

1st November, 2019

The BSE Ltd. 1 st Floor, New Trading Ring Rotunda Bldg, P.J. Towers Dalal Street, Mumbai- 400 001	The National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No. C/1, G. Block Bandra Kurla Complex Bandra (East), Mumbai - 400 051
Script Code: 500259	Script Code : LYKALABS

Dear Sir/Madam,

Sub.: Outcome of Board Meeting held on Friday, 1st November, 2019

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that at the meeting of Board of Directors held today i.e. 1st November, 2019, following decisions were taken:

1. Approval of Un-audited Standalone Financial Results for the second quarter and half year ended 30th September, 2019 along with Limited Review Report provided by the statutory auditors thereon; (Enclosed);
2. Approval of Un-audited Consolidated Financial Results for the second quarter and half year ended 30th September, 2019 along with Limited Review Report provided by the statutory auditors thereon; (Enclosed)
3. Board of Directors have noted the resignation of Mr. Raj Trivedi from the post of Company Secretary and Compliance Officer of the Company, effective from closing of business hours of 31st October, 2019.
4. Board of Directors have appointed Mr. Abhishek Deepak Buddhadev as Company Secretary and Compliance Officer with effect from 18th November, 2019, pursuant to Section 203 of the Companies Act 2013 and Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Further, in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/4/2015

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date 9th September, 2015 please find the following disclosures pertaining to the appointment:

Sr No.	Particulars	Details
1.	Name	Mr. Abhishek Buddhadey
2.	Reason for change	Appointment
3.	Membership No.	A40267
4.	Date of appointment	18 th November, 2019
5.	Qualification	B.com & M. com from Mumbai University Company Secretary from Institute of Company Secretary of India.
6.	Profile	Mr. Abhishek Buddhadev is a member of Institute of Company Secretaries of India(ICSI), besides holding the esteemed qualification of Company Secretary, he has 4 years of Post Qualification in the field of Secretarial Compliance & Corporate Law Advisory.

5. Appointment of Shri Sandeep P Parikh (DIN: 00022365) as Additional Independent Director on the Board of the Company who shall hold the office till the commencement of the ensuing Annual General Meeting and his appointment as an Independent Director for a period of three years be made from commencement of Annual General Meeting subject to approval by the Shareholders.

Further, in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/4/2015 date 9th September, 2015 please find the following disclosures pertaining to the appointment:

Sr No.	Particulars	Details
1.	Name	Mr. Sandeep Parikh
2.	Reason for change	Appointment
3.	Date of appointment	1 st November, 2019
4.	Qualification	Chartered Accountant from the Institute of Chartered Accountants of India

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5.	Profile	Mr. Sandeep Parikh is a member of Institute of Chartered Accountants of India (ICAI) and having a vast experience in area of audit and tax.
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As per circular LIST/COMPI1412018-19 dated 20th June, 2018, The Company affirm that Mr. Sandeep Parikh is not debarred from holding the office of director by virtue of any SEBI order and any other such authority.

Board meeting commenced at 13.00 and concluded at 16:55 P.M.

Kindly take the above on your record.

Yours faithfully,
For Lyka Labs Limited


Kunal Gandhi
Managing Director
DIN No. 01516156



Statement of Standalone Unaudited Financial Results for the Quarter and Half Year Ended 30th September, 2019

(₹ in lakh)

Particulars	Quarter Ended			Half Year Ended		Previous Year Ended
	30th Sep, 2019 (Unaudited)	30th June, 2019 (Unaudited)	30th Sep, 2018 (Unaudited)	30th Sep, 2019 (Unaudited)	30th Sep, 2018 (Unaudited)	31st March, 2019 (Audited)
I. Revenue						
Revenue from Operations	830.28	674.31	613.56	1,504.59	1,749.02	4,118.28
Other Income	39.12	67.85	30.78	106.97	60.14	257.81
II. Total Income	869.40	742.16	644.34	1,611.56	1,809.16	4,376.09
III. Expenses						
(a) Cost of Materials Consumed	420.48	175.50	238.11	595.98	598.93	1,505.49
(b) Purchase of Stock in trade	29.20	90.00	15.29	119.21	319.38	658.77
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(144.67)	(35.76)	2.55	(180.43)	7.53	60.44
(d) Employee benefits expense	257.46	241.81	229.11	499.27	510.34	999.18
(e) Finance Costs	73.96	141.01	120.55	214.97	226.39	573.24
(f) Depreciation and amortisation expense	139.53	140.99	155.82	280.52	310.87	443.86
(g) Other expenses	203.55	226.78	191.11	430.33	390.01	792.51
Total Expenses	979.51	980.33	952.54	1,959.85	2,363.45	5,033.49
IV. (Loss) / Profit before Exceptional Items and Taxes (II - III)	(110.11)	(238.17)	(308.20)	(348.29)	(554.29)	(657.40)
V. Exceptional Items (Net)	-	-	-	-	-	52.68
VI. (Loss) / Profit before Tax	(110.11)	(238.17)	(308.20)	(348.29)	(554.29)	(710.08)
VII. Tax Expenses (Deferred Tax)	10.07	3.03	(2.86)	13.10	(19.79)	(883.37)
VIII. Net (Loss) / Profit after Tax	(120.18)	(241.20)	(305.34)	(361.39)	(534.50)	173.29
IX. Other Comprehensive Loss / (Income)	-	(2.18)	7.43	(2.18)	14.86	(8.71)
X. Total Comprehensive (Loss) / Income	(120.18)	(239.02)	(312.77)	(359.21)	(549.36)	182.00
Paid up Equity Share Capital (Face value ₹ 10/- each)	2,869.00	2,814.00	2,814.00	2,869.00	2,814.00	2,814.00
Other Equity						7,046.15
XI. Basic and diluted earnings per share	(0.43)	(0.87)	(1.09)	(1.30)	(1.92)	0.58



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Unaudited Statement of Assets & Liabilities as at 30th September, 2019		
(₹ in lakh)		
Particulars	As at 30th Sep, 2019	As at 31st March, 2019
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	7,239.67	7,251.76
(b) Capital Work- In- Progress	1,755.18	1,755.18
(c) Intangible assets	337.60	371.26
(d) Intangible assets under development	1,317.40	1,215.86
	10,649.85	10,594.06
(e) Financial Assets		
(i) Investments	6,245.30	6,245.30
(ii) Other Financial Assets	1,361.77	1,576.70
(f) Other Non Current Assets	152.25	127.23
(g) Non Current Tax Assets	335.51	399.50
(h) Deferred tax assets(net)	1,011.11	1,024.62
	9,105.94	9,373.35
2 Current Assets		
(a) Inventories	804.57	594.51
(b) Financial Assets		
(i) Investments	0.73	0.70
(ii) Trade Receivables	2,721.62	2,968.16
(iii) Cash and Cash Equivalents	67.61	9.01
(iv) Loans	5.85	4.25
(v) Other Financial Assets	360.19	348.96
(c) Other Current Assets	1,239.39	977.15
	5,199.96	4,902.74
Total Assets	24,955.75	24,870.15
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	2,869.00	2,814.00
(b) Other Equity	6,820.06	7,046.15
	9,689.06	9,860.15
LIABILITIES		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,881.03	7,879.69
(ii) Other Financial Liabilities	274.35	23.97
(b) Provisions	269.69	277.12
	8,425.07	8,180.78
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	956.17	1,241.28
(ii) Trade Payable	2,231.11	2,209.79
(iii) Other Financial Liabilities	2,129.25	1,819.40
(b) Other Current Liabilities	1,355.26	1,407.99
(c) Provisions	169.83	150.75
	6,841.62	6,829.21
Total Equity and Liabilities	24,955.75	24,870.15



Lyka Labs Limited
Cash Flow Statement for the half year ended 30th September, 2019

Particulars	Half Year ended		Half Year ended	
	30th September, 2019		30th September, 2018	
A. Cash Flow from Operating Activities				
Profit / (Loss) for the year/period before tax		(348.28)		(569.15)
Adjusted for				
Depreciation	280.52		310.87	
Interest Income	(17.23)		(2.59)	
(Profit) / Loss on sale of fixed assets (net)	-		-	
Finance Cost	214.97		226.39	
Provision for Doubtful Trade Receivables / Advances / Deposits / Gratuity / Leave Encashment	(32.47)		9.39	
Provision / Credit Balance no longer required Written Back	(0.00)		(0.02)	
Exchange rate fluctuation	(0.51)		-	
Irrecoverable Advances written off	58.62		1.88	
Return on Investment	(0.02)		-	
		503.87		545.92
Operating profit before working capital change		155.59		(23.23)
Changes in Working Capital :				
(Increase) / Decrease in Other Non-Current Financial Assets	156.31		(74.73)	
(Increase) / Decrease in Other Non-Current Assets	(24.62)		1.08	
(Increase) / Decrease in Inventories	(210.07)		(13.72)	
(Increase) / Decrease in Trade and other receivables	311.80		363.78	
(Increase) / Decrease in Other Current Financial Assets	(11.23)		50.52	
(Increase) / Decrease in Other Current Assets	(262.24)		(80.29)	
(Increase) / Decrease in Loans	(1.61)		(2.92)	
Increase / (Decrease) in Other Non-Current Financial Liabilities	(33.21)		(5.99)	
Increase / (Decrease) in Non-Current Provisions	(7.43)		152.60	
Increase / (Decrease) in Trade Payables	21.32		284.98	
Increase / (Decrease) in Other Current Financial Liabilities	309.84		(5,260.92)	
Increase / (Decrease) in Other Current Liabilities	(52.72)		203.54	
Increase / (Decrease) in Current Provisions	(11.03)		(119.34)	
		185.12		(4,501.40)
Cash generated from operations		340.71		(4,524.63)
Exchange rate fluctuation	-			
Net Income Tax Payment	63.98	63.98	(11.82)	(11.82)
Net cashflow from operating activities (A)		404.69		(4,536.45)
B. Cashflow for Investing activities				
Purchase of fixed assets	(91.46)		(125.34)	
Proceeds from sale of fixed assets	-			
Interest Received	17.23		2.59	
Net cash used in Investing activities (B)		(74.23)		(122.75)
C. Cashflow from Financing activities				
Proceed from / (Repayment) of Non Current Borrowings Net	1.34		7,450.71	
Proceed from / Repayment of Current Borrowings Net	(285.11)		(2,541.69)	
Proceeds from Issue of Equity Shares net (Including Premium)	226.88			
Interest Paid	(214.97)		(226.39)	
Net cash used in Financing activities (C)		(271.86)		4,682.63
Net (decrease) / increase in cash and cash equivalents (A+B+C)		58.60		23.42
Cash and Cash Equivalents at the beginning of the year/period				
Cash and Cash Equivalents		9.01		7.70
Earmarked Balances		-		39.21
		9.01		46.91
Cash and Cash Equivalents at the end of the year/period				
Cash and Cash Equivalents		67.61		40.15
Earmarked Balances		-		30.18
		67.61		70.33



Notes:

1. The above un-audited standalone financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 1st November, 2019.

2. **Compromise Settlement:**

(a) **Compromise Settlement through One Time Settlement (OTS) of debts of Dena Bank and Assignment of debts in favour of International Asset Reconstruction Company Pvt Ltd (IARC)**

During the previous year, Dena Bank had entered into compromise settlement with the Company, whereby they had accepted OTS of Rs.5200 lakhs towards full and final settlement of its total dues through the funds arranged from IARC. In turn, they had assigned its total debts in favour of IARC, acting in its capacity as Trustee of IARF- III Trust Scheme vide Deed of Assignment dated 4th September, 2018. Accordingly, all underlying securities and security rights pertaining to the debts also stood assigned in favour of IARC.

On assignment of debts, Dena Bank had issued its No Dues Certificate on 17th September, 2018.

The Company has created charge in favour of IARC during the previous year. The Company is in the process of formalising the terms of repayment of debts to IARC.

The Company has not accounted for the effect of OTS as well as the treatment of assigned debts in favour of IARC, pending the terms of repayment of debts to IARC.

The effect of the settlement and assignment of debts would be accounted when the final terms are formalised with IARC.

(b) **Assignment of debts by Kapol Co-op Bank Ltd in favour of International Asset Reconstruction Company Pvt Ltd (IARC)**

During the previous year, Kapol Co-op Bank Ltd was paid Rs.482.77 lakhs by the Company through the funds arranged from IARC towards repayment of outstanding debt along-with interest. In turn, Kapol Co-op Bank Ltd, had assigned its total debts in favour of IARC, acting in its capacity as Trustee of IARF- III Trust Scheme 1 vide Deed of Assignment dated 26th December, 2018. Accordingly, all underlying securities and security rights pertaining to the debts also stood assigned in favour of IARC.

The Company is in the process of formalising the terms of repayment of debts to IARC.

The Company has not accounted for the treatment of assigned debts in favour of IARC, pending the terms of repayment of debts to IARC.



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The effect of assignment of debts would be accounted when the final terms are formalised with IARC.

3. Capital Expenditure:

The Company reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs.37.74 lakhs incurred during the quarter is carried forward as “Intangible Assets under development” to be recognized as “Self-Generated Intangible Assets” upon successful development and commercial viability of the respective products. However, the carrying cost of those product’s which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.

4. Ind AS 116 – Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognizing (including reclassification from other assets) a “Right of use asset” of Rs.244.84 Lakhs and a corresponding “Lease liability” of Rs.300.70 Lakhs by adjusting retained earnings net of taxes of Rs.38.76 Lakhs and Capital Work in Progress of Rs 17.09 Lakhs as at April 1, 2019.

Consequently, in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease “Rent”/“Other expenses” in previous period to “Depreciation and amortization expense” for the right of use assets and “Finance cost” for Interest accrued on lease liability. As a result the “Rent”/“Other expenses”, “Depreciation and amortization expense” and “Finance cost” of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous results, the reconciliation of above effect on statement of profit and loss for the quarter ended Sept. 30, 2019 is as under:

Amount (Rs in Lakhs)

Adjustments to increase (decrease) in net profit	Quarter ended 30 th Sept, 2019 comparable basis	Changes in profit due to Ind AS 116 increase/ (decrease)	Quarter ended 30 th Sept., 2019 as reported
Rent	20.08	20.08	--
Depreciation and amortization expense	--	(12.52)	12.52
Finance cost	--	(3.65)	3.65
Profit before tax	(114.02)	3.91	(110.11)
Less: Tax expense	8.65	(1.42)	(10.07)
Profit after tax	(122.67)	2.49	(120.18)



5. The Company operates in one reportable business segment i.e. "Pharmaceuticals".
6. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.

For LYKA LABS LIMITED

Kumal N. Gandhi (DIN 01516156)
(Managing Director)

Mumbai

1st November, 2019





D. KOTHARY & CO.

Chartered Accountants

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

Review Report to
The Board of Directors
Lyka Labs Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Lyka Labs Limited** (the 'Company') for the quarter ended 30th September, 2019 and year to date from 1st April, 2019 to 30th September, 2019 (the "Statement") (which includes the Statement of Company's branch at Ankleshwar reviewed by other auditors and relied upon by us, after making such changes as are considered necessary for incorporation) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulation"). Attention is drawn to the fact that the figures for net cash outflows for the corresponding period 1st April 2018 to 30th September 2018 as reported in these unaudited financial results have been approved by Board of Directors of the Company, but have not been subjected to review.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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. A review is substantially less in scope than an audit conducted in accordance with Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit. Accordingly, we do not express an audit opinion.

4. Emphasis of Matter

We draw attention to the following matters:

A. **Compromise Arrangement**

Note No 2(a) and (b) regarding compromise settlement with Dena Bank and Kapol Co-op Bank for assignment of debts in favor of International Assets Reconstruction Company Ltd (IARC).

B. **Capital Expenditure**

We draw attention to Note No. 3 regarding status of portfolio of products under development and applied research.

Our opinion is not qualified in respect of these matters.

5. Based on our review conducted as paragraph 3 above and further read with emphasis of matter in para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting






D. KOTHARY & CO.

Chartered Accountants

Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W


Mehul N. Patel
Partner
Membership No. 125024
UDIN:
19132650AAAADR232
Place: Mumbai
Date: 1st November 2019



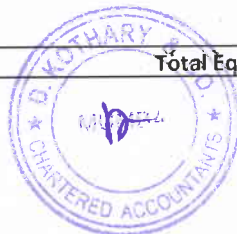
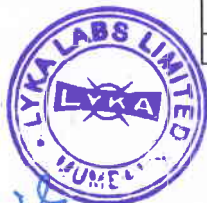
Statement of Consolidated Unaudited Financial Results for the Quarter and Half Year Ended 30th September, 2019

(₹ in lakh)

Particulars	Quarter Ended			Half Year Ended		Previous Year Ended
	30th Sep, 2019 (Unaudited)	30th June, 2019 (Unaudited)	30th Sep, 2018 (Unaudited)	30th Sep, 2019 (Unaudited)	30th Sep, 2018 (Unaudited)	31st March, 2019 (Audited)
I. Revenue						
Revenue from Operations	1,362.24	1,436.47	1,516.00	2,798.71	2,892.00	7,078.02
Other Income	35.16	206.31	41.62	241.47	89.44	209.07
II. Total Income	1,397.40	1,642.78	1,557.62	3,040.18	2,981.44	7,287.09
III. Expenses						
(a) Cost of Materials Consumed	366.70	229.28	238.11	595.98	598.93	1,505.49
(b) Purchase of Stock in trade	574.45	592.40	455.54	1,166.85	850.21	2,074.40
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(202.14)	(22.42)	280.25	(224.56)	134.97	344.51
(d) Employee benefits expense	365.83	325.27	388.80	691.10	815.42	1,468.54
(e) Finance Costs	155.72	167.33	156.19	323.05	299.35	716.90
(f) Depreciation and amortisation expense	199.58	200.68	200.60	400.26	472.41	731.37
(g) Other expenses	321.85	590.57	635.33	912.42	971.52	1,874.65
Total Expenses	1,781.99	2,083.11	2,354.82	3,865.10	4,142.81	8,715.86
IV. (Loss) / Profit before Exceptional Items and Taxes (II - III)	(384.59)	(440.33)	(797.20)	(824.92)	(1,161.37)	(1,428.77)
V. Exceptional Items (Net)	-	-	(37.27)	-	8.08	113.71
VI. (Loss) / Profit before Tax	(384.59)	(440.33)	(759.93)	(824.92)	(1,169.45)	(1,542.48)
VII. Non Controlling Interest	(74.37)	(65.36)	(95.64)	(139.73)	(115.52)	(74.66)
VIII. (Loss) / Profit before Tax	(310.22)	(374.98)	(664.29)	(685.19)	(1,053.93)	(1,467.82)
IX. Tax Expenses (Deferred Tax)	10.11	(58.44)	(18.65)	(48.33)	(22.39)	(907.28)
X. Net (Loss) / Profit after Tax	(320.33)	(316.54)	(645.64)	(636.86)	(1,031.54)	(560.54)
XI. Other Comprehensive Loss / (Income)	-	(2.18)	5.18	(2.18)	13.36	(28.03)
XII. Total Comprehensive (Loss) / Income	(320.33)	(314.36)	(650.82)	(634.68)	(1,044.90)	(532.51)
XIII. Paid up Equity Share Capital (Face value Rs.10/- each) Other Equity	2,869.00	2,814.00	2,814.00	2,869.00	2,814.00	2,814.00 1,667.43
XIV. Basic and diluted earnings per share	(1.14)	(1.13)	(2.30)	(2.27)	(3.25)	(1.79)



Unaudited Consolidated Statement of Assets & Liabilities as at 30th September, 2019		
(₹ in lakh)		
Particulars	As at 30th Sep, 2019	As at 31st March, 2019
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	7,368.66	7,381.67
(b) Capital Work- In- Progress	1,755.18	1,755.18
(c) Intangible assets	3,248.74	3,391.33
(d) Intangible assets under development	1,452.96	1,351.43
	13,825.54	13,879.61
(e) Financial Assets		
(i) Investments	1.08	1.08
(ii) Other Financial Assets	1,363.77	1,599.15
(f) Other Non Current Assets	858.26	808.88
(g) Non Current Tax Assets	588.95	668.81
(h) Deferred tax assets(net)	1,350.76	1,302.84
	4,162.82	4,380.76
2 Current Assets		
(a) Inventories	954.43	700.23
(b) Financial Assets		
(i) Investments	0.73	0.70
(ii) Trade Receivables	994.91	1,463.52
(iii) Cash and Cash Equivalents	201.17	157.16
(iv) Loans	5.86	64.47
(v) Other Financial Assets	543.06	352.34
(c) Other Current Assets	910.53	738.31
	3,610.69	3,476.73
Total Assets	21,599.05	21,737.10
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	2,869.00	2,814.00
(b) Other Equity	1,131.67	1,487.58
Equity attributable to owners of the company	4,000.67	4,301.58
(c) Non-controlling Interest	(11.10)	274.27
	3,989.57	4,575.85
LIABILITIES		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,927.98	7,928.47
(ii) Other Financial Liabilities	413.39	163.21
(b) Provisions	335.47	342.13
(c) Other Non Current Liabilities	-	-
	8,676.84	8,433.81
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,359.97	1,626.16
(ii) Trade Payable	2,409.99	2,305.07
(iii) Other Financial Liabilities	2,676.44	2,371.66
(b) Other Current Liabilities	2,054.23	2,001.97
(c) Provisions	432.01	422.58
	8,932.64	8,727.44
Total Equity and Liabilities	21,599.05	21,737.10



Lyka Labs Limited
Consolidated Cash Flow Statement for the Year Ended 30th September, 2019

Particulars	Half Year ended 30th Sep, 2019		Half Year ended 30th Sep, 2018	
A. Cash Flow from Operating Activities				
Profit / (Loss) for the year/period before tax		(824.91)		(1,169.45)
Adjusted for				
Depreciation	400.26		472.41	
Interest Income	(19.58)		(11.74)	
(Profit) / Loss on sale of fixed assets (net)	-		21.65	
Finance Cost	323.05		299.35	
Provision for Doubtful Trade Receivables / Advances / Deposits /	14.63		97.54	
Gratuity / Leave Encashment				
Provision/ Credit Balance no longer required Written Back	(0.00)		(1.14)	
Exchange rate fluctuation	(10.58)		(36.95)	
Irrecoverable Advances written off	58.62		51.84	
Return on Investment	(0.02)			
		766.36		892.95
Operating profit before working capital change		(58.55)		(276.50)
Changes in Working Capital :				
(Increase) / Decrease in Other Non-Current Financial Assets	176.76		(180.73)	
(Increase) / Decrease in Other Non-Current Assets	(48.97)		203.29	
(Increase) / Decrease in Inventories	(254.20)		113.72	
(Increase) / Decrease in Trade and other receivables	513.74		605.22	
(Increase) / Decrease in Other Current Financial Assets	(190.72)		(33.32)	
(Increase) / Decrease in Other Current Assets	(172.22)		(69.68)	
(Increase) / Decrease in Loans	58.61		55.04	
Increase / (Decrease) in Other Non-Current Financial Liabilities	(33.42)		114.66	
Increase / (Decrease) in Non-Current Provisions	(6.66)		155.36	
Increase / (Decrease) in Trade Payables	104.92		258.50	
Increase / (Decrease) in Other Current Financial Liabilities	304.78		(5,250.38)	
Increase / (Decrease) in Other Current Liabilities	52.26		241.16	
Increase / (Decrease) in Current Provisions	(37.57)		(173.65)	
		467.32		(3,960.79)
Cash generated from operations		408.77		(4,237.29)
Exchange rate fluctuation				
Net Income Tax Payment	79.86	79.86	95.89	95.89
Net cashflow from operating activities (A)		488.64		(4,141.40)
B. Cashflow for Investing activities				
Purchase of fixed assets	(101)		(157.99)	
Proceeds from sale of fixed assets	-			
Interest Received	20		11.74	
Net cash used in Investing activities (B)		(81.78)		(146.24)
C. Cashflow from Financing activities				
Proceed from / (Repayment) of Non Current Borrowings Net	(0)		7,428.91	
(Repayment) of Current Borrowings Net	(266)		(2,688.43)	
Proceeds from Issue of Equity Shares net (Including Premium)	227		-	
Interest Paid	(323)		(299.35)	
Net cash used in Financing activities (C)		(362.85)		4,441.13
Net (decrease) / increase in cash and cash equivalents (A+B+C)		44.01		153.49
Cash and Cash Equivalents at the beginning of the year/period				
Cash and Cash Equivalents		18.35		17.40
Earmarked Balances		138.81		225.47
		157.16		242.87
Cash and Cash Equivalents at the end of the year/period				
Cash and Cash Equivalents		82.87		257.54
Earmarked Balances		118.30		138.81
		201.17		396.35



Notes:

1. The above un-audited consolidated financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 1st November, 2019.

2. **Compromise Settlement:**

(a) **Compromise Settlement through One Time Settlement (OTS) of debts of Dena Bank and Assignment of debts in favour of International Asset Reconstruction Company Pvt Ltd (IARC)**

During the previous year, Dena Bank had entered into compromise settlement with the Holding Company, whereby they had accepted OTS of Rs.5200 lakhs towards full and final settlement of its total dues through the funds arranged from IARC. In turn, they had assigned its total debts in favour of IARC, acting in its capacity as Trustee of IARF- III Trust Scheme vide Deed of Assignment dated 4th September, 2018. Accordingly, all underlying securities and security rights pertaining to the debts also stood assigned in favour of IARC.

On assignment of debts, Dena Bank had issued its No Dues Certificate on 17th September, 2018.

The Holding Company has created charge in favour of IARC during the previous year. The Holding Company is in the process of formalising the terms of repayment of debts to IARC.

The Holding Company has not accounted for the effect of OTS as well as the treatment of assigned debts in favour of IARC, pending the terms of repayment of debts to IARC.

The effect of the settlement and assignment of debts would be accounted when the final terms are formalised with IARC.

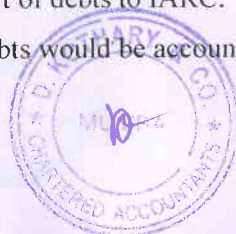
(b) **Assignment of debts by Kapol Co-op Bank Ltd in favour of International Asset Reconstruction Company Pvt Ltd (IARC)**

During the previous year, Kapol Co-op Bank Ltd was paid Rs.482.77 lakhs by the Holding Company through the funds arranged from IARC towards repayment of outstanding debt along-with interest. In turn, Kapol Co-op Bank Ltd, had assigned its total debts in favour of IARC, acting in its capacity as Trustee of IARF- III Trust Scheme 1 vide Deed of Assignment dated 26th December, 2018. Accordingly, all underlying securities and security rights pertaining to the debts also stood assigned in favour of IARC.

The Holding Company is in the process of formalising the terms of repayment of debts to IARC.

The Holding Company has not accounted for the treatment of assigned debts in favour of IARC, pending the terms of repayment of debts to IARC.

The effect of assignment of debts would be accounted when the final terms are formalised with IARC.



3. Capital Expenditure:

The Holding Company reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs. 37.74 lakhs incurred during the quarter is carried forward as “Intangible Assets under development” to be recognized as “Self-Generated Intangible Assets” upon successful development and commercial viability of the respective products. However, the carrying cost of those product’s which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.

4. Ind AS 116 – Leases, has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information, instead the cumulative effect of initially applying the standard has been recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognizing (including reclassification from other assets) a “Right of use asset” of Rs.244.84 Lakhs and a corresponding “Lease liability” of Rs.300.70 Lakhs by adjusting retained earnings net of taxes of Rs.38.76 Lakhs and Capital Work in Progress of Rs 17.09 Lakhs as at April 1, 2019.

Consequently, in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease “Rent”/“Other expenses” in previous period to “Depreciation and amortization expense” for the right of use assets and “Finance cost” for Interest accrued on lease liability. As a result the “Rent”/“Other expenses”, “Depreciation and amortization expense” and “Finance cost” of the current period is not comparable to the earlier periods.

To the extent the performance of the current period is not comparable with previous results, the reconciliation of above effect on statement of profit and loss for the quarter ended Sept. 30, 2019 is as under:

Amount (Rs in Lakhs)

Adjustments to increase (decrease) in net profit	Quarter ended 30 th Sept, 2019 comparable basis	Changes in profit due to Ind AS 116 increase/ (decrease)	Quarter ended 30 th Sept., 2019 as reported
Rent	20.08	20.08	--
Depreciation and amortization expense	--	(12.52)	12.52
Finance cost	--	(3.65)	3.65
Profit before tax	(314.12)	3.91	(310.21)
Less: Tax expense	8.69	(1.42)	10.11
Profit after tax	(322.81)	2.49	(320.32)



5. The Group operates in one reportable business segment i.e. "Pharmaceuticals".
6. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.

Mumbai
1st November, 2019

For LYKA LABS LIMITED


KUNAL N. GANDHI (DIN 01516156)
(MANAGING DIRECTOR)





D. KOTHARY & CO.
Chartered Accountants

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

**Review Report to
The Board of Directors
Lyka Labs Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of **Lyka Labs Limited** ("the Parent"), which includes its subsidiary (the Parent and its subsidiary together referred to as 'the Group'), for the quarter ended 30th September, 2019 and year to date from 1st April, 2019 to 30th September, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulation'). Attention is drawn to the fact that the figures for net cash outflows for the corresponding period 1st April 2018 to 30th September 2018 as reported in these unaudited financial results have been approved by Parent's Board of Directors of the Company, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of following entities:
Subsidiaries
 - i) Lyka BDR International Limited
 - ii) Lyka Exports Limited





D. KOTHARY & CO.
Chartered Accountants

iii) Lyka Healthcare Limited

5. The accompanying statement includes the interim financial results and other financial information in respect of 3 subsidiaries, whose interim financial results/information reflects total assets of Rs. 6,048.26 lakhs as at 30th September 2019, total revenues of Rs. 1,091.23 lakhs and Rs. 1,952.41 lakhs, total net profit after tax of Rs. (236.81) lakhs and Rs. (415.19) lakhs, total comprehensive income of Rs. (236.81) lakhs and Rs. (415.19) lakhs for the quarter ended 30th September 2019 and for the period 1st April 2019 to 30th September 2019 respectively, and net cash outflow of 22.48 lakhs for the period 1st April 2019 to 30th September 2019, which have been reviewed by us.
6. We did not review the interim financial results and other financial information in respect of one branch at Ankleshwar, whose interim financial results/information reflects total assets of Rs. 8,086.47 lakhs as at 30th September 2019, total revenues of Rs. 578.28 lakhs and Rs. 1281.04 lakhs, total net profit after tax of Rs. 36.22 lakhs and Rs. 162.42 lakhs, total comprehensive income of Rs. 36.21 lakhs and Rs. 162.42 lakhs for the quarter ended 30th September 2019 and for the period 1st April 2019 to 30th September 2019 respectively. These interim financial results and other financial information have been reviewed by other auditor, whose reports have been furnished to us by the management. Our conclusion, in so far as it relates to the affairs of branch is based solely on the report of other auditor. Our conclusion is not modified in respect of this matter.
7. **Emphasis of Matter**

We draw attention to the following matters:

A. Compromise Arrangement

Note No 2(a) and (b) regarding compromise settlement with Dena Bank and Kapol Co-op Bank for assignment of debts in favor of International Assets Reconstruction Company Ltd (IARC).

B. Capital Expenditure

We draw attention to Note No. 3 regarding status of portfolio of products under development and applied research.

8. Our opinion is not qualified in respect of these matters
9. Based on our review conducted and procedures performed as stated in para 3 above, further read with emphasis of matter in para 7 above and based on the consideration of the review reports of other auditors referred to in para 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation.





D. KOTHARY & CO.
Chartered Accountants

read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For D. Kothary & Co.
Chartered Accountants
Firm Registration No. 105335W


Mehul N. Patel

Partner

Membership No. 125024

UDIN:

19132650AAAADS9777

Place: Mumbai

Date: 1st November 2019

