

18th May, 2019

BSE Limited. 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: 1. Audited Standalone Financial Results for the Fourth Quarter and Financial Year ended 31st March, 2019 along with Auditors Report.**
- 2. Audited Consolidated Financial Results for the Financial Year ended 31st March, 2019 along with Auditors Report.**
- 3. A Declaration on Unmodified opinion for Standalone financial results for the year ended 31st March, 2019.**
- 4. Statement on Impact of Audit Qualification for Consolidated financial results for the year ended 31st March, 2019**

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and with respect to the above, we wish to inform you that the Board of Directors at their Meeting held today have adopted the Audited Standalone Financial Results for the Fourth Quarter and Financial Year ended 31st March, 2019 along with Auditor's Report and Audited Consolidated Financial Results for the Financial Year ended 31st March, 2019 along with Auditor's Report.


We forward herewith copy of the Audited Standalone for the Fourth Quarter and Financial Year ended 31st March, 2019 and Consolidated Financial Results for the Financial Year ended 31st March, 2019 together with Auditors Report, Declaration on unmodified opinion for Standalone financial results for the financial year ended 31st March, 2019 and Statement on Impact of Audit Qualifications (for Audit Report with modified opinion) for consolidated financial result thereon for your information and record.



The meeting commenced at 11.30 and concluded at 19.35

Thanking you,

Yours faithfully,
For Lyka Labs Limited



Raj T. Trivedi
Company Secretary and Compliance Officer



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2019

Particulars	Rs. In Lakhs				
	Quarter ended 31-Mar-2019 (Audited)	Quarter ended 31-Dec-2018 (Unaudited)	Quarter ended 31-Mar-2018 (Audited)	Current year Ended 31-Mar-2019 (Audited)	Previous Year Ended 31-Mar-2018 (Audited)
I. Revenue					
Revenue from Operations	1,473.73	895.53	1,103.39	4,118.28	4,249.09
Other Income	123.16	73.41	31.09	257.81	189.21
II. Total Income	1,596.89	968.94	1,134.48	4,376.09	4,438.30
III. Expenses					
(a) Cost of Materials Consumed	487.23	419.33	452.97	1,505.49	1,848.03
(b) Purchase of Stock In trade	272.26	67.12	32.77	658.77	134.25
(c) Change In inventories of finished goods, work-in-progress and stock-in-trade,	95.11	(42.20)	81.46	60.44	171.25
(d) Excise Duty	-	-	-	-	81.00
(d) Employee benefits expense	246.76	227.22	280.5	999.18	1,089.96
(e) Finance Costs	228.21	118.64	(370.86)	573.24	613.47
(f) Depreciation and amortisation expense	123.93	91.58	175.89	443.86	630.89
(g) Other expenses	194.83	206.56	256.26	792.51	1,138.77
Total Expenses	1,648.33	1,088.25	908.99	5,033.49	5,707.62
IV. (Loss)/Profit before Exceptional Items and Taxes (II - III)	(51.44)	(119.31)	225.49	(657.40)	(1269.32)
V. Exceptional Items (Net)	52.68		65.51	52.68	(147.12)
VI. (Loss)/Profit before Tax	(104.12)	(119.31)	291.00	(710.08)	(1122.20)
VII. Tax Expenses (Deferred Tax)	(873.73)	10.15	(1.05)	(883.37)	(38.26)
VIII. Net (Loss)/Profit after Tax	769.61	(129.46)	292.05	173.29	(1083.94)
IX. Other Comprehensive Loss / (Income)	(31.00)	7.43	25.54	(8.71)	29.71
X. Total Comprehensive (Loss) / Income	800.61	(136.89)	317.59	182.00	(1113.65)
XI. Paid up Equity Share Capital (Face value Rs.10/- each)	2,814.00	2,814.00	2,814.00	2814.00	2,814.00
XII. Other Equity				7,046.15	6,864.14
XIII. Earnings Per Equity Share of Rs 10/-each (not annualised)					
(a) Basic (Rs.)	2.73	(0.47)	1.12	0.58	(4.24)
(b) Diluted (Rs.)	2.73	(0.47)	1.12	0.58	(4.24)



Statement of Assets & Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	7,291.30	7,678.19
(b) Capital Work- In- Progress	1,755.18	1,666.25
(c) Intangible assets	331.72	438.10
(d) Intangible assets under development	1,215.86	976.53
	10,594.06	10,759.07
(e) Financial Assets		
(i) Investments	6,245.30	6,245.30
(ii) Other Financial Assets	1,576.70	1,510.38
(f) Other Non Current Assets	127.23	124.16
(g) Non Current Tax Assets	399.50	377.72
(h) Deferred tax assets(net)	1,024.62	140.84
	9,373.35	8,398.40
2 Current Assets		
(a) Inventories	594.51	729.90
(b) Financial Assets		
(i) Investments	0.70	0.06
(ii) Trade Receivables	2,968.16	3,025.71
(iii) Cash and Cash Equivalents	9.01	46.91
(iv) Loans	654.25	654.40
(v) Other Financial Assets	348.96	374.09
(c) Other Current Assets	327.15	493.24
	4,902.74	5,324.31
Total Assets	24,870.15	24,481.78
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	2,814.00	2,814.00
(b) Other Equity	7,046.15	6,864.14
	9,860.15	9,678.14
LIABILITIES		
1 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,879.69	471.35
(ii) Other Financial Liabilities	23.97	31.88
(b) Provisions	258.67	254.16
	8,162.33	757.39
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,241.28	3,558.64
(ii) Trade Payable	2,209.79	2,133.97
(iii) Other Financial Liabilities	1,837.85	8,023.06
(b) Other Current Liabilities	1,408.00	168.17
(c) Provisions	150.75	162.41
	6,847.67	14,046.25
Total Equity and Liabilities	24,870.15	24,481.78

FOR LYKA LABS LIMITED


 N. Gandhi
 (DIN No. 00021530)
 (Chairman & Managing Director)





Notes:

1. The above audited 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 18th May, 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 year, Dena Bank has entered into compromise settlement with the Company, whereby they have accepted OTS of Rs.5200 lakhs towards full and final settlement of its total dues through the funds arranged from IARC. In turn, they have 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 stand assigned in favour of IARC.

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

The Company has created charge in favour of IARC during the 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 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, have 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 stand 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.

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

(c) **Debts of Bank of Maharashtra**

During the year Bank of Maharashtra (BoM), had accorded its approval for full and final settlement of its debts at an amount of Rs.1100 lakhs along with Rs.8.25 lakhs towards processing fees and revalidation fees and Rs.33.00 lakhs interest. The Company had accepted the compromise proposal during the last quarter and made payment of the settlement amount and processing fees during the year. The balance amount of revalidation fees and interest has to be paid during the F.Y.2019-20.



13

BoM has released charge on the immovable property of the Company and has also partially released pledged shares of the Promoters of the Company. The balance pledged shares shall be released by BoM on the final payment of the balance amount during the F.Y.2019-20.

3. Pledged shares of a Joint Managing Director (Jt. MD) encashed by a Lender:

Bank of Maharashtra has invoked 160,000 equity shares of the Company pledged by the Jt. MD of the Company. Out of the invoked equity shares, 110,000 equity shares were sold by the Bank and the sales proceeds aggregating to Rs. 51.46 lakhs adjusted against the outstanding Term Loan.

This amount of Rs.51.46 lakhs has been reflected as Unsecured Loan from the Jt.MD.

4. Scheme of Arrangements: -

- (a) The Board of Directors at their meeting held on 10th March, 2016 had resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st April, 2015 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited was postponed to 1st April, 2017 by the Board of Directors at their meeting held on 30th August, 2017. However, boards of both the Companies have decided to call off the merger at their meeting held on 15th May 2019 (Lyka Exports Limited) and 18th May 2019.
- (b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1st April 2017 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6th February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March 2018 for approving the arrangement

The Equity / Preference Shareholders at the meetings convened, approved the arrangements of merger. The Unsecured Creditors at their meeting also approved the arrangement of merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Company for reconvening meeting of Secured Creditors on 2nd July, 2018.

Accordingly, Secured Creditors' Meetings were called on various dates which have been adjourned due to lack of quorum and NCLT vide its order dated 4th April, 2019 has re-fixed the hearing on 3rd June 2019 for reconvening meeting of Secured Creditors.



1/3

5. Capital Expenditure:

The Company reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs. 54.01 lakhs incurred during the quarter (Rs.239.32 lakhs incurred during the year) 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 products which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.

6. Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, the "Revenue from Operations" is disclosed net of GST. However, the "Revenue from Operations" for the year ended as on 31st March, 2018, are inclusive of excise duty, and is not comparable with "Revenue from Operations" for the year ended 31st March, 2019 to that extent.
7. Ind AS 115, Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1st April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at 1st April 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Company.
8. Figures for the quarter ended March 31, 2019 and March 31, 2018 represent the difference between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2018 and December 31, 2017 respectively.
9. The Company operates in one reportable business segment i.e. "Pharmaceuticals".
10. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.

For LYKA LABS LIMITED

N. I. Gandhi (DIN 00021530)
(Chairman & Managing Director)

Mumbai
18th May, 2019



Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

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

To Board of Directors,
Lyka Labs Limited

1. We have audited the accompanying statement of quarterly standalone IndAS financial results of Lyka Labs Limited ("the Company") for the quarter and the year ended **March 31, 2019** ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended by Circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The standalone IndAS financial results for the quarter and the year ended March 31, 2019 have been prepared on the basis of the standalone IndAS financial results for the nine month period ended December 31, 2018, the audited annual standalone IndAS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone IndAS financial results based on our review of the standalone IndAS financial results for the nine month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (IndAS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; and other accounting principles generally accepted in India and our audit of the annual standalone IndAS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the

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MUMBAI - 400 092. TEL.: 2890 2326 • 2890 8977 • 2893 0502 • 2893 0503 • Email : mcs@camcs.in



overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us:

The Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard and

The annual audited standalone financial results for the year ended March 31, 2019 as set out in the Statement gives a true and fair view of the total comprehensive income including profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2019.

5. Emphasis of Matter

We draw attention to the following matters:

A. Compromise Settlement

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

B. Pledged shares of Jt.MD encashed by a Lender

We draw attention to Note No.3 regarding claims from Jt.MD aggregating to Rs. 51.46 lakhs being the value of equity shares of the Company pledged as security.

C. Scheme of Arrangements

We draw attention to Note No.4 (a) & (b) regarding the status of the schemes of arrangement with Lyka Exports Limited and Lyka Healthcare Limited.

D. Capital Expenditure:

We draw attention to Note No. 5 regarding the review of the portfolio of products under development and applied research.

Our opinion is not qualified in respect of these matters.

6. We did not audit the financial statements and other financial information, in respect of the Branch, whose financial statement includes total assets of Rs 7,961.75 lakhs as at March 31, 2019 and total revenues of Rs. 3,354.38 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report



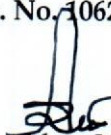
CHARTERED ACCOUNTANTS

have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of the Branch is based solely on the report of other auditor. Our opinion is not modified in respect of this matter.

7. The Statement includes the results for the Quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review.

For Mehta Chokshi & Shah.
Chartered Accountants
Firm Reg. No. 106201W




Abhay Mehta
Partner
Membership No. 46088

Place : Mumbai
Date : 18th May, 2019

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST MARCH, 2019
 (Rs. In Lakhs)

Sr. No	Particulars	31-Mar-2019 (12 Months) (Audited)	31-Mar-2018 (12 Months) (Audited)
I	Revenue		
	Revenue from Operations	7,078.02	6,061.61
	Other Income	209.07	213.31
	Total Revenue (I+II)	7,287.09	6,274.92
II	Expenses		
	(a) Cost of Materials Consumed	1,505.49	1,848.03
	(b) Purchase of traded goods	2,074.40	909.54
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	344.51	180.36
	(d) Excise Duty		81.00
	(e) Employee benefits expense	1,468.54	1,698.31
	(f) Finance Costs	716.90	958.08
	(g) Depreciation and amortisation expense	731.37	1,128.16
	(h) Other expenses	1,874.65	1,699.40
	Total expenses	8,715.87	8,502.88
III	Profit/(Loss) before Exceptional Items and Taxes	(1,428.77)	(2,227.96)
IV	Exceptional Items (Net)	113.71	(223.50)
		(1,542.49)	(2,004.46)
V	Non Controlling Interest	(74.66)	(178.90)
VI	Profit/(Loss) before Tax	(1,467.82)	(1,825.56)
Vii	Tax Expenses	(907.28)	(103.98)
Viii	Profit/(Loss) for the period	(560.54)	(1,721.58)
IX	Other Comprehensive Income	(28.03)	44.20
X	Total Comprehensive Income	(532.52)	(1,765.78)
XI	Paid up Equity Share Capital (face value Rs.10/- per share)	2,814.00	2,814.00
XII	Other Equity	1,667.43	2,132.70
	Earnings Per Share of Rs 10/-each (not annualised)		
	(a) Basic	(1.79)	(6.71)
	(b) Diluted	(1.79)	(6.71)



LYKA LABS LIMITED			CONSOLIDATED STATEMENT OF ASSETS AND LIABILITY FOR THE YEAR ENDED ON 31ST MARCH, 2019	
			(Rs.in lakhs)	
Particulars			As at 31st March, 2019	As at 31st March, 2018
I		ASSETS		
1		Non-current assets		
	(a)	Property, Plant and Equipment	7,421.21	7,735.23
	(b)	Capital Work- In- Progress	1,755.18	1,666.25
	(c)	Intangible assets	3,351.79	3,868.81
	(d)	Intangible assets under development	1,351.43	1,121.40
			13,879.61	14,391.69
	(e)	Financial Assets		
	(i)	Investments	1.08	22.78
	(ii)	Other Financial Assets	1,599.15	1,522.86
	(iii)	Other Non-current Assets Deferred tax	808.88	1,119.50
	(iv)	Other Non-current Tax Assets	668.81	558.95
	(v)	Deferrred Tax Assets (Net)	1,302.84	395.23
			18,260.38	18,011.01
2		Current Assets		
	(a)	Inventories	700.23	1,119.69
	(b)	Financial Assets		
	(i)	Current Investments	0.70	0.06
	(ii)	Trade Receivables	1,463.52	2,049.62
	(iii)	Cash and Cash Equivalents	157.16	242.87
	(iv)	Loan	64.47	62.37
	(v)	Other Financial Assets	352.34	379.81
	(c)	Other Current Assets	738.31	1,052.29
			3,476.73	4,906.71
		TOTAL	21,737.11	22,917.72
II		EQUITY AND LIABILITIES		
1		Equity		
	(a)	Equity Share Capital	2,814.00	2,814.00
	(b)	Other Equity	1,667.43	2,132.70
			4,481.43	4,946.70
		Non Controlling Interest	94.43	335.60
2		Liabilities		
		Non-Current Liabilities		
		Financial Liabilities		
	(a)	Borrowings	7,928.47	493.16
	(b)	Other Financial Liabilities	163.21	66.88
	(c)	Provisions	323.68	363.25
			8,509.79	1,258.89
		Current Liabilities		
		Financial Liabilities		
	(a)	(i) Borrowings	1,626.16	4,582.04
		(ii) Trade Payables	2,305.07	2,420.94
		(iii) Other Financial Liability	2,366.12	8,577.78
	(b)	Other Current Liabilities	2,025.96	659.81
	(c)	Provisions	422.58	471.55
			8,745.89	16,712.12
		TOTAL	21,737.11	22,917.72



FOR LYKA LABS LIMITED

 N.I.GANDHI
 CHAIRMAN & MANAGING DIRECTOR
 DIN : 00021530



Notes:

1. The above audited 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 18th May, 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 year, Dena Bank has entered into compromise settlement with the Company, whereby they have accepted OTS of Rs.5200 lakhs towards full and final settlement of its total dues through the funds arranged from IARC. In turn, they have 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 stand assigned in favour of IARC.

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

The Company has created charge in favour of IARC during the 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 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, have 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 stand 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.

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



(c) Debts of Bank of Maharashtra

During the year Bank of Maharashtra (BoM), had accorded its approval for full and final settlement of its debts at an amount of Rs.1100 lakhs along with Rs.8.25 lakhs towards processing fees and revalidation fees and Rs.33.00 lakhs interest. The Company had accepted the compromise proposal during the last quarter and made payment of the settlement amount and processing fees during the year. The balance amount of revalidation fees and interest has to be paid during the F.Y.2019-20.

BoM has released charge on the immoveable property of the Company and has also partly released pledged shares of the Promoters of the Company. The balance pledged shares shall be released by BoM on the final payment of the balance amount during the F.Y.2019-20 .

3. Pledged shares of a Joint Managing Director (Jt. MD) encashed by a Lender:

Bank of Maharashtra has invoked 160,000 equity shares of the Company pledged by the Jt. MD of the Company. Out of the invoked equity shares, 110,000 equity shares were sold by the Bank and the sales proceeds aggregating to Rs. 51.46 lakhs adjusted against the outstanding Term Loan.

This amount of Rs.51.46 lakhs has been reflected as Unsecured Loan from the Jt.MD.

4. Scheme of Arrangements: -

(a) The Board of Directors at their meeting held on 10th March, 2016 had resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1st April, 2015 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited was postponed to 1st April, 2017 by the Board of Directors at their meeting held on 30th August, 2017. However, boards of both the Companies have decided to call off the merger at their meeting held on 15th May 2019 (Lyka Exports Limited) and 18th May 2019.

(b) The Board of Directors at their meeting held on 29th May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1st April 2017 ("Appointed Date") under the provisions of sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 as amended and the corresponding provisions of the Companies Act, 2013 and SEBI circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6th February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27th March 2018 for approving the arrangement



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The Equity / Preference Shareholders at the meetings convened, approved the arrangements of merger. The Unsecured Creditors at their meeting also approved the arrangement of merger. However, the meeting of Secured Creditors could not be proceeded, due of lack of quorum. Accordingly, the Company filed an interlocutory Application on 13th April 2018, before NCLT seeking directions for re-convening / conducting a fresh meeting of the Secured Creditors. Pursuant to Interlocutory Application, NCLT passed an order dated 9th May, 2018 directing the Company for reconvening meeting of Secured Creditors on 2nd July, 2018.

Accordingly, Secured Creditors' Meetings were called on various dates which have been adjourned due to lack of quorum and NCLT vide its order dated 4th April, 2019 has re-fixed the hearing on 3rd June 2019 for reconvening meeting of Secured Creditors.

5. Capital Expenditure:

The Group reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs. 54.01 lakhs incurred during the quarter (Rs.239.32 lakhs incurred during the year) 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 conform to the test of commercial viability are charged to the Statement of Profit and Loss.

6. Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, the "Revenue from Operations" is disclosed net of GST. However, the "Revenue from Operations" for the year ended as on 31st March, 2018, are inclusive of excise duty, and is not comparable with "Revenue from Operations" for the year ended 31st March, 2019 to that extent.
7. Ind AS 115, Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1st April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at 1st April 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the Group.
8. The Group operates in one reportable business segment i.e. "Pharmaceuticals".
9. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.



Mumbai
18th May, 2019

For LYKA LABS LIMITED

N. I. Gandhi (DIN 00021530)
(Chairman & Managing Director)

Mehta Chokshi & Shah

CHARTERED ACCOUNTANTS

Independent Auditor's Report on Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

**To Board of Directors,
Lyka Labs Limited**

1. We have audited the accompanying statement of consolidated IndAS financial results of **Lyka Labs Limited ("the Holding Company")** comprising its subsidiaries (together 'the Group'), for the year ended **March 31, 2019** ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended by Circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. The consolidated IndAS financial results for the year ended March 31, 2019 have been prepared on the basis of the audited annual consolidated IndAS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Holding Company. Our responsibility is to express an opinion on these consolidated IndAS financial results based on our audit of the annual consolidated IndAS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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4. Basis for Qualified Opinion:

As reported by auditors of Subsidiary Company:

A. Lyka BDR International Limited

Due to defaults in repayment of Temporary Overdraft taken from Bank, the account of the company has been classified as Non-Performing Asset by bank, due to which the bank have not charged the interest from the date the account has been classified as Non-performing. No provision has been made in the books of accounts maintained by the Company for interest/penal interest, if any, on this temporary Overdraft amounting to about Rs. 20.65 Lakhs (approx.), hence to that extent, finance cost, total loss and current financial liabilities is estimated to be understated by about Rs. 20.,65 Lakhs- for the financial year ending March 31, 2019.

5. Opinion:-

In our opinion and to the best of our information, according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements referred to in para 7 below, and further read with emphasis of matters specified in para 6 below, and subject to the Basis for Qualified matters in para 4 above, the Statement:

- (i) include results of the subsidiaries viz. Lyka BDR International Limited, Lyka Exports Limited and Lyka Health Care Limited
- (ii) is presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
- (iii) gives true and fair view subject to the Basis for Qualified Opinion as per para 4, based on our audit conducted in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the loss for the year ended March 31, 2019, total comprehensive income and other financial information of the Group for the year ended March 31 2019.

6. Emphasis of Matter:-

We draw attention to the following matters:

A. Compromise Settlement

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



B. Pledged shares of Jt.MD encashed by a Lender:

We draw attention to Note No.3 regarding claims from Jt.MD aggregating to Rs. 51.46 lakhs being the value of equity shares of the Holding Company pledged as security.

C. Scheme of Arrangements:

We draw attention to Note No. 4(a) & (b) regarding the status of the schemes of arrangement with Lyka Exports Limited and Lyka Healthcare Limited.

D. Capital Expenditure:

We draw attention to Note No. 5 regarding the review of the portfolio of products under development and applied research.

As reported by auditors of Subsidiary Company:

A. Lyka BDR International Limited

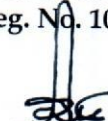
1. The financial statements being prepared on a going concern basis, notwithstanding the fact that the company has a loss of Rs. 113.50 Lakhs in financial year 2018-19 and has negative net worth of Rs. 338.92 Lakhs as at March 31,2019. The appropriateness of the said basis is inter alia dependent on the fact that the management is hopeful of better prospects in future.
2. Regarding non-confirmation of Current Assets, Loans and Advances, Trade Receivables, Trade Payables and Other Current Liabilities. Accordingly, these balances are subject to confirmation and consequential adjustments / reconciliation, if any with such parties. Since the extent to which these balances are subject to confirmation / reconciliation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.
3. Reinstatement of Opening Balances of Assets and Other Equity for the previous financial year (which is the earliest prior period presented), pertaining to errors in adjusting the expenses of previous financial years against revaluation reserves, due to which the Revaluation Reserve was understated and Profit and Loss balance was overstated to that extent. The same has been rectified by restating the opening balances of Revaluation Reserve and Profit and Loss Balance of previous financial year.



7. We did not audit the financial statements and other financial information, in respect of the subsidiaries and a Branch of the Holding Company, whose financial statements include total assets of Rs. 14,502.75 lakhs as at March 31, 2019 and total revenues of Rs. 8,503.24 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and a Branch of the Holding Company is based solely on the reports of other auditors. Our opinion is not modified in respect of this matter.

For Mehta Chokshi & Shah
Chartered Accountants
Firm Reg. No. 106201W




Abhay Mehta
Partner

Membership No: 46088

Place : Mumbai

Date : 18th May, 2019

18th May 2019

The Bombay Stock Exchange 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 : Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

As per the provisions of Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 we hereby declare that M/s. Mehta Chokshi & Shah, Chartered Accountants, Statutory Auditors of the Company have issued an audit report with unmodified opinion on Standalone audited financial results of the Company for the year ended 31st March, 2019.

We request you to take the same on your records and oblige.

Thanking you,

Yours faithfully,
For LYKA LABS LIMITED



N.I. GANDHI
CHAIRMAN & MANAGING DIRECTOR
(DIN No. 00021530)



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Consolidated Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	7287.09	7287.09
	2	Total Expenditure	8715.87	8736.53
	3	Net Profit/(Loss)	(532.52)	(553.18)
	4	Earnings Per Share	(1.79)	(1.79)
	5	Total Assets	21737.11	21737.11
	6	Total Liabilities	17255.68	17255.68
	7	Net Worth	4481.43	4460.77
	8	Any other financial item(s) (as felt appropriate by the management)		
II.	Audit Qualification (each audit qualification separately)			
a.	Details of Audit Qualification: Due to defaults in repayment of Temporary Overdraft taken from Bank by a subsidiary, the account of the company has been classified as Non-Performing Asset by bank, due to which the bank has not charged the interest from the date the account has been classified as Non-performing. No provision has been made in the books of accounts maintained by the Company for interest/penal interest, if any, on this temporary Overdraft amounting to about Rs. 20,65,581/- (approx.), hence to that extent, finance cost, total loss and current financial liabilities is estimated to be understated by about Rs. 20,65,581/- for the financial year ending March 31, 2019.			
b.	Type of Audit Qualification: Qualified Opinion			
c.	Frequency of qualification: First Time			
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: As the account is classified as NPA, the Bank has not debited the Interest, hence not provided. The NPA account shall be settled as per on going negotiation with Bank.			
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification:			
	(ii) If management is unable to estimate the impact, reasons for the same:			



Lyka Labs Limited

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• Phone : 6611 2200 • Fax : 6611 2249 Website : www.lykalabs.com • Email : enquiry@lykalabs.com



(iii) Auditors' Comments on (i) or (ii) above: We agree with the reasons stated by the management	
III. Signatories:	
• N. I. Gandhi (Chairman & Managing Director)	
• Yogesh B. Shah (CFO)	
• Abhay Mehta (M/s Mehta Chokshi & Shah-Statutory Auditor)	
• Vinod S. Shanbhag (Chairman Audit Committee)	
Place: Mumbai	
Date: 18.05.2019	

