

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 31ST DECEMBER, 2014

Particulars	Rs. In Lacs					
	Current	Previous	Corresponding	Year to date	Year to date	Previous
	Quarter	Quarter	Quarter	figure for	figure for	Period
	Ended	Ended	Ended	Current	Previous	Figures
			in the previous	period Ended	period Ended	as on
	31-Dec-2014	30-Sep-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013	30-Jun-2014
	6 months	9 months	15 Months	(Unaudited)	(Unaudited)	(Audited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from operations</b>						
(a) Net Sales/Income from operations (Net of excise duty)	2,202.02	1,807.49	1,218.79	4,009.51	4,442.74	8,057.58
(b) Other Operating Income	60.79	483.26	35.76	544.05	295.48	488.57
<b>Total income from operations (net)</b>	<b>2,262.81</b>	<b>2,290.75</b>	<b>1,254.55</b>	<b>4,553.56</b>	<b>4,738.22</b>	<b>8,546.15</b>
<b>2 Expenses</b>						
(a) Cost of Materials Consumed	1,377.70	924.86	722.45	2,302.56	2,452.78	4,658.18
(b) Purchase of traded goods	50.06	33.54	110.38	83.60	250.33	352.70
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(85.22)	66.69	130.26	(18.53)	215.79	367.88
(d) Employee benefits expense	287.65	230.93	309.35	518.58	894.81	1,399.05
(e) Depreciation and amortisation expense	110.25	151.61	106.81	261.86	315.54	543.04
(f) Other expenses	231.55	379.88	344.55	611.43	1,061.12	2,085.88
<b>Total expenses</b>	<b>1,971.99</b>	<b>1,787.51</b>	<b>1,723.80</b>	<b>3,759.50</b>	<b>5,190.37</b>	<b>9,406.73</b>
<b>3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>	<b>290.82</b>	<b>503.24</b>	<b>(469.25)</b>	<b>794.06</b>	<b>(452.15)</b>	<b>(860.58)</b>
4 Other Income	100.47	40.59	318.47	141.06	499.68	593.56
<b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>391.29</b>	<b>543.83</b>	<b>(150.78)</b>	<b>935.12</b>	<b>47.53</b>	<b>(267.02)</b>
6 Finance costs	449.10	516.84	484.49	965.94	1,338.19	2,397.29
<b>7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)</b>	<b>(57.81)</b>	<b>26.99</b>	<b>(635.27)</b>	<b>(30.82)</b>	<b>(1,290.66)</b>	<b>(2,664.31)</b>
<b>8 Exceptional Items (Net)</b>	<b>(614.56)</b>	<b>804.84</b>	<b>(271.98)</b>	<b>190.28</b>	<b>(296.88)</b>	<b>(1,154.50)</b>
9 Prior Period Expenses	(12.60)	-	-	(12.60)	-	(365.51)
<b>10 Profit/(Loss) from Ordinary Activities before tax (7-8-9)</b>	<b>(684.97)</b>	<b>831.83</b>	<b>(907.25)</b>	<b>146.86</b>	<b>(1,587.54)</b>	<b>(4,184.32)</b>
11 Tax Expenses	-	-	-	-	-	-
<b>12 Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>	<b>(684.97)</b>	<b>831.83</b>	<b>(907.25)</b>	<b>146.86</b>	<b>(1,587.54)</b>	<b>(4,184.32)</b>
13 Extraordinary Item (net of tax expenses)	-	-	-	-	-	3,457.16
<b>14 Net Profit/(Loss) for the period (12+13)</b>	<b>(684.97)</b>	<b>831.83</b>	<b>(907.25)</b>	<b>146.86</b>	<b>(1,587.54)</b>	<b>(727.16)</b>
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	2,158.00
16 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	-	3,638.41
<b>17 i. Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))</b>						
(a) Basic	(3.19)	3.84	(4.20)	0.66	(7.36)	(19.45)
(b) Diluted	(3.19)	3.84	(4.20)	0.66	(7.36)	(19.45)

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 31ST DECEMBER, 2014**

Particulars	Current Quarter Ended	Previous Quarter Ended	Corresponding Quarter Ended in the previous period ended	Year to date figure for Current period Ended	Year to date figure for Previous period Ended	Rs. In Lacs
						Previous Period Figures as on
	31-Dec-2014	30-Sep-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013	30-Jun-2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
17 ii. Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))						
(a) Basic	(3.19)	3.84	(4.20)	0.66	(7.36)	(3.43)
(b) Diluted	(3.19)	3.84	(4.20)	0.66	(7.36)	(3.43)
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 <b>Public Shareholding</b>						
a Number of shares	16552735	16552735	16552735	16552735	16552735	16552735
b percentage of shareholding	76.70	76.70	76.70	76.70	76.70	76.70
2 <b>Promoters and promoter group - Shareholding</b>						
a. Pledged / Encumbered						
- Numbers of Shares	2585615	4142715	4142715	2585615	4665615	4142715
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	51.43	82.40	82.40	51.43	92.81	82.40
- Percentage of shares (as a % of the total share capital of the company)	11.98	19.20	19.20	11.98	21.62	19.20
b. Non - encumbered						
- Number of shares	2441650	884550	884550	2441650	361650	884550
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	48.57	17.60	17.60	48.57	7.19	17.60
- Percentage of shares (as a % of the total share capital of the company)	11.32	4.10	4.10	11.32	1.68	4.10

INVESTOR COMPLAINTS	Current Quarter Ended 31st Dec 2014
	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	-





Contd...3/-..

1. The above Standalone results have been reviewed by the Audit Committee at their meeting held on 14<sup>th</sup> February, 2015 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, 2015.
2. Pursuant to the Agreement signed between Company and Ankleshwar Plant Workers Union, Company has provided Rs.73.76 lacs as arrears in the quarter under review towards employees benefits.
3. During the Quarter, the Company has charged to Statement of Profit & Loss Rs.24.90 lacs being Depreciation on revalued assets.
4. During the Quarter, the Company has capitalised interest of Rs.17.86 lacs towards Ankleshwar Unit Expansion / Upgradation.
5. Exceptional Items includes Bad Debts and Irrecoverable Advances written off Rs.614.56 lacs pertaining to earlier years.
6. The Company has one Single Segment "Pharmaceuticals".
7. Previous periods figures have been regrouped/rearranged wherever necessary.

For LYKA LABS LIMITED

**(N. I. GANDHI)**

**Chairman & Managing Director**

Mumbai  
February 14, 2015

Standalone statement of Assets and Liabilities

(Rs.in lakhs)

Particulars		As at 31st December, 2014	As at Previous period ended 30th June, 2014
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' Funds</b>		
	(a) Share Capital	2,266.57	2,266.57
	(b) Reserves and Surplus	3,857.41	4,007.95
	<b>Sub-Total -Shareholders' Fund</b>	<b>6,123.98</b>	<b>6,274.52</b>
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Long-Term Borrowings	3,384.20	5,463.69
	(b) Other Long-Term Liabilities	29.47	31.79
	(c) Long-Term Provisions	301.72	311.12
	<b>Sub -Total -Non -Current liabilities</b>	<b>3,715.39</b>	<b>5,806.60</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Short-Term Borrowings	4,337.08	4,505.82
	(b) Trade Payables	3,867.32	3,465.04
	(c) Other Current Liabilities	5,181.78	6,152.74
	(d) Short-Term Provisions	47.59	46.99
	<b>Sub -Total -Current liabilities</b>	<b>13,433.77</b>	<b>14,170.59</b>
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>23,273.14</b>	<b>26,251.71</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Fixed Assets		
	(i) Tangible Assets	5,837.07	9,006.01
	(ii) Capital Work-in-Progress	1,513.46	1,205.30
	(iii) Intangible Assets	379.73	376.50
	(iii) Intangible assets under development	1,026.57	972.58
		8,756.83	11,560.39
	(b) Non-Current Investments	6,253.67	6,253.15
	(c) Long-Term Loans and Advances	1,710.37	1,740.45
	<b>Sub -Total -Non-Current assets</b>	<b>16,720.87</b>	<b>19,553.99</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	1,162.82	859.75
	(b) Trade Receivables	2,600.33	2,535.50
	(c) Cash and Cash Equivalents	314.83	651.09
	(d) Short-Term Loans and Advances	2,334.78	2,512.34
	(e) Other Current Assets	139.51	139.04
	<b>Sub -Total -Current assets</b>	<b>6,552.27</b>	<b>6,697.72</b>
	<b>TOTAL-ASSETS</b>	<b>23,273.14</b>	<b>26,251.71</b>

FOR LYKA LABS LIMITED

  
(N. Gandhi)  
(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

We have reviewed the accompanying statement of 'Un-audited financial results' of Lyka Labs Limited for the quarter and six months ended December 31, 2014 hereinafter referred to as 'Statement' (which include the statements of the company's branches reviewed by other auditors, after making such changes as are considered necessary for incorporation) 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 reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India. Our responsibility is to issue a report on this statement based on our limited review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" 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.

Based on our review conducted as above, subject to Note nos. 1 to 12 here below and more particularly to note no. 1 relating to AS 2 "Valuation of Inventories", note no. 2 relating to AS 22 "Accounting for Taxes on Income", note no. 6 relating to AS-6 "Depreciation Accounting", note no. 7 relating to AS 13 "Accounting for Investment" and note no. 9 relating to AS 26 "Intangible Assets", nothing has come to our attention that causes us to believe that the Statement prepared, fairly in all material aspects, in accordance with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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: 14<sup>th</sup> February, 2015

**Notes:**

1. Inventories: The Branch Auditors have not verified the valuation of inventories at Tarapur branch Rs. 32.17 lacs and Ankleshwar branch Rs. 1119.88 lacs aggregating to Rs. 1,152.05 lacs which are valued by the management and have been relied upon by us.
2. 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.
3. The Board of Directors at its meeting held on 14<sup>th</sup> 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. 3861 lacs resulting in a gain of Rs. 804.83 lacs which has been presented as an "Exceptional Item" in the Financial results for the quarter ended 30<sup>th</sup> September, 2014.
4. On 31<sup>st</sup> October, 2013 fire destroyed certain fixed assets, at the Company's Ankleshwar Plant aggregating to Rs.254.23 lacs (Written down value Rs. 210.87 lacs) and materials in process aggregating to Rs. 61.10 lacs. The said loss of Rs. 270.97 lacs has been written off to the Statement of Profit and Loss. The company has lodged an insurance claim for an aggregate amount of Rs. 270.97 lacs which has been credited to Statement of Profit and Loss against which the company has received Rs. 99.93 lacs and the balance claim of Rs. 171.04 lacs is being processed by the Insurance Company. Further, during the year, a sum of Rs. 4.29 lacs is realized by way of sale of scrap arising from such destroyed fixed assets.
5. Depreciation charged to Profit and Loss Account Rs. 110.24 lacs for quarter ended 31<sup>st</sup> December, 2014 includes Rs. 24.90 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.
6. Depreciation on Fixed Assets at Ankleshwar Plant Rs. 152.08 lacs has been provided at the revised rates proposed in Schedule II of the Companies Act, 2013. However these rates have been applied on the opening balance as at 1<sup>st</sup> July, 2014 without reworking of the same since inception. We are given to understand that the same will be complied with before the end of the year. Hence, we are unable to express our opinion of its impact on the loss for the quarter ended 31<sup>st</sup> December, 2014.
7. The Company has not provided for diminution of Rs. 2,471.29 lacs in the book value of its investments based on the respective audited financials as on 31<sup>st</sup> March, 2014 as stated below:

The book value of equity share of Lyka BDR International Limited has eroded to Rs. 5.24 aggregating to Rs. 700.04 lacs and the book value of Lyka Exports Limited has eroded to Rs. -11.36 aggregating to Rs. 1,771.25 lacs.
8. Capital Work in Progress - Tangible includes Interest and Financial Charges Rs. 106.19 lacs, including Rs. 17.86 lacs for the quarter ended 31<sup>st</sup> December, 2014, which is pending allocation to Fixed Assets on completion of project.
9. The Company has incurred upto date direct expenditure and allocable indirect expenditure in respect of "new product development and applied research" aggregating to Rs. 1026.57 lacs including finance cost of Rs. 222.39 lacs which is carried forward under "Capital Work in Progress – Intangibles" 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.



10. 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 loss for the quarter ended 31<sup>st</sup> December, 2014.

- 10.1 The Company has received an order from Sales Tax department causing demand of Rs. 85.44 lacs and Rs. 64.55 lacs against which it has paid Rs. 45.81 and Rs. 6.15 lacs respectively.
- 10.2 The Company has received demand notice from Central Excise department causing demand of Rs. 108.57 lacs against which it has paid Rs. 25 lacs.

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

11. Loans and advances include Rs. 301.71 lacs granted to a company as financial assistance is considered good for recovery by the management.
12. The balances relating to Sundry Debtors, Creditors and Loans & Advances as on 31<sup>st</sup> December, 2014 are subject to confirmation and adjustments, if any on reconciliation of accounts. Hence, we are unable to express our opinion on the impact if any on the loss for the quarter ended 31<sup>st</sup> December, 2014.

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 : 14<sup>th</sup> February, 2015