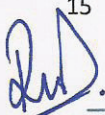


STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2014

Rs. In Lacs

Particular	Quarter	Previous	Corresponding	Previous
	Ended	Quarter	Quarter Ended	Period
		Ended	in the previous	Figures as on
	30-Sep-2014	30-Jun-2014	30-Sep-2013	30-Jun-2014
	(Unaudited)	(Audited)	(Unaudited)	15 Months (Audited)
1 Income from operations				
(a) Net Sales/Income from operations (Net of excise duty)	1,807.49	1,440.58	1,665.67	8,057.58
(b) Other Operating Income	483.26	103.85	113.33	488.57
Total income from operations (net)	2,290.75	1,544.43	1,779.00	8,546.15
2 Expenses				
(a) Cost of Materials Consumed	924.86	890.81	822.47	4,658.18
(b) Purchase of traded goods	33.54	18.60	70.31	352.70
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	66.69	6.63	107.03	367.88
(d) Employee benefits expense	230.93	208.05	295.03	1,399.05
(e) Depreciation and amortisation expense	151.61	114.30	104.44	543.04
(f) Other expenses	421.59	254.34	379.97	2,288.19
Total expenses	1,829.22	1,492.73	1,779.25	9,609.04
3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)	461.53	51.70	(0.25)	(1,062.89)
4 Other Income	40.59	42.25	83.66	593.56
5 Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)	502.12	93.95	83.41	(469.33)
6 Finance costs	475.13	475.92	412.03	2,194.98
7 Profit/(Loss) from ordinary activities after finance cost but before exceptional Items (5-6)	26.99	(381.97)	(328.62)	(2,664.31)
8 Exceptional Items (Net)	804.84	(12.69)	(24.90)	(1,154.50)
9 Prior Period Expenses	-	(365.51)	-	(365.51)
10 Profit/(Loss) from Ordinary Activities before tax (7-8-9)	831.83	(760.17)	(353.52)	(4,184.32)
11 Tax Expenses	-	-	-	-
12 Net Profit/(Loss) from Ordinary activities after tax (10-11)	831.83	(760.17)	(353.52)	(4,184.32)
13 Extraordinary Item (net of tax expenses)	-	4.39	-	3,457.16
14 Net Profit/(Loss) for the period (12+13)	831.83	(755.78)	(353.52)	(727.16)
15 Paid up equity share capital (face value Rs.10/- per share)	2,158.00	2,158.00	2,158.00	2,158.00



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2014

Rs. In Lacs

Particular	Quarter Ended	Previous Quarter Ended	Corresponding Quarter Ended in the previous period	Previous Period
	30-Sep-2014 (Unaudited)	30-Jun-2014 (Audited)	30-Sep-2013 (Unaudited)	30-Jun-2014 15 Months (Audited)
16 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-		3,638.41
17 i. Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))				
(a) Basic	3.84	(3.54)	(1.65)	(19.45)
(b) Diluted	3.84	(3.54)	(1.65)	(19.45)
17 ii. Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))				
(a) Basic	3.84	(3.51)	(1.65)	(3.43)
(b) Diluted	3.84	(3.51)	(1.65)	(3.43)

A PARTICULARS OF SHAREHOLDING

1 Public Shareholding				
Number of shares	16552735	16552735	16552735	16552735
percentage of shareholding	76.70	76.70	76.70	76.70
2 Promoters and promoter group - Shareholding				
a. Pledged / Encumbered				
- Numbers of Shares	4142715	4142715	4142715	4142715
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	82.40	82.40	82.40	82.40
- Percentage of shares (as a % of the total share capital of the company)	19.20	19.20	19.20	19.20
b. Non - encumbered				
- Number of shares	884550	884550	884550	884550
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17.60	17.60	17.60	17.60
- Percentage of shares (as a % of the total share capital of the company)	4.10	4.10	4.10	4.10

B

INVESTOR COMPLAINTS	Quarter Ended 30th Sept 2014
Pending at the beginning of the quarter	30-Sep-14 -
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 13th November, 2014 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 13th November, 2014.
2. Other Operating Income includes Rs. 375.00 lacs towards Sale of Product Dossiers.
3. During the quarter, the Company has sold its Formulation Manufacturing Unit at Tarapur. The profit on sale plant of Rs. 804.84 lacs has been shown as Exceptional Items.
4. During the Quarter the Company has charged to Statement of Profit & Loss Rs.21.15 lacs being Depreciation on revalued assets.
5. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at 1st July, 2014 amounting to Rs. 37.11 lacs has been adjusted to the General Reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by Rs. 43.76 lacs for the quarter ended 30th September, 2014.
6. The Management is of the view that provisions and write-offs, if any, will be done at the end of the accounting year.
7. During the Quarter, the Company has capitalised interest of Rs.24.75 lacs towards Ankleshwar Unit Expansion.
8. The Company has one Single Segment "Pharmaceuticals".
9. Previous periods figures have been regrouped/rearranged wherever necessary.

For LYKA LABS LIMITED

(N. I. GANDHI)

Chairman & Managing Director

Mumbai
November 13, 2014

M. A PARIKH & CO.
CHARTERED ACCOUNTANTS

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the 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 ended September 30, 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 13 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

Partner
Name: Mukul M. Patel
Membership No: 32489

Place: Mumbai
Date: 13th November, 2014

Notes:

1. Inventories: The Branch Auditors have not verified the valuation of inventories at Tarapur branch Rs. 166.25 lacs and Ankleshwar branch Rs. 1,027.87 lacs aggregating to Rs. 1,194.12 lacs are valued by the management and have been relied upon the valuation done by the management.
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 14th July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of Rs. 3861 lacs resulting in a gain of Rs. 804.83 lacs which has been presented as an "Exceptional Item" in the Financial result for the quarter.
4. On 31st 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. 151.61 lacs for quarter ended 30th September, 2014 includes Rs. 21.14 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.
6. Depreciation on Fixed Assets at Ankeleshwar Plant has been provided at the revised rates proposed in schedule 2 of the Companies Act, 2013. However these rates have been applied on the opening balance as at 1st 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 profit for the quarter ended 30th September, 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 31st March, 2014.
The book value of equity share of Lyka BDR International Limited has eroded from Rs.10 to Rs. 5.24 aggregating to Rs. 700.04 lacs and the book value of Lyka Exports Limited has eroded from Rs. 32.90 to Rs. (-11.36) aggregating to Rs. 1,771.25 lacs.
8. Capital Work in Progress - Tangible includes Interest and Financial Charges Rs. 93.23 lacs, including Rs. 24.75 lacs for the quarter ended 30th September, 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. 1012.88 lacs including finance cost of Rs. 232.10 lacs.

Out of the above:

- Rs. 20.07 lacs has been transferred to "Self Generated Intangible assets" on successful development including finance cost of Rs. 4.51 lacs.



- During the period infructuous development expenditure relating to certain products aggregating to Rs. 26.24 lacs including finance cost of Rs. 5.19 lacs has been expensed.
 - Balance of Rs. 966.57 lacs, Including finance cost of Rs. 222.40 lacs, being balance of expenditure Carrying 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. The management has treated the claim towards ex-gratia to employees from April 1999 to September 2014 aggregating to Rs. 338.87 lacs (including Rs. 0.84 lacs relating to the quarter 30th September, 2014) as a contingent liability as the matter is subjudice.
11. 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 Gujarat High Court. 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 profit for the quarter ended 30th September, 2014.

- 11.1 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.
- 11.2 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.

12. Loans and advances include Rs. 523.21 lacs granted to a company as financial assistance is considered good for recovery by the management.
13. The balances relating to Sundry Debtors, Creditors and Loans & Advances as on 30th September, 2014 are subject to confirmation and adjustments, if any on reconciliation of accounts. Hence, we are unable to express our opinion on of impact if any on the profit for the quarter ended 30th September, 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 : 13th November, 2014