

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

Rs. In Lakhs

Particulars	Quarter Ended			Current Year Ended	Previous Year Ended
	31-Mar-2018 (Audited)	31-Dec-2017 (Unaudited)	31-Mar-2017 (Audited)	31-Mar-2018 (Audited)	31-Mar-2017 (Audited)
I. Revenue					
Revenue from Operations (Gross)	1,103.39	1,581.61	1,984.07	4,249.09	8,463.97
Other Income	31.09	60.05	120.75	189.21	170.60
Total Revenue	1,134.48	1,641.66	2,104.82	4,438.30	8,634.57
II. Expenses					
(a) Cost of Materials Consumed	452.97	659.72	1,043.68	1,848.03	3,536.67
(b) Purchase of traded goods	32.77	16.58	(19.94)	134.25	273.06
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	81.46	79.28	(196.49)	171.25	(178.71)
(d) Excise Duty	-	-	157.86	81.00	663.25
(e) Employee benefits expense	280.50	267.31	259.95	1,089.96	999.30
(f) Finance Costs	(370.86)	139.04	296.47	613.47	1,654.06
(g) Depreciation and amortisation expense	175.89	158.10	184.22	630.89	552.55
(h) Other expenses	256.26	223.81	162.45	1,138.77	993.76
Total Expenses	908.99	1,543.84	1,888.20	5,707.60	8,493.94
III. Profit/(Loss) before Exceptional Items and Taxes (III - IV)	225.49	97.82	216.62	(1,269.32)	140.63
IV. Exceptional Items (Net)	65.51	-	(15.19)	147.12	(196.32)
V. Profit/(Loss) before Tax	291.00	97.82	201.43	(1,122.20)	(55.69)
VI. Tax Expenses (Deferred Tax)	(1.05)	(5.38)	28.05	(38.26)	(37.05)
VII. Profit/(Loss) after Tax	292.05	103.20	173.38	(1,083.94)	(18.64)
VIII. Other Comprehensive Income	25.54	(1.39)	(1.39)	(29.71)	(5.55)
IX. Total Comprehensive Income	317.59	101.81	171.99	(1,113.65)	(24.19)
Paid up Equity Share Capital (face value Rs.10/- per share)	2814.00	2814.00	2,204.00	2,814.00	2,204.00
XI. Earnings Per Equity Share of Rs 10/-each (not annualised)					
(a) Basic	1.12	0.36	0.79	(4.24)	0.21
(b) Diluted	1.12	0.36	0.79	(4.24)	0.21




Statement of Assets & Liabilities

[Rs in Lakhs]

Particulars	As at 31st March, 2018	As at 31st March, 2017
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	7,678.19	8,166.08
(b) Capital Work- In- Progress	1,666.25	958.20
(c) Other Intangible assets	438.10	460.50
(d) Intangible assets under development	976.53	1,465.07
Total Non Current Assets (A)	10,759.07	11,049.85
(e) Financial Assets		
(i) Investments	6,245.30	6,245.30
(ii) Other Financial Assets	1,377.20	1,233.57
(f) Other Non Current Assets	200.24	484.97
(g) Non Current Tax Assets	380.92	336.65
(h) Deferred tax assets(net)	140.84	102.58
Total Current Assets (B)	8,344.50	8,403.08
Total Assets (A) + (B)	19,103.57	19,452.93
2 Current Assets		
(a) Inventories	729.90	925.16
(b) Financial Assets		
(i) Investments	0.06	-
(ii) Trade Receivables	3,014.19	2,486.18
(iii) Cash and cash equivalents	52.71	145.74
(iv) Loans	764.36	697.77
(v) Other Financial Assets	252.39	236.40
(c) Other Current Assets	707.23	333.71
Total Current Assets	5,520.84	4,824.97
Total Assets	24,624.41	24,277.90
1 EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	2,814.00	2,204.00
(b) Other Equity	6,864.14	5,157.17
Total Equity (A)	9,678.14	7,361.17
LIABILITIES		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	471.35	3,548.15
(ii) Trade Payable	-	-
(iii) Other Financial Liabilities	31.88	12.22
(b) Provisions	254.16	219.52
(c) Other Non Current Liabilities	-	-
Total Non Current Liabilities (A)	757.39	3,779.90
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,494.27	3,766.63
(ii) Trade Payable	2,276.58	3,575.25
(iii) Other Financial Liabilities	7,852.36	5,171.59
(b) Other Current Liabilities	403.25	510.63
(c) Provisions	162.41	112.74
Total Current Liabilities (B)	14,188.87	13,136.83
Total Equity and Liabilities (A) + (B)	24,624.41	24,277.90

FOR LYKA LABS LIMITED

N. I. Gandhi
 N. I. GANDHI (DIN 00021530)
 CHAIRMAN & MANAGING DIRECTOR





Notes:

1. The above audited 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 29th May, 2018.
2. The figures for the last quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the year ended 31st March, 2018 and published year to date figures upto 31st December, 2017.
3. The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs w.e.f. 1st April, 2017.

4. **Interest On Borrowings:**

The Company has applied to two of its banks for settlement of principal / interest amount. The management has accordingly reversed interest on term loan provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and has not provided interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

Further the Company has reversed during the quarter Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is also no provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

5. **Inventories:**

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. The Company is evaluating to utilize/realise the same.

6. **Pledged shares of a Director encashed by a Lender**

The Company has received claims from a Director aggregating to Rs. 128.25 lakhs being the value of 225,000 equity shares of Lyka Labs limited pledged as security for finance supposed to have been provided by KSM Securities & Finance Pvt. Ltd. (KSM) to the Company. These pledged shares were allegedly invoked by KSM. Further, the said Director has claimed the interest on the same, post invocation of the pledged shares.

Pending receipt of documentary evidence to substantiate the above claims, the Company has debited KSM with Rs. 128.25 lakhs. However, the said KSM has not confirmed the same for



which no provision has been made in the books. The Company is in the process of resolving the counter claims of both the parties.

7. Scheme of Arrangements:-

(a) The Board of Directors at their meeting held on 10th March, 2016 resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st 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 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1st April, 2017 by The Board of Directors at their meeting held on 30th August, 2017.

(b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1st April 2017 ("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 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6th February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March 2018 for approving the arrangement

The Equity / Preference Shareholders at the meetings convened, approved the arrangements of merger. The Unsecured Creditors at their meeting also approved the arrangement of merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Company for reconvening meeting of Secured Creditors on 2nd July, 2018.

8. Capital Expenditure:

The Company has reviewed its portfolio of products under development and applied research. Accordingly, a sum of Rs. 976.53 Lakhs for the year ended 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 product's which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.

9. Exceptional Items

Exceptional items consist of :



(Rs. In lakhs)		
Sr. No.	Particulars	Year ended 31st March, 2018
1.	Interest Payable to Banks written back	(344.35)
2.	Short Provision of Expenses of earlier years	19.86
3.	Irrecoverable claim/advances written off	95.76
4.	Sales Tax paid under Amnesty Scheme	81.61
	TOTAL	(147.17)

10. The reconciliation between results as reported under erstwhile Indian GAAP and Ind AS is summarised as below:-

(i) Profit Reconciliation:-

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended 31 st March, 2017	Year ended 31 st March, 2017
	Net Profit/(Loss) as per Indian GAAP	103.73	56.90
a.	Fair Value of Financial Assets/Financial Liabilities	11.56	22.37
b.	Restatement of Fair Value of Investment	-	1.77
c.	Incremental Depreciation on Fair Value as Deemed Cost on initial recognition on selective basis	(30.09)	(123.66)
d.	Remeasurement of Post Employment Benefit Obligations	1.39	5.55
e.	Expected Credit Loss on Financial Assets	114.85	(18.61)
f.	Deferred Tax impact on above	(28.05)	37.05
	Net Profit /(Loss) before OCI as per Ind AS	173.38	(18.63)
g.	Other comprehensive income (OCI)	(1.39)	(5.55)
	Total Comprehensive income under Ind AS	171.99	(24.18)

(ii) Equity Reconciliation:-

Sr. No.	Particulars	Year ended 31 st March, 2017	On 1 st April, 2016
	Total equity (shareholder's funds) as per previous GAAP	6707.19	6650.30
	Adjustments:		
a.	Reclassification of Cumulative Redeemable Preference Shares	(108.57)	(108.57)
b.	Fair Value of Financial Assets/Liabilities	(267.93)	(290.32)
c.	Fair Value of Investments	-	(1.77)
d.	Expected Credit Loss on Financial Assets	(132.79)	(114.18)
e.	Prior Period Adjustments	(1530.86)	(1530.86)

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f.	Opening Balance of Revaluation Reserve transferred	2853.45	2853.45
g.	Foreign Currency Monetary Translation Difference Reserve transferred	(138.24)	(138.24)
h.	Incremental Depreciation on Fair Value as Deemed Cost on initial recognition on selective basis	(123.66)	-
i.	Deferred Tax impact on above	102.58	65.54
	Total adjustments	653.98	735.06
	Total equity as per Ind AS	7361.17	7385.35

11. The format for 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.
12. 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/year ended on March 31, 2018 are not comparable with the corresponding previous period figures.
13. The Company's business activities as reviewed by the Board of Directors, falls within a single operating segment viz. "Pharmaceuticals" as per IndAS 108 Operating Segments and hence segment disclosures have not been given.
14. The figures for previous period have been regrouped/rearranged wherever considered necessary.

For LYKA LABS LIMITED



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

Mumbai
29th May, 2018




Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

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

To Board of Directors,
Lyka Labs Limited

1. We have audited the accompanying statement of quarterly standalone financial results of Lyka Labs Limited ("the Company") for the quarter and the year ended **March 31, 2018** ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended by Circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular").
2. The standalone financial results for the quarter and the year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine month period ended December 31, 2017, the audited annual standalone financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (IndAS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; and other accounting principles generally accepted in India and our audit of the annual standalone financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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4. Basis for Qualified Opinion

A. Interest On Borrowings:

Attention is drawn to Note no. 4 of the audited results for the quarter and year ended 31st March, 2018 regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non-provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

Further the company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs.

Further there is non-provision of penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

These non-provisions/reversal of provision for interest is not in compliance with IndAS 109 Financial Instruments.

Accordingly loss for the year is understated by Rs. 1365.95 lakhs.

B. Inventories

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. This is not in accordance with IndAS 2 Inventories, which requires such inventories to be valued at lower of cost or net realizable value. Accordingly, we are unable to quantify the impact of reduction in profit for the quarter ended 31st March, 2018 and increase in the loss for the year.

5. Emphasis of Matter

We draw attention to the following matters:

A. Pledged shares of a Director encashed by a Lender

We draw attention to Note No.6 regarding claims from a Director aggregating to Rs. 128.25 lakhs being the value of equity shares of the Company pledged as security.

B. Scheme of Arrangements

We draw attention to Note No.7(a) & (b) regarding the status of the schemes of arrangement with Lyka Exports Limited and Lyka Healthcare Limited.

C. Capital Expenditure:

We draw attention to Note No. 8 regarding the review of the portfolio of products under development and applied research.



6. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Statement of quarterly and year to date results read with matters specified in para 5 above, and subject to the Basis for Qualified matters in para 4, the Statement:

- i. is presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. gives true and fair view subject to the Basis for Qualified Opinion as per para 4, based on our audit conducted in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Profit for the quarter ended 31st March, 2018, loss for the year ended 31st March, 2018, total comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2018.
7. We did not audit the financial statements and other financial information, in respect of the Branch, whose financial statement includes total assets of Rs.8575.88 lakhs as at March 31, 2018 and total revenues of Rs.3669.48 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of the Branch is based solely on the report of other auditor. Our opinion is not modified in respect of this matter.
8. The comparative financial information of the Company for the quarter and the year ended March 31, 2017, included in these standalone financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 29, 2017 expressed a qualified opinion.
9. The Statement includes the results for the Quarter ended 31st March, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.

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




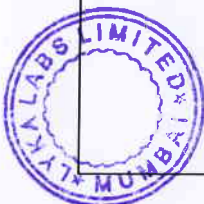

Partner

Name: Abhay Mehta
Membership No. 046088

Place : Mumbai

Date : 29th May, 2018

LYKA LABS LIMITED				
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITY FOR THE YEAR ENDED ON 31ST MARCH, 2018				
(Rs.In lakhs)				
Particulars			As at 31st March, 2018	As at 31st March, 2017
I		ASSETS		
1		Non-current assets		
	(a)	Property, Plant and Equipment	7,735.23	8,238.24
	(b)	Capital Work- In- Progress	1,666.25	1,669.63
	(c)	Intangible assets	4,410.05	5,051.26
	(d)	Intangible assets under development	1,121.40	753.64
			14,932.93	15,712.77
	(e)	Financial Assets		
	(i)	Investments	2,272.78	26.12
	(ii)	Other Financial Assets	2,384.01	2,481.27
	(iii)	Other Non-current Tax Expenses	380.92	336.65
	(iii)	Other Non-current Assets Deferred tax	395.23	290.22
			20,365.87	18,847.03
2		Current Assets		
	(a)	Inventories	1,119.69	1,324.07
	(b)	Financial Assets		
	(i)	Current Investments	0.06	-
	(ii)	Trade Receivables	2,049.61	2,981.36
	(iii)	Cash and Cash Equivalents	242.87	512.19
	(iv)	Loan	808.29	726.24
	(v)	Other Financial Assets	252.39	236.40
	(c)	Other Current Assets	1,338.03	549.08
			5,810.94	6,329.34
		TOTAL	26,176.81	25,176.37
II		EQUITY AND LIABILITIES		
1		Equity		
	(a)	Equity Share Capital	2,814.00	2,204.00
	(b)	Other Equity	5,155.07	1,983.13
			7,969.07	4,187.13
		Non Controlling Interest	104.48	286.57
2		Liabilities		
		Non-Current Liabilities		
		Financial Liabilities		
	(a)	Borrowings	493.16	3,577.23
	(b)	Other Financial Liabilities	66.88	154.11
	(c)	Provisions	363.25	426.54
			1,027.77	4,444.45
		Current Liabilities		
		Financial Liabilities		
	(a) (i)	Borrowings	4,517.67	5,023.06
	(ii)	Trade Payables	1,858.63	4,680.50
	(iii)	Other Financial Liability	10,332.12	6,542.50
	(b)	Other Current Liabilities	471.55	298.73
	(c)	Provisions	17,179.97	16,544.79
		TOTAL	26,176.81	25,176.37
			FOR LYKA LABS LIMITED	
			 N.I.GANDHI CMD DIN : 00021530	



STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST MARCH, 2018				
Sr. No.	Particulars	31-Mar-2018 (12 Months) (Audited)	31-Mar-2017 (12 Months) (Audited)	
I	Revenue			
	Revenue from Operations	6,061.61	11671.36	
	Other Income	213.31	223.69	
	Total Revenue (I+II)	6,274.92	11,895.05	
II	Expenses			
	(a) Cost of Materials Consumed	1,848.03	3,536.67	
	(b) Purchase of traded goods	909.54	2,040.98	
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	180.36	(192.88)	
	(d) Excise Duty	81.00	663.25	
	(e) Employee benefits expense	1,698.31	1,724.28	
	(f) Finance Costs	795.61	1,872.00	
	(g) Depreciation and amortisation expense	1,128.16	1,025.35	
	(h) Other expenses	1,861.87	1,622.01	
	Total expenses	8,502.88	12,291.66	
III	Profit/(Loss) before Exceptional Items and Taxes	(2,227.96)	(396.61)	
IV	Exceptional Items (Net)	(223.50)	(413.65)	
V	Non Controlling Interest	(178.90)	104.73	
VI	Profit/(Loss) before Tax	(1,825.56)	(705.53)	
Vii	Tax Expenses	(103.98)	150.61	
Viii	Profit/(Loss) for the period	(1,721.58)	(554.92)	
IX	Other Comprehensive Income	44.20	(11.51)	
X	Total Comprehensive Income	(1,765.78)	(566.43)	
XI	Paid up Equity Share Capital (face value Rs.10/- per share)	2,814.00	2,204.00	
	Earnings Per Share of Rs 10/-each (not annualised)			
	(a) Basic	(6.71)	(2.57)	
	(b) Diluted	(6.71)	(2.57)	

Notes :

1. The above audited 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 29th May, 2018.
2. The figures for the last quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the year ended 31st March, 2018 and published year to date figures upto 31st December, 2017.
3. The Statutory Auditors of the Holding Company have carried out the audit ofnConsolidated basis of the financial results for the year ended 31st March, 2018.
4. Consolidated Audited financial results for the year ended 31st March, 2018 includes audited financials of subsidiaries, Lyka BDR International Limited., Lyka Healthcare Limited., and Lyka Exports., for the year ended 31st March, 2018.
5. The Group has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs w.e.f. 1stApril, 2017.

6. **Interest On Borrowings:**

The Holding Company has applied to two of its banks for settlement of principal / interest amount. The management has accordingly reversed interest on term loan provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and has not provided interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs. 941.56 Lakhs.

Further the Holding Company has reversed interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs. There is also no provision for penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

7. **Inventories:**

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. The Company is evaluating to utilize/realise the same.

8. **Pledged shares of a Director encashed by a Lender:**

The Holding Company has received claims from a Director aggregating to Rs. 128.25 lakhs being the value of 225,000 equity shares of Lyka Labs Limited pledged as security for finance supposed to have been provided by a Lender to the Holding Company. These pledged shares were allegedly invoked by Lender. Further, the said Director has claimed the interest on the same, post invocation of the pledged shares.



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Pending receipt of documentary evidence to substantiate the above claims, the Holding Company has debited Lender with Rs. 128.25 lakhs. However, the said Lender has not confirmed the same for which no provision has been made in the books. The Holding Company is in the process of resolving the counter claims of both the parties.

9. Scheme of Arrangements:-

- (a) The Board of Directors at their meeting held on 10th March, 2016 resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st 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 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1st April, 2017 by The Board of Directors at their meeting held on 30th August, 2017.
- (b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1st April, 2017 ("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 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6th February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March, 2018 for approving the arrangement

The Equity / Preference Shareholders at the meetings convened, approved the merger. The Unsecured Creditors at their meeting also approved the merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Company for reconvening meeting of Secured Creditors on 2nd July, 2018.

10. Capital Expenditure:

The Company has reviewed its portfolio of products under development and applied research. Accordingly, a sum of Rs. 976.53 Lakhs for the year ended 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 product's which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.



11. Exceptional Items:

Exceptional items consist of :

Sr. No.	Particulars	(Rs. In lakhs)
		Year ended 31st March, 2018
1.	Interest written back / off of previous years (Net)	(248.59)
2.	Irrecoverable claim/advances written off	(76.39)
3.	Sales Tax paid under Amnesty Scheme	81.61
4.	Short Provision of Expenses in earlier years	19.86
	TOTAL	(223.50)

Note: Figures in brackets denote items of income nature.

12. The reconciliation between results as reported under erstwhile Indian GAAP and Ind AS is summarised as below:-

(i) Profit Reconciliation:-**(Rs. in Lakhs)**

Sr. No.	Particulars	Year ended 31st March, 2017
	Net Profit/(Loss) as per Indian GAAP	(467.57)
a.	Fair Value of Financial Assets/Financial Liabilities	26.59
b.	Restatement of Fair Value of Investment	4.37
c.	Incremental Depreciation on Fair Value as Deemed Cost on initial recognition on selective basis	(123.66)
d.	Remeasurement of Post Employment Benefit Obligations	10.93
e.	Expected Credit Loss on Financial Assets	(53.72)
f.	Deferred Tax impact on above	47.56
	Net Profit / (Loss) before OCI as per Ind AS	(555.1)
g.	Other comprehensive income (OCI)	(10.93)
	Total Comprehensive income under Ind AS	(566.43)

(ii) Equity Reconciliation:-

Sr. No.	Particulars	Year ended 31st March, 2017	On 1st April, 2016
	Total equity (shareholder's funds) as per previous GAAP	3920.39	4524.06
	Adjustments:		
a.	Reclassification of Cumulative Redeemable Preference Shares	(108.57)	(108.57)
b.	Fair Value of Financial Assets/Liabilities	(276.20)	(302.78)
c.	Fair Value of Investments	8.37	2.84
d.	Expected Credit Loss on Financial Assets	(221.37)	(167.66)
e.	Prior Period Adjustments	(1858.13)	(1858.13)
f.	Opening Balance of Revaluation Reserve transferred	2853.45	2853.45
g.	Foreign Currency Monetary Translation Difference Reserve transferred	(138.24)	(138.24)
h.	Incremental Depreciation on Fair Value as Deemed Cost on initial recognition on selective basis	(123.66)	--



i.	Deferred Tax impact on above	131.09	84.69
	Total adjustments		
	Total equity as per Ind AS	4187.13	4889.66

13. The format for 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.
14. 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/ year ended on March 31, 2018 are not comparable with the corresponding previous period figures.
15. The Group business activities as reviewed by the Board of Directors, falls within a single operating segment viz. "Pharmaceuticals" as per IndAS 108 Operating Segments and hence segment disclosures have not been given.
16. The figures for previous year / period have been regrouped / rearranged wherever considered necessary.

For LYKA LABS LIMITED

N. I. Gandhi

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

Mumbai
29th May, 2018



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Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**To Board of Directors,
Lyka Labs Limited**

1. We have audited the accompanying statement of consolidated financial results of **Lyka Labs Limited** ("the Holding Company") comprising its subsidiaries (together 'the Group'), for the quarter and the year ended **March 31, 2018** ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended by Circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Holding Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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4. Basis for Qualified Opinion:

A. Interest On Borrowings:

Attention is drawn to Note no. 6 of the audited results for the quarter and year ended 31st March, 2018 regarding reversal of interest on term loan from two banks provided for the period from April 2017 to September 2017 amounting to Rs 469.92 Lakhs and non - provision of interest on term loan from said two banks for the period from October 2017 to March 2018 amounting to Rs 471.64 Lakhs, aggregating to Rs 941.56 Lakhs.

Further the Holding Company has reversed Interest expenses for earlier years for the period from February 2016 to March 2017 amounting to Rs 344.35 Lakhs.

Further there is non-provision of penal interest on term loan from two banks and working capital limit from one bank amounting to Rs 80.04 Lakhs.

These non-provisions/reversal of provision for interest is not in compliance with IndAS 109 Financial Instruments.

Accordingly loss for the year is understated by Rs. 1365.95 lakhs.

B. Inventories:

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 174.06 lakhs as on 31st March 2018, which are valued at cost. This is not in accordance with IndAS 2 Inventories, which requires such inventories to be valued at lower of cost or net realizable value. Accordingly, we are unable to quantify the impact of reduction in profit for the quarter ended 31st March, 2018 and increase in the loss for the year.

5. Emphasis of Matter:-

We draw attention to the following matters:

A. Pledged shares of a Director encashed by a Lender:

We draw attention to Note No. 8 regarding claims from a Director aggregating to Rs. 128.25 lakhs being the value of equity shares of the Holding Company pledged as security.

B. Scheme of Arrangements:

We draw attention to Note No. 9 (a) & 9 (b) regarding the status of the schemes of arrangement with Lyka Exports Limited and Lyka Healthcare Limited.



C. Capital Expenditure:

We draw attention to Note No. 10 regarding the review of the portfolio of products under development and applied research.

6. Opinion:-

In our opinion and to the best of our information, according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements referred to in para 7 below, and further read with matters specified in para 5 above, and subject to the Basis for Qualified matters in para 4 above, the Statement:

- (i) include results of the subsidiaries viz. Lyka BDR International Limited, Lyka Exports Limited and Lyka Health Care Limited
- (ii) is presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
- (iii) gives true and fair view subject to the Basis for Qualified Opinion as per para 4, based on our audit conducted in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Profit for the quarter ended 31st March, 2018, loss for the year ended 31st March, 2018, total comprehensive income and other financial information of the Group for the quarter and year ended 31st March 2018.

7. We did not audit the financial statements and other financial information, in respect of the subsidiaries and a Branch of the Holding Company, whose financial statements include total assets of Rs.17234.66 lakhs as at March 31, 2018 and total revenues of Rs. 5629.18 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and a Branch of the Holding Company is based solely on the reports of other auditors. Our opinion is not modified in respect of this matter.
8. The comparative financial information of the Group for the quarter and the year ended March 31, 2017, included in these consolidated financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 29, 2017 expressed a qualified opinion.

For Mehta Chokshi & Shah
Chartered Accountants
(FRN: 106201W)



Place : Mumbai

Date : 29th May, 2018

Abhay. R. Mehta
Partner
(Membership Number: 46088)