</b>	<b>(1426.37)</b>	<b>(653.95)</b>	<b>390.36</b>
7 Extraordinary item(Expenses)	-	18.22	-	18.22	-
8 <b>Net Profit/(Loss) before tax</b>	<b>(29.96)</b>	<b>(310.28)</b>	<b>(1426.37)</b>	<b>(672.17)</b>	<b>390.36</b>
9 Tax Expenses	(32.11)	(56.58)	251.53	(103.05)	(18.63)
10 <b>Net Profit/(Loss) for the period before Minority Interest</b>	<b>2.15</b>	<b>(253.70)</b>	<b>(1677.90)</b>	<b>(569.12)</b>	<b>408.99</b>



LYKA LABS LIMITED						
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017						
Particulars	Quarter Ended			Current Year Ended	Previous Period	
	31-03-2017	31-12-2016	31-03-2016	31-03-2017 12 Months	31-03-2016 9 Months	
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	
11	Minority Interest	(182.02)	34.15	(478.43)	(101.55)	40.30
12	<b>Net Profit/(Loss) after Minority Interest</b>	184.17	(287.85)	(1199.47)	(467.57)	368.69
13	Paid up equity share capital ( face value Rs.10/- per share)	2204.00	2204.00	2204.00	2204.00	2204.00
14	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	-	-
15	i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)					
	(a) Basic	0.82	(1.24)	(5.45)	(2.09)	1.65
	(b) Diluted	0.82	(1.24)	(5.45)	(2.09)	1.65
16	ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)					
	(a) Basic	0.82	(1.32)	(5.45)	(2.17)	1.65
	(b) Diluted	0.82	(1.32)	(5.45)	(2.17)	1.65





## Notes:


1. The above Audited Financial results has been reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2017.
2. The figures for the last quarter ended 31<sup>st</sup> March, 2017 being balancing figures between audited figures in respect of the Year ended 31<sup>st</sup> March, 2017 and published year to date figures upto 31<sup>st</sup> December, 2016.
3. The Statutory Auditors of the Company have carried out the audit on Consolidated basis of the financial results for the Year ended 31<sup>st</sup> March, 2017.
4. Audited financial results for the Year ended 31<sup>st</sup> March, 2017 have been consolidated with that of Lyka BDR International Ltd., Lyka Healthcare Ltd., and Lyka Exports Ltd., for the year ended 31<sup>st</sup> March, 2017
5. During the Quarter the Holding Company has charged to Profit & Loss Account Rs.81.84 lacs being depreciation on revalued assets.
6. Exceptional items consist of :

Sr. No.	Particulars	Year ended 31st March, 2017 (Rs. In lacs)
a)	Quality Claim	217.32
b)	Loss on sale of Fixed Assets	11.20
c)	Loss on sale of Investments	1.61
d)	Irrecoverable claim/Advance written off	54.89
e	VAT Paid under Amnesty Scheme	128.63
	TOTAL	413.65

7. Tax expenses comprises of deferred tax assets.
8. The Company has one Single Segment "Pharmaceuticals".
9. Figures for previous period have been regrouped/rearranged wherever necessary, to conform to the relevant current year classification.

For LYKA LABS LIMITED

  
N. I. GANDHI (DIN: 00021530)  
Chairman & Managing DirectorMumbai  
29-May-17

LYKA LABS LIMITED		
Consolidated Statement of Assets and Liabilities		
( Rs.in lakhs)		
Particulars	As at 31st March, 2017	As at 31st March, 2016
	Audited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>	
<b>1</b>	<b>Shareholders' Funds</b>	
	(a) Share Capital	2,312.57
	(b) Reserves and Surplus	1,607.82
	<b>Sub-Total -Shareholders' Fund</b>	<b>3,920.39</b>
<b>3</b>	<b>Minority Interest</b>	289.76
<b>4</b>	<b>Non-Current Liabilities</b>	
	(a) Long-Term Borrowings	3,529.36
	(b) Other Long-Term Liabilities	156.89
	(c) Long-Term Provisions	316.76
	<b>Sub -Total -Non -Current liabilities</b>	<b>4,003.01</b>
<b>5</b>	<b>Current Liabilities</b>	
	(a) Short-Term Borrowings	4,994.57
	(b) Trade Payables	4,680.50
	(c) Other Current Liabilities	6,563.22
	(d) Short-Term Provisions	392.08
	<b>Sub -Total -Current liabilities</b>	<b>16,630.37</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>24,843.53</b>
<b>B</b>	<b>ASSETS</b>	
<b>1</b>	<b>Non-Current Assets</b>	
	(a) Fixed Assets	13,806.08
	(b) Non-Current Investments	22.35
	(c) Deferred Tax Asset	157.71
	(d) Long-Term Loans and Advances	2,317.05
	<b>Sub -Total -Non-Current assets</b>	<b>16,303.19</b>
<b>2</b>	<b>Current Assets</b>	
	(a) Inventories	1,324.07
	(b) Trade Receivables	4,053.12
	(c) Cash and Bank Balances	512.20
	(d) Short-Term Loans and Advances	2,310.58
	(e) Other Current Assets	340.37
	<b>Sub -Total -Current assets</b>	<b>8,540.34</b>
	<b>TOTAL-ASSETS</b>	<b>24,843.53</b>
FOR LYKA LABS LIMITED		
 N.I.Gandhi (DIN : 00021530) (Chairman & Managing Director)		

# M. A. PARIKH & CO.

## CHARTERED ACCOUNTANTS

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

To  
The Board of Directors of Lyka Labs Limited

1. We have audited the quarterly consolidated financial results ("the Consolidated Statement") of Lyka Labs Limited ("the Holding Company") for the quarter ended 31<sup>st</sup> March, 2017, and year to date consolidated financial results for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly as well as year to date Consolidated Statement have been prepared on the basis of the interim consolidated financial statement, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard Interim Financial Reporting (AS) 25, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of three subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated financial statement reflect total assets of Rs. 10,130.29 lacs as at 31<sup>st</sup> March, 2017 and total revenue of Rs. 6,679.26 lacs for the year ended 31<sup>st</sup> March, 2017. This interim financial statement and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on these quarterly and year to date Consolidated Statement, to the extent they have been derived from such audited financial statements is based solely on the report of such other auditors after making such changes as were considered necessary for the purpose of consolidation.
4. The consolidated financial results include the audited results of the following three subsidiaries:

Name of the Subsidiary	Percentage of Holding
Lyka BDR International Limited	65.22%
Lyka Exports Limited	72.80%
Lyka Health Care Limited	100.00%



5. The financial results relating to Lyka Labs Limited and its three subsidiaries (the Group) have been consolidated in accordance with Accounting Standard "Consolidated Financial Statement" (AS) 21, except the financial results of Lyka Animal Healthcare Limited, a 100% subsidiary of Lyka Exports Limited, which is considered by Lyka Exports Limited as an Immaterial Subsidiary, and hence not consolidated.

6. **Fixed Deposits:**

During the year, the Holding Company has repaid deposits that were claimed aggregating to Rs. 624.15 lacs. As regards the balance of Rs. 67.37 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.

7. **Debentures:**

The Holding 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:

Sr. No.	Outstanding Debentures	Amount (Rs. In Lacs)	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	207.00	31 <sup>st</sup> December, 2017
3	From 1 <sup>st</sup> August, 2015 to 30 <sup>th</sup> April, 2016	142.00	31 <sup>st</sup> March, 2018
<b>Total</b>		<b>724.00</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.

8. **Investment In Subsidiaries:**

The proposed merger of the Lyka Healthcare Limited and Lyka Exports Limited with the Holding Company would be in the best interest of the Group, its shareholders, creditors and all other stakeholders. Accordingly, the Board of Directors of Holding Company at their meeting held on 10<sup>th</sup> March, 2016 resolved to merge Lyka Exports Limited and Lyka Healthcare Limited with Holding Company, 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 Holding Company's 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 Holding Company's Board of Directors at their meeting held on 1<sup>st</sup> April, 2017.

9. **Capital Expenditure:**

9.1 Tangible Project Capital Work-In-Progress Rs. 1,781.30 lacs as on 31<sup>st</sup> March, 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 project.

9.2 The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> March, 2017 in respect of "new product development and applied research" aggregating to Rs. 1,465.07 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 respective products or to be charged to Statement of Profit and Loss in the year in which development is abandoned. This being a technical matter, we are unable to express our opinion of its impact, if any, on the loss for the quarter/year ended 31<sup>st</sup> March, 2017

During the quarter, the Holding Company has capitalised Rs. 93.27 lacs as "Self Generated Intangible Assets" upon successful development of respective products.

10. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs. 153.52 lacs (previous period Rs. 126.63 lacs) for which steps are being taken to utilize/realize the same.
11. Loans and advances include Rs. 185.21 lacs (previous period Rs. 231.01 lacs) granted to a company as financial assistance is considered good for recovery by the Holding Company.
12. During a earlier period, the Holding Company has recognized revenue by way of insurance claim aggregating to Rs. 270.97 lacs on account of loss of certain fixed assets and materials due to fire. During previous quarter, Holding Company has received final payment from insurance company settled at Rs. 252.75 lacs and hence the Holding Company has written off balance claim of Rs. 18.22 lacs in the Statement of Profit and Loss as an extraordinary item.
13. **Depreciation :**
  - 13.1 During the year, based on Management's review of the best estimate of the useful life of Registration Rights (Intangible Assets), Lyka Healthcare Limited, a subsidiary of the Company, has increased its useful life from 10 years to 20 years. Accordingly, the amortization charge has been revised during the year. Had the Company continued to amortize the assets based on useful life of 10 years, the charge on account of amortization would have been higher by Rs. 192.56 lacs.
  - 13.2 Lyka BDR International Limited, a subsidiary of the Company has provided depreciation on revalued Registration Rights amounting to Rs. 136.10 lacs (previous year Rs. 136.47 lacs) which is charged to Revaluation Reserve.
14. Certain Contingent Liabilities in respect of which part payments are made but are not provided for in respect of the following:
  - 14.1 There were demands raised against the Holding 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 Holding Company. In a earlier year, the Holding Company had received recovery notices for recovery of Rs. 2,094.41 lacs to be deposited into "Drug Price Equalisation Account".



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

- 14.2 The Holding Company has received Orders from Sales Tax department raising demands of Rs.406.74 lacs against which it has paid under protest Rs. 141.14 lacs.
- 14.3 The Holding 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.
- 14.4 The Holding Company has received an Order from Income Tax department causing demand of Rs.2,325.04 lacs against which it has paid Rs. 100.00 lacs under protest.
- 14.5 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 Holding 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/year ended 31<sup>st</sup> March, 2017.

15. During the year, the Holding Company has lodged a claim for refund of excess finance costs charged by a bank amounting to Rs. 39.91 lacs which is adjusted against finance cost for the quarter/year.

During the previous year, the Holding Company had lodged claims for refund of excess finance costs charged by two banks aggregating to Rs. 48.88 lacs

The above claims are subject to confirmation by the respective banks and the same are considered good for recovery by the Holding Company. We are unable to express our opinion of its impact, if any, on the loss for the quarter/year ended 31<sup>st</sup> March, 2017.

16. Taxation:

16.1 Current Tax:

In view of carry forward unabsorbed Business Losses and Depreciation/loss for the year, current tax has not been provided for the year.

16.2 Deferred Tax:

The Group has not recognized Deferred Tax Assets in view of virtual uncertainty of sufficient future taxable income to set off carried forward losses and unabsorbed depreciation, except Lyka Healthcare Limited, a subsidiary of the Company, which has recognized Deferred Tax Assets amounting to Rs. 157.71 lacs.

17. Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs.124.86 lacs (previous period Rs.113.99 lacs).



18. The balances relating to Sundry Debtors, Sundry Creditors, Loans & Advances as on 31<sup>st</sup> March, 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.
19. In our opinion and to the best of our information and according to the explanations given to us, this Consolidated Statement of quarterly and year to date results subject to *para no. 9.2 relating to Intangible Assets Under Development*, the Statement:
- (i) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;
- and
- (ii) gives a true and fair view of the net loss and other financial information for the quarter ended 31<sup>st</sup> March, 2017 as well as the year to date results for the year ended 31<sup>st</sup> March, 2017.

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



**Partner  
Name: Mukul M. Patel  
Membership No. 032489**

Place : Mumbai  
Date : 29<sup>th</sup> May, 2017