

February 12, 2016

The Dy. General Manager  
Corporate Relations Dept  
The Bombay Stock Exchange Ltd.  
1st Floor, New Trading Ring  
Rotunda Bldg., P.J. Towers  
Dalal Street, Mumbai - 400 001

Dear Sir/Madam,

**Script Code : 500259**

Sub : Un-audited Standalone and Consolidated Financial Results for the Second Quarter and Six Months ended December 31, 2015.

We forward herewith copy of the Un-audited Standalone and Consolidated Financial Results of the Company for the Second Quarter and Six Months ended December 31, 2015 which were taken on record by the Board of Directors at its meeting held today together with Limited Review Report by Auditors thereon for your information and record.

The meeting commenced at 11 am and ended at 4.45 pm

Thanking you,

Yours faithfully,  
For LYKA LABS LIMITED

P. G. HINDIA  
COMPANY SECRETARY



Encl : as above

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 31ST DECEMBER, 2015**

Rs. In Lakhs

Particulars	Quarter Ended			Year to date figure for Current period Ended	Year to date figure for Previous period Ended	Previous year Ended
	31-Dec-2015	30-Sep-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014	30-Jun-2015
	(Unaudited)	(Unaudited)	(Unaudited)	6 months (Unaudited)	6 months (Unaudited)	12 months (Audited)
<b>1 Income from operations</b>						
(a) Net Sales/Income from operations (Net of excise duty)	1,748.68	1,952.43	2,202.02	3,701.11	4,009.51	8,307.33
(b) Other Operating Income	64.62	106.26	60.79	170.88	544.05	741.10
<b>Total income from operations (net)</b>	<b>1,813.30</b>	<b>2,058.69</b>	<b>2,262.81</b>	<b>3,871.99</b>	<b>4,553.56</b>	<b>9,048.43</b>
<b>2 Expenses</b>						
(a) Cost of Materials Consumed	739.97	869.21	1,377.70	1,609.18	2,302.56	4,658.11
(b) Purchase of traded goods	285.39	232.56	50.06	517.94	83.60	479.22
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	62.39	47.45	(85.22)	109.84	(18.53)	(56.98)
(d) Employee benefits expense	214.89	216.90	287.65	431.79	518.58	963.58
(e) Depreciation and amortisation expense	88.44	88.28	110.25	176.71	261.86	383.26
(f) Other expenses	301.48	277.42	231.55	578.90	611.43	1,171.44
<b>Total expenses</b>	<b>1,692.56</b>	<b>1,731.82</b>	<b>1,971.99</b>	<b>3,424.36</b>	<b>3,759.50</b>	<b>7,598.63</b>
<b>3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>120.74</b>	<b>326.87</b>	<b>290.82</b>	<b>447.63</b>	<b>794.06</b>	<b>1,449.80</b>
4 Other Income	234.05	596.39	100.47	830.44	141.06	170.73
<b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>354.79</b>	<b>923.26</b>	<b>391.29</b>	<b>1,278.07</b>	<b>935.12</b>	<b>1,620.53</b>
6 Finance costs	344.09	422.98	449.10	767.07	965.94	1,834.72
<b>7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)</b>	<b>10.70</b>	<b>500.28</b>	<b>(57.81)</b>	<b>511.00</b>	<b>(30.82)</b>	<b>(214.19)</b>
8 <b>Exceptional Items (Net)</b>	-	(24.69)	(614.56)	(24.69)	190.28	363.47
9 Prior Period Adjustments	33.49	(156.96)	(12.60)	(123.47)	(12.60)	(12.60)
<b>10 Profit/(Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>44.19</b>	<b>318.63</b>	<b>(684.97)</b>	<b>362.84</b>	<b>146.86</b>	<b>136.68</b>
11 Tax Expenses	-	-	-	-	-	-
<b>12 Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>44.19</b>	<b>318.63</b>	<b>(684.97)</b>	<b>362.84</b>	<b>146.86</b>	<b>136.68</b>
13 Extraordinary Item (net of tax expenses)	-	-	-	-	-	-
<b>14 Net Profit/(Loss) for the period (12+13)</b>	<b>44.19</b>	<b>318.63</b>	<b>(684.97)</b>	<b>362.84</b>	<b>146.86</b>	<b>136.68</b>
15 Paid up equity share capital (face value Rs.10/- per share)	2,204.00	2,158.00	2,158.00	2,204.00	2,158.00	2,158.00
16 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	3,511.18



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 31ST DECEMBER, 2015**

Particulars	Quarter Ended			Year to date	Year to date	Previous year
	31-Dec-2015	30-Sep-2015	31-Dec-2014	figure for	figure for	Ended
	(Unaudited)	(Unaudited)	(Unaudited)	Current period	Previous	
				Ended	period Ended	
				31-Dec-2015	31-Dec-2014	30-Jun-2015
				6 months	6 months	12 months
				(Unaudited)	(Unaudited)	(Audited)
17 i. Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))						
(a) Basic	0.19	1.46	(3.19)	1.63	0.66	0.58
(b) Diluted	0.19	1.46	(3.19)	1.63	0.66	0.58
17 ii. Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))						
(a) Basic	0.19	1.46	(3.19)	1.62	0.66	0.58
(b) Diluted	0.19	1.46	(3.19)	1.62	0.66	0.58



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Notes:

1. The above financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company along with Limited Review Report carried out by the Auditors at its meeting held on 12<sup>th</sup> February, 2016.
2. During the Quarter the Company has charged to Profit & Loss Account Rs.21.41 lacs being depreciation on revalued assets.
3. During the Quarter, the Company has capitalised interest of Rs.20.68 lacs and allocable expenses of Rs. 5.02 lacs towards Ankleshwar Unit Expansion / Upgradation.
4. The Company has one Single Segment "Pharmaceuticals".
5. Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current period classification.

For LYKA LABS LIMITED

*N. I. Gandhi*

**(N. I. GANDHI)**  
**Chairman & Managing Director**



Mumbai  
12<sup>th</sup> February, 2016

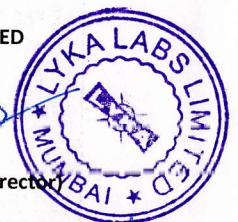
Standalone statement of Assets and Liabilities

(Rs.in lakhs)

Particulars		As at 31st December, 2015	As at 30th June, 2015
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	2,312.57	2,266.57
	(b) Reserves and Surplus	4,233.36	3,817.72
	<b>Sub-Total -Shareholders' Fund</b>	<b>6,545.93</b>	<b>6,084.29</b>
<b>2</b>	<b>Money received against Share Warrants</b>	-	32.20
<b>3</b>	<b>Non-Current Liabilities</b>		
	(a) Long-Term Borrowings	2,894.43	2,873.48
	(b) Other Long-Term Liabilities	48.95	48.95
	(c) Long-Term Provisions	259.67	304.59
	<b>Sub -Total -Non -Current liabilities</b>	<b>3,203.05</b>	<b>3,227.02</b>
<b>4</b>	<b>Current Liabilities</b>		
	(a) Short-Term Borrowings	3,154.44	3,607.29
	(b) Trade Payables	3,818.38	3,940.67
	(c) Other Current Liabilities	5,981.28	6,375.21
	(d) Short-Term Provisions	44.71	45.09
	<b>Sub -Total -Current liabilities</b>	<b>12,998.81</b>	<b>13,968.26</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>22,747.79</b>	<b>23,311.77</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets		
	(i) Tangible Assets	5,612.27	5,737.23
	(ii) Capital Work-in-Progress	1,671.49	1,606.41
	(iii) Intangible Assets	407.28	429.60
	(iii) Intangible assets under development	1,210.35	1,096.43
	(b) Non-Current Investments	8,901.39	8,869.67
	(c) Long-Term Loans and Advances	6,256.56	6,256.56
	<b>Sub -Total -Non-Current assets</b>	<b>16,971.74</b>	<b>16,928.00</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	840.05	1,255.83
	(b) Trade Receivables	2,534.30	2,883.27
	(c) Cash and Cash Equivalents	119.32	170.35
	(d) Short-Term Loans and Advances	2,142.88	1,934.81
	(e) Other Current Assets	139.50	139.51
	<b>Sub -Total -Current assets</b>	<b>5,776.05</b>	<b>6,383.77</b>
	<b>TOTAL-ASSETS</b>	<b>22,747.79</b>	<b>23,311.77</b>

FOR LYKA LABS LIMITED

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



LYKA LABS LIMITED

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 31ST DEC, 2015

(Rs.in Lakhs)

Particulars	Quarter ended			Year to date	Year to date	Previous Year ended
	31-Dec-15	30-Sep-15	31-Dec-14	Figure for Current Period	Figure for Previous Period	
	(Unaudited)	(Unaudited)	(Unaudited)	31-Dec-15 6 Months (Unaudited)	31-Dec-14 6 Months (Unaudited)	
<b>1 Income from operations</b>						
(a) Net Sales/Income from operations (Net of excise duty)	2,963.35	3,394.75	4,661.08	6,358.10	8,037.87	15,705.13
(b) Other Operating Income	109.66	144.06	118.74	253.72	654.31	921.45
<b>Total income from operations (net)</b>	<b>3,073.01</b>	<b>3,538.81</b>	<b>4,779.82</b>	<b>6,611.82</b>	<b>8,692.18</b>	<b>16,626.59</b>
<b>2 Expenses</b>						
(a) Cost of Materials Consumed	739.97	869.21	1,377.70	1,609.18	2,302.56	4,658.11
(b) Purchase of traded goods	1,015.98	659.81	1,164.30	1,675.79	2,030.26	4,417.01
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	-9.94	186.00	-50.14	176.06	82.21	-2.47
(d) Employee benefits expense	375.40	460.29	514.79	835.69	967.45	1,726.35
(e) Depreciation and amortisation expense	253.71	259.28	276.47	512.99	596.06	1,087.34
(f) Other expenses	628.39	672.27	899.46	1,300.66	1,729.20	3,091.02
<b>Total expenses</b>	<b>3,003.51</b>	<b>3,106.86</b>	<b>4,182.58</b>	<b>6,110.37</b>	<b>7,707.74</b>	<b>14,977.36</b>
<b>3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>69.50</b>	<b>431.95</b>	<b>597.24</b>	<b>501.45</b>	<b>984.44</b>	<b>1,649.23</b>
4 Other Income	81.93	36.22	106.64	118.15	152.44	235.27
<b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>151.43</b>	<b>468.17</b>	<b>703.88</b>	<b>619.60</b>	<b>1,136.88</b>	<b>1,884.50</b>
6 Finance costs	458.31	523.05	576.64	981.36	1,162.59	2,415.92
<b>7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>-306.88</b>	<b>-54.88</b>	<b>127.24</b>	<b>-361.76</b>	<b>-25.71</b>	<b>-531.42</b>
8 Exceptional Items (Net)	-0.08	1,952.14	-653.42	1,952.06	151.42	178.27
9 Prior Period Items	47.54	-103.30	-12.60	-55.76	-12.60	-12.60
<b>10 Profit/(Loss) from Ordinary Activities before tax (7+8+9)</b>	<b>-259.42</b>	<b>1,793.96</b>	<b>-538.78</b>	<b>1,534.54</b>	<b>113.11</b>	<b>-365.75</b>
11 Tax Expenses	273.81	0.00	0.00	273.81	0.00	-106.40
<b>12 Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>14.39</b>	<b>1,793.96</b>	<b>-538.78</b>	<b>1,808.35</b>	<b>113.11</b>	<b>-472.15</b>
13 Extraordinary Item (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00
<b>14 Net Profit/(Loss) for the period (12+13)</b>	<b>14.39</b>	<b>1,793.96</b>	<b>-538.78</b>	<b>1,808.35</b>	<b>113.11</b>	<b>-472.15</b>
15 Share of Profit/(Loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00
16 Minority interest	39.23	-440.74	-49.52	-401.51	-67.18	-22.77
<b>17 Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (14+15+16)</b>	<b>53.62</b>	<b>1,353.22</b>	<b>-588.30</b>	<b>1,406.84</b>	<b>45.93</b>	<b>-494.92</b>
18 Paid up equity share capital ( face value Rs.10/- per share)	2,204.00	2,158.00	2,158.00	2,204.00	2,158.00	2,158.00
19 Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	0.00	0.00	0.00	0.00	0.00	0.00
20 i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))						
(a) Basic	0.23	6.26	-2.74	6.40	0.19	-2.34
(b) Diluted	0.23	6.26	-2.74	6.40	0.19	-2.34
21 ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))						
(a) Basic	0.23	6.26	-2.74	6.40	0.19	-2.34
(b) Diluted	0.23	6.26	-2.74	6.40	0.19	-2.34





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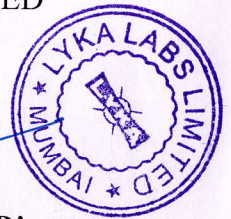
Notes:

- 1) The results have been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company along with Limited Review Report carried out by the Auditors at its meeting held on 12<sup>th</sup> February, 2016.
- 2) During the quarter the Holding Company has charged Rs. 21.41 lacs to Statement of Profit & Loss, being depreciation on revalued assets.
- 3) During the Quarter, the Holding Company has capitalised interest of Rs.20.68 lacs and allocable expenses of Rs. 5.02 lacs towards Ankleshwar Unit Expansion / Upgradation.
- 4) Current Quarter Figures are not comparable as Company's one of the subsidiaries had sold on slump sale basis its Animal Healthcare Division in the previous quarter.
- 5) The Company has one Single Segment "Pharmaceuticals".
- 6) Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current period classification.

For LYKA LABS LIMITED

(N. I. GANDHI)

Chairman & Managing Director



Mumbai  
12<sup>th</sup> February, 2016

**LYKA LABS LIMITED**  
Consolidated Statement of Assets and Liabilities

(Rs.in lakhs)

Particulars		As at 31st Dec, 2015	As at 30th June, 2015
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds</b>		
	(a) Share Capital	2,312.57	2,266.57
	(b) Reserves and Surplus	3,403.03	2,007.32
	<b>Sub-Total -Shareholders' Fund</b>	<b>5,715.60</b>	<b>4,273.89</b>
2	<b>Money received against share warrants</b>	0.00	32.20
3	<b>Minority Interest</b>	915.29	351.01
4	<b>Non-Current Liabilities</b>		
	(a) Long-Term Borrowings	2,902.33	2,892.17
	(b) Other Long-Term Liabilities	152.95	199.45
	(c) Deffered Tax Liability	0.00	173.79
	(d) Long-Term Provisions	427.75	495.04
	<b>Sub -Total -Non -Current liabilities</b>	<b>3,483.03</b>	<b>3,760.45</b>
5	<b>Current Liabilities</b>		
	(a) Short-Term Borrowings	4,348.51	5,985.13
	(b) Trade Payables	4,039.93	5,463.57
	(c) Other Current Liabilities	6,856.20	7,940.63
	(d) Short-Term Provisions	68.62	69.48
	<b>Sub -Total -Current liabilities</b>	<b>15,313.26</b>	<b>19,458.80</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>25,427.18</b>	<b>27,876.34</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Fixed Assets		
	(i) Tangible Assets	5,685.69	5,831.78
	(ii) Capital Work-in-Progress	1,671.49	1,606.41
	(iii) Intangible Assets	4,926.57	6,332.08
	(iv) Intangible assets under development	1,210.35	1,096.43
		13,494.10	14,866.70
	(b) Non-Current Investments	134.19	31.60
	(c) Long-Term Loans and Advances	2,671.54	2,809.32
	<b>Sub -Total -Non-Current assets</b>	<b>16,299.83</b>	<b>17,707.61</b>
2	<b>Current Assets</b>		
	(a) Inventories	1,257.26	1,924.57
	(b) Trade Receivables	5,211.75	5,670.14
	(c) Cash and Cash Equivalents	491.98	651.30
	(d) Short-Term Loans and Advances	1,880.82	1,660.46
	(e) Other Current Assets	285.54	262.26
	<b>Sub -Total -Current assets</b>	<b>9,127.35</b>	<b>10,168.73</b>
	<b>TOTAL-ASSETS</b>	<b>25,427.18</b>	<b>27,876.34</b>
<b>FOR LYKA LABS LIMITED</b>			
(N.I.Gandhi) DIN : 00021530 (Chairman & Managing Director)			





# **M. A PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

### **Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to Clause 41 of the Listing Agreement**

To,  
Board of Directors of Lyka Labs Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of Lyka Labs Limited for the quarter and six months ended 31<sup>st</sup> December, 2015 hereinafter referred to as 'Statement'. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our limited review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Fixed Deposits:**  
The Company has not repaid overdue Fixed Deposits aggregating to Rs. 818.93 lacs and interest due thereon Rs. 77.68 lacs upto 31<sup>st</sup> December, 2015 (excluding Short Term Loans in respect of which, the Company has been legally advised that such loans are not deposits, as defined, in the Companies (Acceptance of Deposits) Rules, 2014). Consequently, the Company has not complied with the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.

The Company had filed a petition with the Company Law Board, Mumbai Bench (CLB) on 31<sup>st</sup> March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020.

The Company has received Order of CLB dated 22<sup>nd</sup> January, 2016, granting extension of time for repayment of Fixed Deposits matured and claimed upto 31<sup>st</sup> December, 2015 on or before 30<sup>th</sup> June, 2016 and Fixed deposits falling due and claimed from 1<sup>st</sup> January, 2016 to 30<sup>th</sup> September, 2016 on or before 31<sup>st</sup> March, 2017, failing which this order is deemed cancelled after 31<sup>st</sup> March, 2017. The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.



**YUSUF BUILDING, 2<sup>ND</sup> FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI – 400 001.**  
**TELEPHONE : 2204 1018 – 2204 3850 – 2202 9187 – FAX: 91-22-2287 4524 E-MAIL : [maparikh@eth.net](mailto:maparikh@eth.net)**

# M. A PARIKH & CO.

## CHARTERED ACCOUNTANTS

### Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to Clause 41 of the Listing Agreement

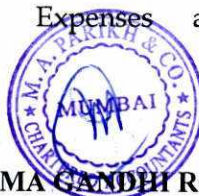
To,  
Board of Directors of Lyka Labs Limited

1. We have reviewed the accompanying statement of 'Un-audited consolidated financial results' of Lyka Labs Limited for the quarter and six months ended 31st December, 2015 hereinafter referred to as 'Statement' (which includes the Statement of the company's three subsidiaries and one branch reviewed by other auditors and relied upon by us, after making such changes as are considered necessary for incorporation). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our limited review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, "Engagements to Review Financial Statements" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. **Principals of Consolidation:**

The Consolidated Financial Results relating to Lyka Labs Limited ("The Holding Company") and its subsidiaries (as stated below) ("the group") have been consolidated in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", except those of "Lyka Animal Healthcare Limited" subsidiary of Lyka Export Limited which is considered by Lyka Export Limited as an Immaterial Subsidiary :

Name of the Subsidiary	Reporting Period	Percentage of Holding
Lyka BDR International Limited	1st July, 2015 to 31st December, 2015	65.22%
Lyka Exports Limited	1st July, 2015 to 31st December, 2015	72.80%
Lyka Healthcare Limited	1st July, 2015 to 31st December, 2015	100%

- (i) The financial results of the Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of Assets, Liabilities, Incomes and Expenses after fully eliminating intra-group balances/transactions.



YUSUF BUILDING, 2<sup>ND</sup> FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI – 400 001.  
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- (ii) The consolidated financial results have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.
- (iii) The consolidated financial results are presented, to the extent possible, in the same format as that adopted by the Parent Company for its standalone financial results.

#### 4. Fixed Deposits:

The Holding Company has not repaid overdue Fixed Deposits aggregating to Rs. 818.93 lacs and interest due thereon Rs. 77.68 lacs upto 31<sup>st</sup> December, 2015 (excluding Short Term Loans in respect of which, the Holding Company has been legally advised that such loans are not deposits, as defined, in the Companies (Acceptance of Deposits) Rules, 2014). Consequently, the Holding Company has not complied with the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.

The Holding Company had filed a petition with the Company Law Board, Mumbai Bench (CLB) on 31<sup>st</sup> March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020.

The Holding Company has received Order of CLB dated 22<sup>nd</sup> January, 2016, granting extension of time for repayment of Fixed Deposits matured and claimed upto 31<sup>st</sup> December, 2015 on or before 30<sup>th</sup> June, 2016 and Fixed deposits falling due and claimed from 1<sup>st</sup> January, 2016 to 30<sup>th</sup> September, 2016 on or before 31<sup>st</sup> March, 2017, failing which this order is deemed cancelled after 31<sup>st</sup> March, 2017. The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

#### 5. Debentures:

The Holding Company has not repaid Overdue Debentures aggregating to Rs. 477.50 lacs and interest due thereon Rs. 98.60 lacs (dues) upto 31<sup>st</sup> December, 2015.

The Holding Company has filed a petition with the Company Law Board, seeking extension of time for repayment of Debenture dues up to March, 2020.

The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

6. Holding Company : Tangible Project Capital Work-In-Progress Rs. 1,671.49 lacs as on 31<sup>st</sup> December, 2015, includes allocable indirect expenditure in respect of modernisation/expansion of Ankleshwar unit aggregating to Rs. 214.87 lacs (including Interest for the Quarter Rs.20.69 lacs) which is pending allocation to Fixed Assets on completion of project.



7. The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> December, 2015 in respect of "new product development and applied research" aggregating to Rs. 1,210.35 lacs including finance cost of Rs. 220.87 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 charged to Statement of Profit and Loss in the year in which development is abandoned.
8. Inventories: The Branch Auditor of the Holding Company has not verified the valuation of Inventories at Ankleshwar branch Rs. 710.34, lacs which are valued by the management and have been relied upon by us.
9. Loans and advances made by Holding Company include Rs. 251.01 lacs granted to a Company as financial assistance is considered good for recovery by the management.
10. During the 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. The Company has received on account payments aggregating to Rs. 209.93 lacs and realized Rs. 4.29 lacs by way of sale of scrap arising from loss such of fixed assets. The balance of Rs. 56.75 lacs is considered good for recovery by the Management. The shortfall if any, will be adjusted in the year in which finality is reached.
11. 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 the earlier year, the Holding Company has 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.

The Holding Company expects favorable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Holding Company as good for recovery. Hence, we are unable to express our opinion of its impact on the profit for the quarter ended 31<sup>st</sup> December, 2015.

- 12.1 The Holding Company has received orders from Sales Tax department causing demands of Rs. 85.44 lacs, 29.51 lacs and Rs. 97.40 lacs against which it has paid under protest Rs. 45.85 lacs, 29.51 lacs and Rs. 8.50 lacs respectively.
- 12.2 The Holding Company has received an order from Central Excise department causing demand of Rs. 108.57 lacs against which it has paid under protest Rs. 25 lacs.

The Holding Company has filed appeals which are resting with the respective forums.



13. Depreciation charged to Profit and Loss Account Rs. 253.71 lacs for quarter ended 31<sup>st</sup> December, 2015 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007 by the Holding Company.
14. Finance cost Rs. 458.31 lacs is net of borrowing cost Rs. 20.69 lacs for the quarter ended 31<sup>st</sup> December, 2015 allocated to Tangible Capital Work in Progress which is pending allocation to Fixed Assets on completion of project by the Holding Company.
15. During the quarter, the Holding Company has lodged claim for refund of excess finance costs charged by two banks aggregating to Rs. 57.14 lacs.
- Of the above:
- Rs. 33.49 lacs relates to prior year(s) which is presented as Prior Period Income.
  - Rs. 23.65 lacs relating to the period July, 2015 to December, 2015 is adjusted against Finance cost for the quarter.
16. Tax Expenses:
- Current Tax: Two Subsidiaries of the group have not provided for Income Tax for the quarter and six month ended 31<sup>st</sup> December, 2015 under review aggregating to Rs. 54.17 and Rs. 457.37 lacs respectively.
  - Deferred Tax: During the quarter 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 in the case of a Subsidiary Company Lyka Healthcare Limited where it has provided Deferred Tax Assets amounting to Rs. 102.59 lacs.
17. Slump Sale:
- During the previous quarter, pursuant to the approval of the Board of Directors of M/s Lyka Export Limited (the Subsidiary Company) and consent received from the shareholders of Holding as well as Subsidiary Company, the Subsidiary Company sold/transferred its Animal Healthcare Division, including all its assets & liabilities on a slump sale basis for a gain of Rs. 2,030.49 lacs, which is presented as an exceptional item in the previous quarter.
18. Prior Period Adjustments Rs. 47.54 lacs comprise of the following items:
- Reversal of Excess interest charged by the banks Rs. 33.49 lacs (refer note no. 15(i)).
  - Excess Provision no longer required written back Rs. 14.05 lacs.
19. The Holding Company provides gratuity and leave encashment (benefits) based on actuarial valuation as at the end of the accounting period. As regards the provision for benefits for the quarters ended September and December, the Holding Company provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liabilities estimated on quarterly basis with the year end liability on actuarial basis will be adjusted during the last quarter of the accounting period.



20. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Inter-Company and Loans & Advances as on 31st December, 2015 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 ascertained.

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

- i. note no. 7 relating to AS 26 "Intangible Assets"
- ii. note no. 8 relating to AS 2 "Valuation of Inventories"
- iii. note no. 16 relating to AS 22 "Accounting for Taxes on Income"

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



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

*Mukul M. Patel*

**Partner  
Name: Mukul M. Patel  
Membership No. 32489**

Place : Mumbai

Date : 12<sup>th</sup> February, 2016

**4. Debentures:**

The Company has not repaid Overdue Debentures aggregating to Rs. 477.50 lacs and interest due thereon Rs. 98.60 lacs (dues) upto 31<sup>st</sup> December, 2015.

The Company has filed a petition with the Company Law Board, seeking extension of time for repayment of Debenture dues up to March, 2020.

The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

5. Tangible Project Capital Work-In-Progress Rs. 1,671.49 lacs as on 31<sup>st</sup> December, 2015, includes allocable indirect expenditure in respect of modernisation/expansion of Ankleshwar unit aggregating to Rs. 214.87 lacs (including Interest for the Quarter Rs.20.69 lacs) which is pending allocation to Fixed Assets on completion of project.
6. The Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> December, 2015 in respect of "new product development and applied research" aggregating to Rs. 1,210.35 lacs including finance cost of Rs. 220.87 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 charged to Statement of Profit and Loss in the year in which development is abandoned.
7. The investments in unquoted shares of Lyka BDR International Ltd., Lyka Health Care Limited and Lyka Exports Ltd., have been acquired at par/premium respectively. Though their present book values are significantly 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 it's values is required to be made at this juncture taking into consideration the intrinsic values of the respective investee companies.
8. Inventories: The Branch Auditor has not verified the valuation of Inventories at Ankleshwar branch Rs. 710.34 lacs, which are valued by the management and have been relied upon by us.
9. Loans and advances include Rs. 251.01 lacs granted to a company as financial assistance is considered good for recovery by the management.
10. During the 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. The Company has received on account payments aggregating to Rs. 209.93 lacs and realized Rs. 4.29 lacs by way of sale of scrap arising from loss of such fixed assets. The balance of Rs. 56.75 lacs is considered good for recovery by the Management. The shortfall if any, will be adjusted in the year in which finality is reached.



11. 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 has 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.

The Company expects favorable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Company as good for recovery. Hence, we are unable to express our opinion of its impact on the profit for the quarter ended 31<sup>st</sup> December, 2015.

- 12.1 The Company has received orders from Sales Tax department causing demands of Rs.85.44 lacs, Rs. 29.51 lacs and Rs. 97.40 lacs against which it has paid under protest Rs. 45.85 lacs, Rs.29.51 lacs and Rs. 8.50 lacs respectively.
- 12.2 The Company has received an order from Central Excise department causing demand of Rs. 108.57 lacs against which it has paid under protest Rs. 25 lacs.

The Company has filed appeals which are resting with the respective forums.

13. Depreciation charged to Profit and Loss Account Rs. 88.44 lacs for quarter ended 31<sup>st</sup> December, 2015 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.

14. Finance cost Rs 344.09 lacs is net of borrowing cost Rs. 20.69 lacs for the quarter ended 31<sup>st</sup> December, 2015 allocated to Tangible Capital Work in Progress which is pending allocation to Fixed Assets on completion of project.

15. During the quarter, the Company has lodged claim for refund of excess finance costs charged by two banks aggregating to Rs. 57.14 lacs.

Of the above:

- i. Rs. 33.49 lacs relates to prior year(s) which is presented as Prior Period Income.
- ii. Rs. 23.65 lacs relating to the period July, 2015 to December, 2015 is adjusted against Finance cost for the quarter.

16. Tax Expenses :

- i. Current Tax: In view of unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for.
- ii. 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.





17. The Company provides gratuity and leave encashment (benefits) based on actuarial valuation as at the end of the accounting period. As regards the provision for benefits for the quarters ended September and December, the Holding Company provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liabilities estimated on quarterly basis with the year end liability on actuarial basis will be adjusted during the last quarter of the accounting period.
18. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Inter-Company and Loans & Advances as on 31st December, 2015 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 ascertained.

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

- i. note no. 6 relating to AS 26 "Intangible Assets"
- ii. note no. 7 relating to AS 13 "Accounting for Investments"
- iii. note no. 8 relating to AS 2 "Valuation of Inventories"
- iv. note no. 16 relating to AS 22 "Accounting for Taxes on Income"

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



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

**Partner  
Name: Mukul M. Patel  
Membership No. 32489**

Place : Mumbai  
Date : 12<sup>th</sup> February, 2016