

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 30TH JUNE, 2015

Particulars	Quarter Ended			Current year	Previous	
	30-Jun-2015	31-Mar-2015	30-Jun-2014	Year	period	
	(Audited)	(Unaudited)	(Audited)	Ended	Ended	
				12 months	15 Months	
				(Audited)	(Audited)	
1	Income from operations					
	(a) Net Sales/Income from operations (Net of excise duty)	2,503.78	1,794.04	1,440.58	8,307.33	8,057.58
	(b) Other Operating Income	72.19	94.86	122.55	741.10	622.27
	Total income from operations (net)	2,575.97	1,888.90	1,563.13	9,048.43	8,679.85
2	Expenses					
	(a) Cost of Materials Consumed	948.27	1,407.27	890.81	4,658.11	4,658.18
	(b) Purchase of traded goods	289.41	106.21	18.60	479.22	352.70
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	411.74	(450.19)	6.63	(56.98)	367.88
	(d) Employee benefits expense	202.37	242.63	208.05	963.58	1,399.05
	(e) Depreciation and amortisation expense	90.39	31.01	114.30	383.76	543.04
	(f) Other expenses	306.36	204.53	254.34	1,171.44	2,085.88
	Total expenses	2,248.54	1,541.46	1,492.73	7,598.63	9,406.73
3	Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)	327.43	347.44	70.40	1,449.80	(726.88)
4	Other Income	20.50	39.18	23.55	170.73	459.86
5	Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)	347.93	386.62	93.95	1,620.53	(267.02)
6	Finance costs	446.80	421.98	475.92	1,834.72	2,397.29
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional Items (5-6)	(98.87)	(35.36)	(381.97)	(214.18)	(2,664.31)
8	Exceptional Items (Net)	124.07	-	(12.69)	363.47	(1,154.50)
9	Prior Period Expenses	-	-	(365.51)	(12.60)	(365.51)
10	Profit/(Loss) from Ordinary Activities before tax (7-8-9)	25.20	(35.36)	(760.17)	136.68	(4,184.32)
11	Tax Expenses	-	-	-	-	-
12	Net Profit/(Loss) from Ordinary activities after tax (10-11)	25.20	(35.36)	(760.17)	136.68	(4,184.32)
13	Extraordinary Item (net of tax expenses)	-	-	4.39	-	3,457.16
14	Net Profit/(Loss) for the period (12+13)	25.20	(35.36)	(755.78)	136.68	(727.16)
15	Paid up equity share capital (face value Rs.10/- per share)	2,158.00	2,158.00	2,158.00	2,158.00	2,158.00
16	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	3,511.18	3,638.41



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 30TH JUNE, 2015

Particulars		Quarter Ended			Current year	Previous
		30-Jun-2015	31-Mar-2015	30-Jun-2014	ended	period Ended
		(Audited)	(Unaudited)	(Audited)	30-Jun-2015 12 months (Audited)	30-Jun-2014 15 Months (Audited)
17 i.	Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))					
	(a) Basic	0.10	(0.18)	(3.54)	0.58	(19.45)
	(b) Diluted	0.10	(0.18)	(3.54)	0.58	(19.45)
17 ii.	Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))					
	(a) Basic	0.10	(0.18)	(3.51)	0.58	(3.43)
	(b) Diluted	0.10	(0.18)	(3.51)	0.58	(3.43)
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
a	Number of shares	16552735	16552735	16552735	16552735	16552735
b	percentage of shareholding	76.70	76.70	76.70	76.70	76.70
2	Promoters and promoter group - Shareholding					
a	Pledged / Encumbered					
	- Numbers of Shares	1985615	1985615	4142715	1985615	4142715
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	39.50	39.50	82.40	39.50	82.40
	- Percentage of shares (as a % of the total share capital of the company)	9.20	9.20	19.20	9.20	19.20
b.	Non - encumbered					
	- Number of shares	3041650	3041650	884550	3041650	884550
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	60.50	60.50	17.60	60.50	17.60
	- Percentage of shares (as a % of the total share capital of the company)	14.10	14.10	4.10	14.10	4.10
B	INVESTOR COMPLAINTS					
			Current			
			Quarter Ended			
			30th Jun, 2015			
	Pending at the beginning of the quarter		-			
	Received during the quarter		Nil			
	Disposed of during the quarter		Nil			
	Remaining unresolved at the end of the quarter		-			



Standalone statement of Assets and Liabilities

(Rs.in lakhs)

Particulars		As at 30th June, 2015	As at 30th June, 2014
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	2,266.57	2,266.57
	(b) Reserves and Surplus	3,817.72	4,007.95
	Sub-Total -Shareholders' Fund	6,084.29	6,274.52
2	Money received against Share Warrants	32.20	
3	Non-Current Liabilities		
	(a) Long-Term Borrowings	2,873.48	5,463.69
	(b) Other Long-Term Liabilities	48.95	31.79
	(c) Long-Term Provisions	304.59	311.12
	Sub -Total -Non -Current liabilities	3,227.02	5,806.60
4	Current Liabilities		
	(a) Short-Term Borrowings	3,607.29	4,505.82
	(b) Trade Payables	3,940.67	3,465.04
	(c) Other Current Liabilities	6,375.21	6,152.74
	(d) Short-Term Provisions	45.09	46.99
	Sub -Total -Current liabilities	13,968.26	14,170.59
	TOTAL-EQUITY AND LIABILITIES	23,311.77	26,251.71
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	5,737.23	9,006.01
	(ii) Capital Work-in-Progress	1,606.41	1,205.30
	(iii) Intangible Assets	429.60	376.50
	(iii) Intangible assets under development	1,096.43	972.58
		8,869.67	11,560.39
	(b) Non-Current Investments	6,256.56	6,253.15
	(c) Long-Term Loans and Advances	1,801.77	1,740.45
	Sub -Total -Non-Current assets	16,928.00	19,553.99
2	Current Assets		
	(a) Inventories	1,255.83	859.75
	(b) Trade Receivables	2,883.27	2,535.50
	(c) Cash and Cash Equivalents	170.35	651.09
	(d) Short-Term Loans and Advances	1,934.81	2,512.34
	(e) Other Current Assets	139.51	139.04
	Sub -Total -Current assets	6,383.77	6,697.72
	TOTAL-ASSETS	23,311.77	26,251.71

FOR LYKA LABS LIMITED



(N.I.Gandhi)

(Chairman & Managing Director)



Notes:

1. The above Audited Financial results has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company along with Audited Financial Report carried out by the Auditors at its meeting held on 29th August, 2015.
2. The figures for the last quarter ended 30th June, 2015 being balancing figures between audited figures in respect of the full financial year ended 30th June, 2015 and published year to date figures upto 31st March, 2015.
3. The Statutory Auditors of the Company have carried out the audit on Standalone basis of the financial results for the quarter ended 30th June, 2015 and for the year ended 30th June, 2015
4. During the Quarter the Company has charged to Profit & Loss Account Rs.21.18 lacs being depreciation on revalued assets.
5. Pursuant to applicability of the Companies Act, 2013 (the Act) with effect from 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at 1st July, 2014 amounting to Rs.263.91 lacs has been adjusted to the General Reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the statement of Profit and Loss. As a result the charge for depreciation is higher by Rs.35.81 lacs for the year ended 30th June, 2015.
6. Exceptional items consist of :
 - a) The Board of Directors at its meeting held on 14th July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of Rs. 3,861 lacs resulting in a gain of Rs. 853.95 lacs which has been presented as an "Exceptional Item".
 - b) During the year Company has written off bad debts and irrecoverable advances of Rs.633.90 lacs
 - c) During the year Company has written back liabilities and excess provisions which are no longer required of Rs.146.81 lacs.
7. During the previous quarter, Company has received Rs. 32.20 lacs as a subscription money against 4,60,000 Share Warrants issued to promoters/promoter group.
8. The Board of Directors has given consent to Lyka Exports Ltd., its subsidiary to sell its Animal Healthcare Division, subject to approval by Shareholders of Lyka Labs Ltd. and Lyka Exports Ltd.
9. Current year Tax has not been provided in view of unabsorbed business losses and depreciation of the earlier years.





Contd...4/-..

10. The Company has one Single Segment "Pharmaceuticals".
11. Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current year classification.

For LYKA LABS LIMITED

A handwritten signature in blue ink, appearing to read "N. I. Gandhi", written over a diagonal line that extends from the top right towards the center.

(N. I. GANDHI)
Chairman & Managing Director

Mumbai
29-Aug-15

A small, handwritten mark or signature in blue ink, consisting of a few loops and a vertical stroke, located on the left side of the page.

LYKA LABS LIMITED		
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30TH JUNE, 2015		
(Rs. in Lakhs)		
Particulars	Current Year ended	Previous Period ended
	30-June-2015 12 Months (Audited)	30-June-2014 15 Months (Audited)
1	Income from operations	
	(a) Net Sales/Income from operations (Net of excise duty)	15,705.13
	(b) Other Operating Income	921.46
	Total income from operations (net)	16,626.59
2	Expenses	
	(a) Cost of Materials Consumed	4,658.11
	(b) Purchase of traded goods	4,417.01
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(2.47)
	(d) Employee benefits expense	1,726.35
	(e) Depreciation and amortisation expense	1,087.34
	(f) Other expenses	3,091.02
	Total expenses	14,977.36
3	Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)	1,649.23
4	Other Income	235.27
5	Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	1,884.50
6	Finance costs	2,415.92
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(531.42)
8	Exceptional Items (Net)	178.27
9	Prior Period Items	(12.60)
10	Profit/(Loss) from Ordinary Activities before tax (7+8+9)	(365.75)
11	Tax Expenses	(106.40)
12	Net Profit/(Loss) from Ordinary activities after tax (10-11)	(472.15)
13	Extraordinary Item (net of tax expenses)	-
14	Net Profit/(Loss) for the period (12+13)	(472.15)
15	Share of Profit/(Loss) of associates	-
16	Minority interest	(22.77)
17	Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (14+15+16)	(494.92)



LYKA LABS LIMITED			
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30TH JUNE, 2015			
(Rs. In Lakhs)			
Particulars	Current Year ended	Previous Period ended	
	30-June-2015	30-June-2014	
	12 Months	15 Months	
	(Audited)	(Audited)	
18	Paid up equity share capital (face value Rs.10/- per share)	2,158.00	2,158.00
19	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	1,077.81	1,834.14
20	i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))		
	(a) Basic	-2.80	-19.58
	(b) Diluted	-2.80	-19.58
21	ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))		
	(a) Basic	-2.80	-3.12
	(b) Diluted	-2.80	-3.12

A PARTICULARS OF SHAREHOLDING			
1	Public Shareholding		
	- Number of shares	16552735	16552735
	- Percentage of shareholding	76.70	76.70
2	Promoters and promoter group - Shareholding		
	a. Pledged / Encumbered		
	- Numbers of Shares	1985615	4,142,715
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	39.50	82.40
	- Percentage of shares (as a % of the total share capital of the company)	9.20	19.20
	b. Non - encumbered		
	- Number of shares	3,041,650	884,550
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	60.50	17.60
	- Percentage of shares (as a % of the total share capital of the company)	14.10	4.10
PARTICULARS		Current Year Ended	
		30th June, 2015	
B	INVESTOR COMPLAINTS		
	Pending at the beginning of the quarter	NIL	
	Received during the quarter	NIL	
	Disposed of during the quarter	NIL	
	Remaining unresolved at the end of the quarter	NIL	



Notes:

- 1) The above Audited Financial results has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company along with Audited Financial Report carried out by the Auditors at its meeting held on 29th August, 2015.
- 2) The figures for the last quarter ended 30th June, 2015 are balancing figures between audited figures in respect of the full financial year ended 30th June, 2015 and published year to date figures upto 31st March, 2015.
- 3) The Statutory Auditors of the Company have carried out the audit on consolidated basis of the financial results for the year ended 30th June, 2015.
- 4) Audited financial results for the year ended 30/06/2015 have been consolidated with that of Lyka BDR International Ltd., Lyka Healthcare Ltd. and Lyka Exports Ltd., for the year ended 31/03/2015
- 5) During the quarter Company has charged Rs. 21.18 lacs being depreciation on revalued assets.
- 6) Exceptional items consist of :
 - a) The Board of Directors at its meeting held on 14th July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of Rs. 3,861 lacs resulting in a gain of Rs. 853.95 lacs which has been presented as an "Exceptional Item".
 - b) During the year Company has written of bad debts and irrecoverable advances of Rs. 633.90 lacs
 - c) During the year Company has written back liabilities and excess provisions which are no longer required of Rs. 146.81 lacs.
- 7) During the previous quarter, Company has received Rs. 32.20 lacs as a subscription money against Share Warrants from promoters/promoter group.
- 8) The Board of Directors has given consent to Lyka Exports Ltd., its subsidiary to sell its Animal Healthcare Division, subject to approval by Shareholders of Lyka Labs Ltd. and Lyka Exports Ltd.
- 9) Current year Tax has not been provided in view of unabsorbed business losses and depreciation of the earlier years.
- 10) The Company has one Single Segment "Pharmaceuticals".
- 11) Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current year classification.

For LYKA LABS LIMITED


(N. I. GANDHI)
Chairman & Managing DirectorMumbai
29-Aug-15

LYKA LABS LIMITED
Consolidated Statement of Assets and Liabilities

(Rs.in lakhs)

Particulars		As at 30th June, 2015	As at 30th June, 2014
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	2266.57	2,266.57
	(b) Reserves and Surplus	2,007.32	2,994.66
	Sub-Total -Shareholders' Fund	4,273.89	5,261.23
2	Money received against share warrants	32.20	-
3	Minority Interest	351.01	330.35
4	Non-Current Liabilities		
	(a) Long-Term Borrowings	2,892.17	5,800.16
	(b) Other Long-Term Liabilities	199.45	171.29
	(c) Deferred Tax Liability	173.79	124.58
	(d) Long-Term Provisions	495.04	419.57
	Sub -Total -Non -Current liabilities	3,760.45	6,515.60
5	Current Liabilities		
	(a) Short-Term Borrowings	5,985.13	6,620.30
	(b) Trade Payables	5,463.57	6,326.25
	(c) Other Current Liabilities	7,940.62	7,771.92
	(d) Short-Term Provisions	69.48	90.95
	Sub -Total -Current liabilities	19,458.80	20,809.42
	TOTAL-EQUITY AND LIABILITIES	27,876.35	32,916.60
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	5,831.78	9,141.66
	(ii) Capital Work-in-Progress	1,606.41	1,205.30
	(iii) Intangible Assets	6,332.08	7,092.93
	(iv) Intangible assets under development	1,096.43	972.58
		14,866.70	18,412.47
	(b) Non-Current Investments	31.12	29.79
	(c) Long-Term Loans and Advances	2,809.32	2,664.67
	Sub -Total -Non-Current assets	17,707.14	21,106.93
2	Current Assets		
	(a) Current Investments	0.48	0.33
	(b) Inventories	1,924.57	1,583.00
	(c) Trade Receivables	5,670.14	6,801.53
	(d) Cash and Cash Equivalents	651.30	1,071.00
	(e) Short-Term Loans and Advances	1,660.46	2,009.48
	(f) Other Current Assets	262.26	344.33
	Sub -Total -Current assets	10,169.21	11,809.67
	TOTAL-ASSETS	27,876.35	32,916.60

FOR LYKA LABS LIMITED

(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 Results of the Company
Pursuant to Clause 41 of the Listing Agreement

To
The Board of Directors of Lyka Labs Limited

1. We have audited the quarterly financial results("the Statement") of Lyka Labs Limited for the quarter ended 30th June, 2015 and the year to date results for the year ended on that date, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to note no 2 of the Statement regarding figures for the quarter ended 30th June, 2015 being balancing figures between the audited figures in respect of the full financial year ended 30th June, 2015 and the published year to date figures up to 31st March, 2015.
4. The Company continues to be under severe financial stress as reflected by:
 - (a) Overdue loans from banks (Refer Note No. 3).
 - (b) Overdue Fixed Deposits and Debentures (including interest accrued and due)(Refer Note Nos.1 and 2)
 - (c) Unpaid Statutory dues of Rs. 297.39 lacs remaining unpaid.
 - (d) Substantial creditors remaining outstanding to be paid.
 - (e) Overdue receivables
 - (f) Adverse market conditions and economic recession.
 - (g) Fire at Ankleshwar Plant (Refer Note No. 8)



5. **Restructuring of Business Operations:**

The Management of the Company is in the process of restructuring its business operations as also those of its subsidiaries in which it has substantial investments by :-

- (a) The Company sold its manufacturing facilities for formulations at Tarapur, Maharashtra (Refer Note No 9)
 - (b) Infusion of funds by promoters through subscription of Preferential issue of warrants convertible in shares.
 - (c) Expanding business volumes.
6. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results, read with notes attached herewith subject to:
- (a) *Note No. 1 relating to non compliance of the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.*

(b) *Note No. 5.3 relating to Intangible Assets Under Development;*

and on the basis stated in para no.4, the Statement:

- a. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard;
- and
- b. gives a true and fair view of the profit and other financial information for the quarter ended 30th June, 2015 as well as profit for the year ended 30th June, 2015.
7. Further, we also report that we have traced from the details furnished by the Management / Registrars and information and explanations given to us by the management, the number of shares as well as percentage of shareholding in respect of the aggregate amount of public shareholdings pledged / encumbered shares and non encumbered shares of promoters and promoters group shareholding, as furnished by the company in terms of clause 35 of the Listing Agreement and the particulars relating to undisputed investor companies.

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: 29th August, 2015

Notes:

1. **Fixed Deposits:**

The Company has not been able to repay overdue Fixed Deposits aggregating to Rs. 1,085.86 lacs and interest due thereon Rs. 112.49 lacs upto 30th June, 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 has filed a petition with the Company Law Board on 31st March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020. The liability, if any, arising on account of delayed payments/non-payment of dues will be provided for in the year in which finality is reached.

2. **Debentures:**

The Company has not been able to repay Overdue Debentures aggregating to Rs. 616.50 lacs and interest due thereon 60.63 lacs (dues) upto 30th June, 2015. Therefore, 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 payments/non-payment of dues will be provided for in the year in which finality is reached.

3. **Bank Loan:**

Bank of Maharashtra (Bank) has taken action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 on 24th June, 2015 and called upon the Company to repay the loans aggregating to Rs. 1,161.17 lacs plus interest thereon @ 16.50% w.e.f 1st June, 2015 within 60 days. The Company is following up with the Bank in this regard. The liability, if any, will be accounted for in the year in which finality is reached.

4. **Investment In Subsidiaries:**

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 aggregating to Rs. 1,844.60 lacs is required to be made at this juncture taking into consideration the intrinsic values of the respective investee companies.

5. **Capital Expenditure:**

- 5.1 Fixed Assets: In the opinion of the Management, the carrying value of the Fixed Assets of the Company is lower than their recoverable amounts and hence, no provision for impairment of fixed assets is called for.
- 5.2 Tangible Project Work-In-Progress Rs. 1,606.41 lacs: Due to the liquidity crunch, the Company has postponed the balance expenditure relating to its project at Ankleshwar. The Management expects to tie up the required funds in near future which will enable the Company to complete Project Work - In - Progress in the near future.



- 5.3 Intangible Assets under Development: The Company has incurred direct expenditure and allocable indirect expenditure up to 30th June, 2015 in respect of “new product development and applied research” aggregating to Rs. 1,213.00 lacs (previous period Rs. 1,217.90 lacs) including finance cost of Rs. 250.95 lacs (previous period Rs. 256.14 lacs)

Out of the above:

Rs. 93.54 lacs (previous period Rs. 1.68 lacs) has been transferred to “Self Generated Intangible assets” on successful development including finance cost of Rs. 6.03 lacs (previous period Rs. Nil).

During the year, infructuous development expenditure relating to certain products aggregating to Rs. 26.24 lacs (previous period Rs. 243.63 lacs) including finance cost of Rs. 5.20 lacs (previous period Rs. 24.04 lacs) has been expensed.

Balance of Rs. 1,093.22 lacs (previous period Rs. 972.57 lacs), including finance cost of Rs. 220.88 lacs (previous period Rs. 232.10 lacs), being balance of expenditure is carried forward under “Intangible Assets under Development” which shall 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.

6. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs.134.60 lacs (previous period Rs. 79.98 lacs) for which steps are being taken to utilize/realize the same.
7. Loans and advances include Rs. 226.86 lacs (previous period Rs. 523.21lacs) granted to a company as financial assistance is considered good for recovery by the management.
8. During the previous 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 such destroyed 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.
9. The Board of Directors at its meeting held on 14th July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of Rs. 3,861 lacs resulting in a gain of Rs. 853.95 lacs which has been presented as an “Exceptional Item”.
10. Detail of Exceptional Items (Net) are as under :

Sr. No.	Particulars	Rs. In Lacs	
		Year ended 30 th June ,2015	Period ended 30 th June , 2014
a)	Irrecoverable Debts Written off	400.37	838.25
b)	Irrecoverable Advances Written off	233.53	-
c)	Loss Due to Fire (Refer Note No 8)	-	270.97
d)	Profit on sale of Fixed Assets - Refer Note No 9	(853.95)	-
e)	Loss on sale of Fixed Assets	3.39	45.28
f)	Liability no longer payable written back	(76.17)	-
g)	Excess Provision written back	(70.64)	-
	TOTAL	(363.47)	1,154.50

Note: Figures in brackets denote items of credit nature



11. Depreciation charged to Profit and Loss Account Rs. 41.97 lacs for quarter ended 30th June, 2015 includes Rs. 21.18 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. 680.61 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. 2,094.40 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 and recoverable.

12.2 The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of Rs. 1,324.08 lacs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 85.45 lacs against which Company has made payment of Rs. 45.85 lacs under protest. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of Rs. 45.85 lacs are considered by the Company as good and recoverable.

12.3 The Company has received notices from Central Excise department causing demands as stated below:

- a) Rs. 108.57 lacs against which it has paid Rs. 25.00 lacs. The matter is sub-judice and the payment of Rs.25.00 lacs is considered by the Company as good and recoverable.
- b) Rs. 483.00 lacs in 2013-14 against which the Company has paid Rs. 60.15 lacs which has been debited to the Statement of Profit and Loss for the period ended 30th June, 2014. The balance of Rs. 423.00 lacs is considered as a contingent liability.

12.4

Particulars	Current Year (Rs. In lacs)	Previous Period (Rs. In lacs)
Ex-gratia - employees	342.46	338.87
Disputed Central Excise duty	11.22	11.22
Other Disputed Sales Tax Demands	616.76	284.84
Disputed Service Tax Demands	18.09	18.09
Claim against the Company not acknowledged as debt	7.94	7.94



- 12.5 Bills of Exchange discounted with the Bank Rs. Nil (previous period Rs. 698.33 lacs)
- 12.6 Bank Guarantees provided by a bank on behalf of the Company Rs.96.33 lacs (previous period Rs. 93.43 lacs)
13. Taxation:
- 13.1 Current Tax:
In view of unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the year.
- 13.2 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.
14. Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs.105.86 lacs (previous period Rs. 95.00 lacs).
15. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Group Companies and Loans & Advances as on 30th June, 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 accounts cannot be ascertained.



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

Partner
Name: Mukul M. Patel
Membership No. 32489

Place : Mumbai
Date : 29th August, 2015

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Auditor's Report On Year To Date Consolidated Financial Results of the Company
Pursuant to Clause 41 of the Listing Agreement

To
The Board of Directors of Lyka Labs Limited

1. We have audited the Consolidated financial results ("the Consolidated Statement") of Lyka Labs Limited for the year ended 30th June, 2015, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for :
 - a. The disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management.
 - b. The consolidated financial results include the audited results of the subsidiaries with different reporting periods as stated below:

Name of the Subsidiary	Reporting Period	Percentage of Holding
Lyka BDR International Limited	1 st April 2014 to 31 st March, 2015	65.22%
Lyka Export Limited	1 st July, 2014 to 31 st March, 2015	72.80%
Lyka Health Care Limited	1 st April 2014 to 31 st March, 2015	100.00%

which have not been audited by us. The financial results/financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as they relate to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors after making such changes as were considered necessary for the purpose of consolidation.

These year to date consolidated financial results have been prepared on the basis of the interim consolidated financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The Company continues to be under severe financial stress as reflected by:
 - (a) Overdue loans from banks.
 - (b) Overdue Fixed Deposits and Debentures (including interest accrued and due)(Refer Note Nos. 1 and 2)



- (c) Unpaid Statutory dues of Rs. 318.13 lacs remaining unpaid.
- (d) Substantial creditors remaining outstanding to be paid.
- (e) Overdue receivables
- (f) Adverse market conditions and economic recession.
- (g) Fire at Ankleshwar Plant (Refer Note No. 7).

4. **Restructuring of Business Operations:**

The Management of the Company is in the process of restructuring its business operations as also those of its subsidiaries in which it has substantial investments by :-

- (a) The Holding Company sold its manufacturing facilities for formulations at Tarapur, Maharashtra (Refer Note No 8)
- (b) Infusion of funds by promoters through subscription of Preferential issue of warrants convertible in shares.
- (c) Expanding business volumes

5. In our opinion and to the best of our information and according to the explanations given to us, these year to date results, read with notes attached herewith, subject to:

(a) *Note No. 1 relating to non compliance of the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.*

(b) *Note No. 4.3 relating to Intangible Assets Under Development;*

and on the basis stated in para no.3, the Statement:

- a. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard;
 - and
 - b. gives a true and fair view of the loss and other financial information for the year ended 30th June, 2015.
6. Further, we also report that we have traced from the details furnished by the Management / Registrars and information and explanations given to us by the management, the number of shares as well as percentage of shareholding in respect of the aggregate amount of public shareholdings pledged / encumbered shares and non encumbered shares of promoters and promoters group shareholding, as furnished by the company in terms of clause 35 of the Listing Agreement and the particulars relating to undisputed investor companies.

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: 29th August, 2015

Notes:

1. Fixed Deposits:

The Holding Company has not been able to repay overdue Fixed Deposits aggregating to Rs. 1,085.86 lacs and interest due thereon Rs. 112.49 lacs upto 30th June, 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 has filed a petition with the Company Law Board on 31st March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020. The liability, if any, arising on account of delayed payments/non-payment of dues will be provided for in the year in which finality is reached.

2. Debentures:

The Holding Company has not been able to repay Overdue Debentures aggregating to Rs. 616.50 lacs and interest due thereon 60.63 lacs (dues) upto 30th June, 2015. Therefore, 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 payments/non-payment of dues will be provided for in the year in which finality is reached.

3. Bank Loan:

Bank of Maharashtra (Bank) has taken action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 on 24th June, 2015 and called upon the Holding Company to repay the loans aggregating to Rs. 1,161.17 lacs plus interest thereon @ 16.50% w.e.f 1st June, 2015 within 60 days. The Holding Company is following up with the Bank in this regard. The liability, if any, will be accounted for in the year in which finality is reached.

4. Capital Expenditure:

4.1 Fixed Assets: In the opinion of the Management, the carrying value of the Fixed Assets of the Group is lower than their recoverable amounts and hence, no provision for impairment of fixed assets is called for.

4.2 Tangible Project Work-In-Progress Rs. 1,606.41 lacs: Due to the liquidity crunch, the Holding Company has postponed the balance expenditure relating to its project at Ankleshwar. The Management expects to tie up the required funds in near future which will enable the Holding Company to complete Project Work - In - Progress in the near future.

4.3 Intangible Assets under Development: The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 30th June, 2015 in respect of "new product development and applied research" aggregating to Rs. 1,213.00 lacs (previous period Rs. 1,217.90 lacs) including finance cost of Rs. 250.95 lacs (previous period Rs. 256.14 lacs)



Out of the above:

Rs. 93.54 lacs (previous period Rs. 1.68 lacs) has been transferred to "Self Generated Intangible assets" on successful development including finance cost of Rs. 6.03 lacs (previous period Rs. Nil).

During the year, infructuous development expenditure relating to certain products aggregating to Rs. 26.24 lacs (previous period Rs. 243.63 lacs) including finance cost of Rs. 5.20 lacs (previous period Rs. 24.04 lacs) has been expensed.

Balance of Rs. 1,093.22 lacs (previous period Rs. 972.57 lacs), including finance cost of Rs. 220.88 lacs (previous period Rs. 232.10 lacs), being balance of expenditure is carried forward under "Intangible Assets under Development" which shall 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.

5. Inventories held by the Holding Company include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs.134.60 lacs (previous period Rs. 79.98 lacs) for which steps are being taken to utilize/realize the same.
6. Loans and advances made by the Holding Company include Rs. 226.86 lacs (previous period Rs. 523.21lacs) granted to a company as financial assistance is considered good for recovery by the management.
7. During the previous 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 such destroyed 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.
8. The Board of Directors of the Holding Company at its meeting held on 14th July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of Rs. 3,861 lacs resulting in a gain of Rs. 853.95 lacs which has been presented as an "Exceptional Item".
9. Details of Exceptional Items (Net) are as under :

Sr. No.	Particulars	Rs. In Lacs	
		Year ended 30 th June ,2015	Period ended 30 th June ,2014
a)	Irrecoverable Debts Written off	520.61	838.25
b)	Irrecoverable Advances Written off	233.53	-
c)	Loss Due to Fire (Refer Note No 7)	-	270.97
d)	Profit on sale of Fixed Assets (Refer Note No 9)	(853.95)	-
e)	Loss on sale of Fixed Assets	3.39	45.28
f)	Liability no longer payable written back	(76.17)	-
g)	Excess Provision written back	(70.64)	-
h)	Deferred Revenue Expenditure written off	64.95	-
	TOTAL	(178.28)	1,154.50

Note: Figures in brackets denote items of credit nature



10. Depreciation charged to Profit and Loss Account Rs. 1,087.34 lacs for year ended 30th June, 2015 includes Rs. 88.18 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.
11. Contingent Liabilities are not provided for in respect of:

- 11.1 There were demands raised against the Holding Company aggregating to Rs. 680.61 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. 2,094.40 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 and recoverable.

- 11.2 The Holding Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Holding Company's appeal against the demand for Gujarat Sales Tax of Rs. 1,324.08 lacs for the financial year 2002-2003 for non-submission of proof of export. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 85.45 lacs against which Holding Company has made payment of Rs. 45.85 lacs under protest. The Holding Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payments of Rs. 45.85 lacs are considered by the Holding Company as good and recoverable.

- 11.3 The Holding Company has received notices from Central Excise department causing demands as stated below:
- a) Rs. 108.57 lacs against which it has paid Rs. 25.00 lacs. The matter is sub-judice and the payment of Rs.25.00 lacs is considered by the Holding Company as good and recoverable.
- b) Rs. 483.00 lacs in 2013-14 against which the Holding Company has paid Rs. 60.15 lacs which has been debited to the Statement of Profit and Loss for the period ended 30th June, 2014. The balance of Rs. 423.00 lacs is considered as a contingent liability.

11.4

Particulars	Current Year (Rs. In lacs)	Previous Period (Rs. In lacs)
Ex-gratia - employees	342.46	338.87
Disputed Central Excise duty	11.22	11.22
Other Disputed Sales Tax Demands	616.76	284.84
Disputed Service Tax Demands	18.09	18.09
Claim against the Company not acknowledged as debt	7.94	7.94



- 11.5 Bills of Exchange discounted with the Banks Rs. 883.62 lacs (previous period Rs. 1,442.12 lacs)
- 11.6 Bank Guarantees provided by a bank on behalf of the Company Rs. 96.33 lacs (previous period Rs. 93.42 lacs)
12. Tax Expenses Rs. 106.40 lacs relate to the following:
- 12.1 Current Tax:
The group has not provided for current tax in view of unabsorbed Business Losses and Depreciation of the earlier years, except a subsidiary which has provided for Minimum Alternate Tax of Rs. 60.25 lacs including Rs. 56.21 lacs for Assessment Year 2014-2015.
- 12.2 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 a subsidiary which has recognized Deferred Tax Liability amounting to Rs. 49.20 lacs (previous period Rs. 124.58 lacs)
- 12.3 Excess provision Rs. 3.05 lacs written back in respect of earlier years by a subsidiary.
13. Arrears of dividend on 10% Cumulative Redeemable Preference Shares issued by the Holding Company aggregates to Rs.105.86 lacs (previous period Rs. 95.00 lacs).
14. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Group Companies and Loans & Advances as on 30th June, 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 accounts cannot be ascertained.

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 : 29th August, 2015