

February 14, 2017

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 Third Quarter ended  
December 31, 2016.

We forward herewith copy of the Un-audited Standalone and Consolidated Financial Results of the Company for the Third Quarter ended December 31, 2016 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 4.05 pm and ended at 5.35 pm

Thanking you,

Yours faithfully,  
For LYKA LABS LIMITED

  
P. G. HINDIA  
COMPANY SECRETARY



Encl : as above

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

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

To,  
Board of Directors of Lyka Labs Limited

1. We have reviewed the accompanying statement of 'Un-audited consolidated financial results' of Lyka Labs Limited for the quarter ended 31<sup>st</sup> December, 2016 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") (for the reporting period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> December, 2016) and its subsidiaries (as stated below) ("the group") have been consolidated in accordance with Historical Cost Convention on going concern basis in accordance with Generally Accepted Accounting Principles in India and Accounting Standard 21 (AS 21) "Consolidated Financial Statements", except the financial results of Lyka Animal Healthcare Limited, subsidiary company of Lyka Exports Limited, which is considered by Lyka Exports Limited as an "Immaterial Subsidiary" and hence not considered for consolidation:

Name of the Subsidiary	Reporting Period	Percentage of Holding
Lyka BDR International Limited	1st April, 2016 to 31 <sup>st</sup> December, 2016	65.22%
Lyka Exports Limited	1st April, 2016 to 31 <sup>st</sup> December, 2016	72.80%
Lyka Healthcare Limited	1st April, 2016 to 31 <sup>st</sup> December, 2016	100%

- (i) The consolidation of financial results of the Holding Company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of Assets, Liabilities, Incomes and Expenses. Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Group financial results. All inter-group transactions, unrealized inter-company profits and



balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.

- (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.

**4. Fixed Deposits:**

The Holding Company has received Order of Company Law Board (CLB) dated 22<sup>nd</sup> January, 2016, granting extension of time for repayment of Fixed Deposits which matured, upto 31<sup>st</sup> December, 2015 on or before 30<sup>th</sup> June, 2016 and Fixed Deposits maturing 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 the said "Order" shall be deemed cancelled after 31<sup>st</sup> March, 2017.

The Holding Company is of the view that Deposits which matured but are not claimed till 31<sup>st</sup> December, 2015 aggregating to Rs.140.84 lacs shall be paid on or before 31<sup>st</sup> March, 2017, if 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.

**5. Debentures:**

In respect of overdue Debentures aggregating to Rs. 776.75 lacs and interest due thereon Rs. 70.14 lacs upto 31<sup>st</sup> December, 2016, the Holding Company had filed a petition with the Company Law Board, seeking extension of time for repayment up to March, 2020, which has since been transferred to National Company Law Tribunal (NCLT), Ahmedabad. The Holding Company has filed additional affidavit on 2<sup>nd</sup> January, 2017 with NCLT for revised schedule of repayment of Debentures upto 30<sup>th</sup> September, 2018.

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.

**6. Investment In Subsidiaries:**

The proposed merger of the Company's Subsidiary's i.e. Lyka Healthcare Limited and Lyka Export 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 Export 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 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.



**7. Capital Expenditure:**

- 7.1 Tangible Project Capital Work-In-Progress of Holding Company Rs. 1,742.84 lacs as on 31<sup>st</sup> December, 2016, includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 519.35 lacs (including Interest of Rs. 280.63 lacs) which is pending allocation to Fixed Assets on completion of the project.
- 7.2 The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> December, 2016, in respect of "new product development and applied research" aggregating to Rs. 1388.26 lacs including finance cost of Rs. 214.40 lacs which is carried forward under "Capital Work in Progress - Intangibles", to be recognized as "Self Generated Intangible Assets" upon successful development of the respective products or to be charged to the Statement of Profit and Loss in the year in which development is abandoned.
8. Inventories of Holding Company include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs.146.56 lacs for which steps are being taken to utilize/realize the same.
9. Loans and advances made by Holding Company include Rs. 194.51 lacs granted to a Company as financial assistance is considered good for recovery by the management.
10. 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. The Holding 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. During the quarter 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 in the Statement of Profit and Loss as an extraordinary item.
11. Depreciation of Rs. 262.12 lacs charged to Statement of Profit and Loss for quarter ended 31<sup>st</sup> December, 2016 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007 by the Holding Company.
12. Contingent Liabilities are not provided for in respect of:
- 12.1 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 the 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.



The Holding Company expects favorable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered as good for recovery. Hence, we are unable to express our opinion of its impact, if any, on the loss for the quarter ended 31<sup>st</sup> December, 2016.

- 12.2 The Holding Company has received orders from Sales Tax department raising demands of Rs.85.45 lacs, Rs. 29.51 lacs and Rs. 97.40 against which it has paid under protest Rs. 45.85 lacs, Rs.29.51 lacs and Rs. 12.50 lacs respectively.
- 12.3 The Holding Company has received an order from Central Excise department raising demand of Rs. 108.75 lacs against which it has paid under protest Rs. 25 lacs.
- 12.4 The Holding Company has received an order from Income Tax department raising demand of Rs. 2,325.04 lacs against which it has paid under protest Rs. 100.00 lacs

The Holding Company has filed appeals in respect of all the above matters which are resting with the respective forums.

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

Of the above:

- i. Rs. 16.87 lacs (Net) relates to Dena Bank which is considered as good for recovery by the Company.
- ii. Rs. 32.01 lacs relating to Bank of Maharashtra which is expensed as Finance Cost.

14. The Group 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 June, September and December, the Group provides the liability on an estimated basis as per the policy/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 year.

15. Taxation:

15.1 Current Tax:

In view of loss for the period, current tax has not been provided by the Holding Company. Further, provision for income tax has not been made by a subsidiary on its profit for the period ended 31<sup>st</sup> December, 2016.

15.2 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 in



the case of a Subsidiary Company Lyka Healthcare Limited where it has provided Deferred Tax Assets amounting to Rs. 14.36 lacs.

16. The balances relating to Sundry Debtors, Sundry Creditors, Group Companies and Loans & Advances as on 31<sup>st</sup> December, 2016 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the financial results cannot be presently ascertained and shall be adjusted in the year in which the confirmation process is completed.

Based on our review conducted 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. 7.2 relating to AS 26 "Intangible Assets"
- ii. note no. 8 relating to Slow and Non-Moving Inventories
- iii. note no.15.1 relating to non provision for tax by a subsidiary

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 Patel*  
Partner  
Name: Mukul Patel  
Membership No. 32489

Place : Mumbai  
Date : 14<sup>th</sup> February, 2017

LYKA LABS LIMITED

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

Particulars	Quarter Ended			Year To Date	Year To Date	(Rs.in Lakhs)
				Figures For the	Figures For the	Previous
	31-12-2016	30-09-2016	31-12-2015	Current period	Previous	Period Ended
	(Unaudited)	(Unaudited)	(Unaudited)	ended	period ended	
				9 Months	6 Months	9 Months
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 <b>Income from operations</b>						
(a) Net Sales/Income from operations (Net of excise duty)	2,565.20	3,008.73	2,963.35	7,579.45	6,358.10	12,543.88
(b) Other Operating Income	624.82	281.29	109.66	1,018.55	253.72	497.02
<b>Total income from operations (net)</b>	<b>3,190.02</b>	<b>3,290.02</b>	<b>3,073.01</b>	<b>8,598.01</b>	<b>6,611.82</b>	<b>13,040.90</b>
2 <b>Expenses</b>						
(a) Cost of Materials Consumed	797.08	999.35	739.97	2,492.98	1,609.18	2,345.49
(b) Purchase of traded goods	856.08	431.29	1,015.98	1,615.19	1,675.79	4,444.82
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(124.49)	44.36	(9.94)	(203.76)	176.06	252.51
(d) Employee benefits expense	434.87	445.16	375.40	1,323.57	835.69	1,471.19
(e) Depreciation and amortisation expense	262.12	257.90	253.71	772.53	512.99	932.46
(f) Other expenses	578.86	613.05	628.39	1,724.36	1,300.65	2,476.93
<b>Total expenses</b>	<b>2,804.52</b>	<b>2,791.11</b>	<b>3,003.51</b>	<b>7,724.88</b>	<b>6,110.37</b>	<b>11,923.40</b>
3 <b>Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>385.50</b>	<b>498.91</b>	<b>69.50</b>	<b>873.13</b>	<b>501.45</b>	<b>1,117.50</b>
4 Other Income	7.09	30.00	81.93	58.76	118.15	176.99
5 <b>Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)</b>	<b>392.59</b>	<b>528.91</b>	<b>151.43</b>	<b>931.89</b>	<b>619.60</b>	<b>1,294.49</b>
6 Finance costs	504.10	440.66	458.31	1,370.90	981.36	1,518.84
7 <b>Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)</b>	<b>(111.51)</b>	<b>88.25</b>	<b>(306.88)</b>	<b>(439.02)</b>	<b>(361.76)</b>	<b>(224.35)</b>
8 Exceptional Items (Net)	180.55	-	(0.08)	180.56	1,952.06	738.18
9 Prior Period Items	(56.58)	4.41	47.54	(52.17)	(55.76)	(123.47)
10 <b>Profit/(Loss) from Ordinary Activities before tax (7+8+9)</b>	<b>(235.48)</b>	<b>83.84</b>	<b>(259.42)</b>	<b>(567.40)</b>	<b>1,534.54</b>	<b>390.36</b>
11 Tax Expenses	(0.00)	(14.52)	273.81	(14.36)	273.81	18.63
12 <b>Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>(235.48)</b>	<b>98.36</b>	<b>14.39</b>	<b>(553.04)</b>	<b>1,808.35</b>	<b>408.99</b>
13 Extraordinary Item (net of tax expenses)	18.22	-	-	18.22	-	-
14 <b>Net Profit/(Loss) for the period</b>	<b>(253.70)</b>	<b>98.36</b>	<b>14.39</b>	<b>(571.26)</b>	<b>1,808.35</b>	<b>408.99</b>
15 Share of Profit/(Loss) of associates	-	-	-	-	-	-
16 Minority interest	34.15	48.58	39.23	80.47	(401.51)	40.30
17 <b>Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates</b>	<b>(287.85)</b>	<b>49.78</b>	<b>53.62</b>	<b>(651.74)</b>	<b>1,406.84</b>	<b>368.69</b>

LYKA LABS LIMITED							
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016							
							(Rs.in Lakhs)
Particulars	Quarter Ended			Year To Date Figures For the Current period ended	Year To Date Figures For the Previous period ended	Previous Period Ended	
	31-12-2016	30-09-2016	31-12-2015	31-12-2016 9 Months	31-12-2015 6 Months	31-03-2016 9 Months	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
18	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	2,204.00
19	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	-	-	1,527.19
20	i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)						
	(a) Basic	(1.24)	0.21	0.23	(2.91)	6.40	1.65
	(b) Diluted	(1.24)	0.21	0.23	(2.91)	6.40	1.65
21	ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)						
	(a) Basic	(1.32)	0.21	0.23	(2.99)	6.40	1.65
	(b) Diluted	(1.32)	0.21	0.23	(2.99)	6.40	1.65

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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 14<sup>th</sup> February, 2017.
2. During the Quarter the Holding Company has charged Rs. 21.42 lacs to Statement of Profit & Loss, being depreciation on revalued assets.
3. During the Quarter, the Holding Company has capitalised interest of Rs.19.45 lacs and allocable expenses of Rs. 8.43 lacs towards Ankleshwar Unit Expansion / Upgradation.
4. Finance Cost includes Rs.32.02 lacs towards reversal of claim lodged by the Company for excess interest charged by a Bank in previous year.
5. Exceptional Items for the quarter ended 31<sup>st</sup> December, 2016, includes Loss on Sale of Fixed Assets Rs. 4.84 lacs, provisions no longer written back Rs. 4.26 lacs, irrecoverable advances written off Rs. 51.34 lacs and Sales Tax paid under Amnesty Scheme Rs.128.63 lacs.
6. The Company has one Single Segment "Pharmaceuticals".
7. Figures for previous period have been regrouped/rearranged wherever necessary, to conform to the relevant current period classification.

For LYKA LABS LIMITED

**V.S. SHANBHAG (DIN:00555709)**  
**CHAIRMAN OF THE MEETING**

Mumbai

14<sup>th</sup> February, 2017

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

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

To,  
Board of Directors of Lyka Labs Limited

1. We have reviewed the accompanying statement of 'Un-audited financial results' of Lyka Labs Limited for the quarter ended 31<sup>st</sup> December, 2016 hereinafter referred to as 'Statement' (which includes the Statement of the Company's branch at Ankleshwar reviewed by other auditor and relied upon by us, after making such changes as are considered necessary for incorporation). This Statement 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 received Order of Company Law Board (CLB) dated 22<sup>nd</sup> January, 2016, granting extension of time for repayment of Fixed Deposits which matured, upto 31<sup>st</sup> December, 2015 on or before 30<sup>th</sup> June, 2016 and Fixed Deposits maturing 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 the said "Order" shall be deemed cancelled after 31<sup>st</sup> March, 2017.

The Company is of the view that Deposits which matured but are not claimed till 31<sup>st</sup> December, 2015 aggregating to Rs. 140.84 lacs shall be paid on or before 31<sup>st</sup> March, 2017, if 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:**

In respect of overdue Debentures aggregating to Rs. 776.75 lacs and interest due thereon Rs. 70.14 lacs upto 31<sup>st</sup> December, 2016, the Company had filed a petition with the Company Law Board, seeking extension of time for repayment up to March, 2020, which has since been transferred to National Company Law Tribunal (NCLT), Ahmedabad. The Company has filed additional affidavit on 2<sup>nd</sup> January, 2017 with NCLT for revised schedule of repayment of Debentures upto 30<sup>th</sup> September, 2018.

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 Export 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 Export 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 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.
- 5.2 Though the present book values of the Companies Investments in equity shares of the Company's Subsidiaries i.e. Lyka BDR International Limited, Lyka Healthcare Limited and Lyka Export 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. 1,742.84 lacs as on 31<sup>st</sup> December, 2016, includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 519.35 lacs (including Interest of Rs. 280.63 lacs) which is pending allocation to Fixed Assets on completion of the project.
- 6.2 The Company has incurred direct expenditure and allocable indirect expenditure up to 31<sup>st</sup> December, 2016 in respect of "new product development and applied research" aggregating to Rs. 1,388.26 lacs including finance cost of Rs. 214.40 lacs which is carried forward under "Capital Work in Progress - Intangibles", to be recognized as "Self Generated Intangible Assets" upon successful development of the respective products or to be charged to the Statement of Profit and Loss in the year in which development is abandoned.
7. Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to Rs. 146.56 lacs for which steps are being taken to utilize/realize the same.
8. Loans and advances include Rs. 194.51 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. 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. During the 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 in the Statement of Profit and Loss as an extraordinary item.

10. Net Sales for the Quarter ended 31<sup>st</sup> December, 2016 includes an amount of Rs. 305.88 lacs charged by the Company to a Subsidiary being the "prices under charged" on sales of certain products to them during the prior years.
11. Depreciation of Rs. 92.78 lacs charged to Statement of Profit and Loss for quarter ended 31<sup>st</sup> December, 2016 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.

12. Contingent Liabilities are not provided for in respect of:

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

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

The Company expects favorable outcome in the said writ petitions 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 ended 31<sup>st</sup> December, 2016.

- 12.2 The Company has received orders from Sales Tax department raising demands of Rs.85.45 lacs, Rs. 29.51 lacs and Rs. 97.40 against which it has paid under protest Rs. 45.85 lacs, Rs.29.51 lacs and Rs. 12.50 lacs respectively.
- 12.3 The Company has received an order from Central Excise department raising demand of Rs. 108.75 lacs against which it has paid under protest Rs. 25 lacs.
- 12.4 The Company has received an order from Income Tax department raising demand of Rs.2,325.04 lacs against which it has paid under protest Rs. 100.00 lacs.

The Company has filed appeals in respect of all the above matters which are resting with the respective forums.

13. During the previous year, the Company had lodged claim for refund of excess finance costs charged by two banks aggregating to Rs. 48.88 lacs (Net).

Of the above:

- i. Rs. 16.87 lacs (Net) relates to Dena Bank which is considered as good for recovery by the Company.
- ii. Rs. 32.01 lacs relating to Bank of Maharashtra which is expensed as Finance Cost.



14. 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 June, September and December, the Company provides the liability on an estimated basis as per the policy/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 year.

15. Taxation:

15.1 Current Tax:

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

15.2 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.

16. The balances relating to Sundry Debtors, Sundry Creditors, Group Companies and Loans & Advances as on 31<sup>st</sup> December, 2016 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the financial results cannot be presently ascertained and shall be adjusted in the year in which the confirmation process is completed.

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

- i. note no. 5.2 relating to AS 13 "Accounting for Investments"
- ii. note no. 6.2 relating to AS 26 "Intangible Assets"
- iii. note no. 7 relating to Slow and Non-Moving Inventories

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 Patel*

Partner  
Name: Mukul Patel  
Membership No. 032489

Place : Mumbai

Date : 14<sup>th</sup> February, 2017

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

Particulars		Quarter Ended			Year to date	Year to date	Previous
		31-Dec-2016	30-Sep-2016	31-Dec-2015	figures for the	figure for	Period Ended
		(Unaudited)	(Unaudited)	(Unaudited)	Current Period	Previous	Period Ended
					Ended	period Ended	
					31-Dec-2016	31-Dec-2015	31-Mar-2016
					9 months	6 months	9 months
					(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from operations</b>						
	(a) Net Sales/Income from operations (Net of excise duty)	1,814.06	2,028.91	1,748.68	5,152.80	3,701.11	5,447.02
	(b) Other Operating Income	566.48	235.62	64.62	880.46	170.88	279.94
	<b>Total income from operations (net)</b>	<b>2,380.54</b>	<b>2,264.53</b>	<b>1,813.30</b>	<b>6,033.26</b>	<b>3,871.99</b>	<b>5,726.96</b>
2	<b>Expenses</b>						
	(a) Cost of Materials Consumed	797.09	999.35	739.97	2,492.98	1,609.18	2,345.49
	(b) Purchase of traded goods	130.85	52.02	285.39	293.00	517.94	908.25
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	41.28	134.15	62.39	17.79	109.84	167.57
	(d) Employee benefits expense	261.22	245.13	214.89	743.50	431.79	658.11
	(e) Depreciation and amortisation expense	92.78	92.66	88.44	274.77	176.71	264.02
	(f) Other expenses	314.11	317.51	301.48	899.31	578.90	853.79
	<b>Total expenses</b>	<b>1,637.33</b>	<b>1,840.82</b>	<b>1,692.56</b>	<b>4,721.35</b>	<b>3,424.36</b>	<b>5,197.23</b>
3	<b>Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	743.21	423.71	120.74	1,311.91	447.63	529.73
4	Other Income	7.47	25.31	234.05	49.48	830.44	1,124.11
5	<b>Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)</b>	<b>750.68</b>	<b>449.02</b>	<b>354.79</b>	<b>1,361.39</b>	<b>1,278.07</b>	<b>1,653.84</b>
6	Finance costs	444.40	381.84	344.09	1,204.46	767.07	1,144.35
7	<b>Profit/(Loss) from ordinary activities after finance cost but before exceptional Items (5-6)</b>	<b>306.28</b>	<b>67.18</b>	<b>10.70</b>	<b>156.93</b>	<b>511.00</b>	<b>509.49</b>
8	<b>Exceptional Items (Net)</b>	181.13	-	-	181.13	(24.69)	(60.23)
9	Prior Period Adjustments	-	4.41	33.49	4.41	(123.47)	87.70
10	<b>Profit/(Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>125.15</b>	<b>62.77</b>	<b>44.19</b>	<b>(28.61)</b>	<b>362.84</b>	<b>482.02</b>
11	Tax Expenses	-	-	-	-	-	-
12	<b>Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>125.15</b>	<b>62.77</b>	<b>44.19</b>	<b>(28.61)</b>	<b>362.84</b>	<b>482.02</b>
13	Extraordinary Item (expenses)	18.22	-	-	18.22	-	-
14	<b>Net Profit/(Loss) for the period (12+13)</b>	<b>106.93</b>	<b>62.77</b>	<b>44.19</b>	<b>(46.83)</b>	<b>362.84</b>	<b>482.02</b>
15	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	2,204.00
16	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	4,076.01
17 i.	<b>Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))</b>						
	(a) Basic	0.56	0.27	0.19	(0.14)	1.63	2.17
	(b) Diluted	0.56	0.27	0.19	(0.14)	1.63	2.17
17 ii.	<b>Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))</b>						
	(a) Basic	0.47	0.27	0.19	(0.22)	1.63	2.17
	(b) Diluted	0.47	0.27	0.19	(0.22)	1.63	2.17





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 14<sup>th</sup> February, 2017. •
- 2) During the quarter the Company has charged Rs. 21.42 lacs to Statement of Profit & Loss, being depreciation on revalued assets.
- 3) During the Quarter, the Company has capitalised interest of Rs.19.45 lacs and allocable expenses of Rs. 8.43 lacs towards Ankleshwar Unit Expansion / Upgradation.
- 4) Finance Cost includes Rs.32.02 lacs towards reversal of claim lodged by the Company for excess interest charged by a Bank in previous year.
- 5) Exceptional Items for the quarter ended 31<sup>st</sup> December, 2016, includes Loss on Sale of Fixed Assets Rs. 1.16 lacs, irrecoverable advances written off Rs. 51.34 lacs and Sales Tax paid under Amnesty Scheme Rs.128.63 lacs.
- 6) The Company has one Single Segment "Pharmaceuticals".
- 7) Figures for previous period have been regrouped/rearranged wherever necessary, to conform to the relevant current period classification.

For LYKA LABS LIMITED

**V.S. SHANBHAG (DIN:00555709)**  
**CHAIRMAN OF THE MEETING**

Mumbai  
14<sup>th</sup> February, 2017