

May 27, 2016

The Dy. General Manager
Corporate Relations Department
The Bombay Stock Exchange Ltd.
1st Floor, New Trading Ring
Rotunda Bldg., P.J. Towers
Dalal Street, Mumbai - 400 001

Dear Sir/Madam,

Script Code : 500259

- Sub : 1. Audited Standalone Financial Results for the Third Quarter and Financial Year ended 31st March, 2016 and Audited Annual Accounts for the year ended 31st March, 2016.
2. Audited Standalone Financial Results for the Third Quarter and Financial Year ended 31st March, 2016 and Audited Annual Accounts for the year ended 31st March, 2016.
3. Auditors Report.

We forward herewith copy of the Audited Standalone Financial Results for the Third Quarter and Financial Year ended 31st March, 2016 and Audited Consolidated Financial Results for the Third Quarter and Financial Year ended 31st March, 2016 which were adopted by the Board at its meeting held today together with Auditors Report thereon for your information and record.

The meeting commenced at 4 pm and ended at 8.30 pm.

Thanking you,

Yours faithfully,

For LYKA LABS LIMITED

P. G. HINDIA
COMPANY SECRETARY



Encl : as above

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31ST MARCH, 2016

Particulars	Quarter Ended			Year to date figure for Current period Ended	Previous year Ended
	31-Mar-2016	31-Dec-2015	31-Mar-2015	31-Mar-2016	30-Jun-2015
	(Audited)	(Unaudited)	(Unaudited)	9 months (Audited)	12 months (Audited)
1 Income from operations					
(a) Net Sales/Income from operations (Net of excise duty)	1,745.91	1,748.68	1,794.04	5,447.02	8,307.33
(b) Other Operating Income	109.06	64.62	95.50	279.94	741.10
Total income from operations (net)	1,854.97	1,813.30	1,889.54	5,726.96	9,048.43
2 Expenses					
(a) Cost of Materials Consumed	736.31	739.97	1,407.27	2,345.49	4,658.11
(b) Purchase of traded goods	390.31	285.39	106.21	908.25	479.22
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	57.73	62.39	(450.19)	167.57	(56.98)
(d) Employee benefits expense	226.32	214.89	242.63	658.11	963.58
(e) Depreciation and amortisation expense	87.30	88.44	31.01	264.02	383.26
(f) Other expenses	274.89	301.48	204.53	853.79	1,171.44
Total expenses	1,772.86	1,692.56	1,541.46	5,197.23	7,598.63
3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)	82.11	120.74	348.08	529.73	1,449.80
4 Other Income	293.67	234.05	38.54	1,124.11	170.75
5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	375.78	354.79	386.62	1,653.84	1,620.53
6 Finance costs	377.28	344.09	421.98	1,144.35	1,834.72
7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	(1.50)	10.70	(35.36)	509.49	(214.19)
8 Exceptional Items (Net)	(84.92)	-	-	(60.23)	(363.47)
9 Prior Period Adjustments	(35.78)	(33.49)	-	87.70	12.60
10 Profit/(Loss) from Ordinary Activities before tax (7-8-9)	119.20	44.19	(35.36)	482.02	136.68
11 Tax Expenses	-	-	-	-	-
12 Net Profit/(Loss) from Ordinary activities after tax (10-11)	119.20	44.19	(35.36)	482.02	136.68
13 Extraordinary Item (net of tax expenses)	-	-	-	-	-
14 Net Profit/(Loss) for the period (12+13)	119.20	44.19	(35.36)	482.02	136.68
15 Paid up equity share capital (face value Rs.10/- per share)	2,204.00	2,204.00	2,158.00	2,204.00	2,158.00
16 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	4,076.01	3,511.18
17 i. Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))					
(a) Basic	0.53	0.19	(0.18)	2.17	0.58
(b) Diluted	0.53	0.19	(0.18)	2.17	0.58
17 ii. Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised))					
(a) Basic	0.53	0.19	(0.18)	2.17	0.58
(b) Diluted	0.53	0.19	(0.18)	2.17	0.58





Notes:

1. The above Audited Financial results has been reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their meeting held on 27th May, 2016.
2. The figures for the last quarter ended 31st March, 2016 being balancing figures between audited figures in respect of the period ended 31st March, 2016 and published year to date figures upto 31st December, 2015.
3. The Statutory Auditors of the Company have carried out the audit on Standalone basis of the financial results for the quarter ended 31st March, 2016 and for the period ended 31st March, 2016
4. During the Quarter the Company has charged to Profit & Loss Account Rs.21.18 lacs being depreciation on revalued assets.
5. Exceptional items consist of:
 - During the period Company has written back liabilities and excess provisions which are no longer required of Rs.87.96 lacs.
6. Current year Tax has not been provided in view of unabsorbed business losses and depreciation of the earlier years.
7. The Company has one Single Segment "Pharmaceuticals".
8. The figures for the Current Period ended 31st March, 2016 being for a period of 9 months are not comparable with those of the Previous Year for 12 months.
9. Figures for previous year have been regrouped/rearranged wherever necessary, to conform to the relevant current period classification.

Mumbai
27-May-16

For LYKA LABS LIMITED

N. I. GANDHI (DIN: 00021530)
Chairman & Managing Director



Standalone statement of Assets and Liabilities

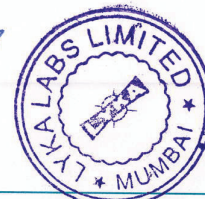
(Rs.in lakhs)

Particulars		As at 31st March, 2016	As at 30th June, 2015
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	2,312.57	2,266.57
	(b) Reserves and Surplus	4,337.73	3,817.72
	Sub-Total -Shareholders' Fund	6,650.30	6,084.29
2	Money received against Share Warrants	-	32.20
3	Non-Current Liabilities		
	(a) Long-Term Borrowings	2,526.99	2,873.48
	(b) Other Long-Term Liabilities	13.95	48.95
	(c) Long-Term Provisions	207.11	304.59
	Sub -Total -Non -Current liabilities	2,748.05	3,227.02
4	Current Liabilities		
	(a) Short-Term Borrowings	4,624.26	3,607.29
	(b) Trade Payables	3,236.90	3,940.67
	(c) Other Current Liabilities	5,453.00	6,375.21
	(d) Short-Term Provisions	90.22	45.09
	Sub -Total -Current liabilities	13,404.38	13,968.26
	TOTAL-EQUITY AND LIABILITIES	22,802.73	23,311.77
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets		
	(i) Tangible Assets	5,597.57	5,737.23
	(ii) Capital Work-in-Progress	1,736.28	1,606.41
	(iii) Intangible Assets	428.18	429.60
	(iii) Intangible assets under development	1,280.66	1,096.43
	(b) Non-Current Investments	9,042.69	8,869.67
	(c) Long-Term Loans and Advances	6,256.56	6,256.56
	Sub -Total -Non-Current assets	16,929.58	16,928.00
2	Current Assets		
	(a) Inventories	696.42	1,255.83
	(b) Trade Receivables	2,644.85	2,883.27
	(c) Cash and Cash Equivalents	173.41	170.35
	(d) Short-Term Loans and Advances	2,218.96	1,934.81
	(e) Other Current Assets	139.51	139.51
	Sub -Total -Current assets	5,873.15	6,383.77
	TOTAL-ASSETS	22,802.73	23,311.77

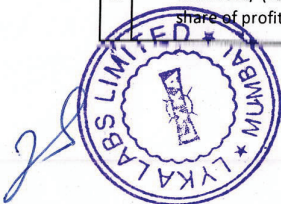
FOR LYKA LABS LIMITED



N.I. Gandhi (DIN : 00021540)
(Chairman & Managing Director)



LYKA LABS LIMITED					
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31ST MARCH, 2016					
Particulars	Quarter Ended			Year to date	Year to date
	31-03-2016	31-12-2015	31-03-2015	figure for the	figure for the
	(Audited)	(Unaudited)	(Unaudited)	current period	previous year
				ended	ended
				9 Months	12 Months
				(Audited)	(Audited)
1 Income from operations					
(a) Net Sales/Income from operations (Net of excise duty)	3273.42	2963.35	3905.58	12,543.88	15,705.13
(b) Other Operating Income	188.34	109.66	147.41	522.47	921.46
Total income from operations (net)	3461.76	3073.01	4052.99	13,066.35	16,626.59
2 Expenses					
(a) Cost of Materials Consumed	943.70	739.97	1407.27	2,345.49	4,658.11
(b) Purchase of traded goods	912.84	1015.98	1351.39	4,444.82	4,417.01
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	90.21	(9.94)	(494.56)	252.51	(2.47)
(d) Employee benefits expense	402.70	375.40	415.27	1,471.19	1,726.35
(e) Depreciation and amortisation expense	249.78	253.71	216.53	932.46	1,087.34
(f) Other expenses	709.80	628.39	847.91	2,476.93	3,091.02
Total expenses	3309.03	3003.51	3743.81	11,923.40	14,977.36
3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)	152.73	69.50	309.18	1,142.95	1,649.23
4 Other Income	10.36	81.93	54.06	151.54	235.27
5 Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)	163.09	151.43	363.25	1,294.49	1,884.50
6 Finance costs	450.89	458.31	526.34	1,518.84	2,415.92
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)	(287.80)	(306.88)	(163.09)	(224.35)	(531.42)
8 Exceptional Items (Net)	(1,138.57)	(0.08)	-	738.18	(178.27)
9 Prior Period Items	-	47.54	-	(123.47)	12.60
10 Profit/(Loss) from Ordinary Activities before tax (7+8+9)	(1,426.37)	(259.42)	(163.09)	390.36	(365.75)
11 Tax Expenses	251.53	273.81	6.15	18.63	106.40
12 Net Profit/(Loss) from Ordinary activities after tax (10-11)	(1,677.90)	14.39	(169.23)	408.99	(472.15)
13 Extraordinary Item (net of tax expenses)	-	-	-	-	-
14 Net Profit/(Loss) for the period	(1,677.90)	14.39	(169.23)	408.99	(472.15)
15 Share of Profit/(Loss) of associates	-	-	-	-	-
16 Minority interest	(478.43)	39.23	27.21	40.30	(22.77)
17 Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates	(1,199.47)	53.62	(196.45)	368.69	(494.92)



LYKA LABS LIMITED						
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31ST MARCH, 2016						
Particulars	Quarter Ended			(Rs.in Lakhs)		
				Year to date figure for the current period ended	Year to date figure for the previous year ended	
	31-03-2016 (Audited)	31-12-2015 (Unaudited)	31-03-2015 (Unaudited)	31-03-2016 9 Months (Audited)	30-06-2015 12 Months (Audited)	
18	Paid up equity share capital (face value Rs.10/- per share)	2204.00	2204.00	2,158.00	2,204.00	2,158.00
19	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year				1,527.19	1,077.81
20	i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)					
	(a) Basic	(5.45)	0.23	(0.91)	1.65	(2.34)
	(b) Diluted	(5.45)	0.23	(0.91)	1.65	(2.34)
21	ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)					
	(a) Basic	(5.45)	0.23	(0.91)	1.65	(2.34)
	(b) Diluted	(5.45)	0.23	(0.91)	1.65	(2.34)





Notes:

1. The above Audited Financial results has been reviewed by the Audit Committee and approved and taken on record by the Board of Directors of the Company at their meeting held on 27th May, 2016.
2. The figures for the last quarter ended 31st March, 2016 being balancing figures between audited figures in respect of the period ended 31st March, 2016 and published year to date figures upto 31st December, 2015.
3. The Statutory Auditors of the Company have carried out the audit on Consolidated basis of the financial results for the period ended 31st March, 2016.
4. Audited financial results for the period ended 31st March, 2016 have been consolidated with that of Lyka BDR International Ltd., Lyka Healthcare Ltd., and Lyka Exports Ltd., for the year ended 31st March, 2016
5. During the Quarter the Company has charged to Profit & Loss Account Rs.21.18 lacs being depreciation on revalued assets.
6. Exceptional items consist of :

Sr. No.	Particulars	Quarter Ended 31st March 2016 (Rs. In lacs)	Period ended 31st March, 2016 (Rs. In lacs)
a)	Loss/(Gain) on sale of Animal Health Care Limited	627.64	(1,349.11)
b)	Irrecoverable Claim/Advance written off	0.55	0.55
c)	Excess Provision no longer required written back	(20.25)	(89.96)
d)	Loss on sale of Fixed Assets (Net)	3.04	3.24
e)	Bad Debts	527.59	697.10
	TOTAL	1,138.57	(738.18)

7. Tax expenses comprises of current tax/deferred tax assets.
8. The Company has one Single Segment "Pharmaceuticals".
9. The figures for the Current Period ended 31st March, 2016 being for a period of 9 months are not comparable with those of the Previous Year for 12 months.
10. Figures for previous year have been regrouped/rearranged wherever necessary, to conform to the relevant current period classification.

For LYKA LABS LIMITED

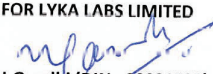
N. I. Gandhi
N. I. GANDHI (DIN: 00021530)
Chairman & Managing Director



Mumbai
27-May-16

LYKA LABS LIMITED
Consolidated Statement of Assets and Liabilities

(Rs.in lakhs)

Particulars	As at 31st March, 2016	As at 30th June, 2015
	Audited	Audited
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	2,312.57	2,266.57
(b) Reserves and Surplus	2,209.38	2,007.32
Sub-Total -Shareholders' Fund	4,521.95	4,273.89
2 Money received against share warrants	-	32.20
3 Minority Interest	393.41	351.01
4 Non-Current Liabilities		
(a) Long-Term Borrowings	2,531.45	2,892.17
(b) Other Long-Term Liabilities	139.95	199.45
(c) Deferred Tax Liability	-	173.79
(d) Long-Term Provisions	501.30	495.04
Sub -Total -Non -Current liabilities	3,172.70	3,760.45
5 Current Liabilities		
(a) Short-Term Borrowings	5,994.81	5,985.13
(b) Trade Payables	4,420.95	5,463.57
(c) Other Current Liabilities	5,441.94	7,940.62
(d) Short-Term Provisions	216.19	69.48
Sub -Total -Current liabilities	16,073.89	19,458.80
TOTAL-EQUITY AND LIABILITIES	24,161.96	27,876.35
B ASSETS		
1 Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	5,665.91	5,831.78
(ii) Capital Work-in-Progress	1,736.28	1,606.41
(iii) Intangible Assets	4,756.82	6,332.08
(iv) Intangible assets under development	1,280.66	1,096.43
	13,439.67	14,866.70
(b) Non-Current Investments	38.65	31.60
(c) Deferred Tax Asset	111.24	
(c) Long-Term Loans and Advances	2,391.57	2,809.32
Sub -Total -Non-Current assets	15,981.13	17,707.62
2 Current Assets		
(a) Inventories	1,081.16	1,924.57
(b) Trade Receivables	4,329.49	5,670.14
(c) Cash and Cash Equivalents	555.52	651.30
(d) Short-Term Loans and Advances	1,969.56	1,660.46
(e) Other Current Assets	245.10	262.26
Sub -Total -Current assets	8,180.83	10,168.73
TOTAL-ASSETS	24,161.96	27,876.35
FOR LYKA LABS LIMITED		
 N.I.Gandhi (DIN : 00021530) (Chairman & Managing Director)		



M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

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

To
The Board of Directors of Lyka Labs Limited

1. We have audited the quarterly financial results ("the Statement") of Lyka Labs Limited ("the Company") for the quarter ended 31st March, 2016 and the year to date financial results for the period ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statement, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statement, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS) 25, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. The Company continues to be under financial stress as reflected by:
 - (a) Note nos. 1 and 2 relating to Fixed Deposits and Overdue Debentures including interest accrued and due thereon
 - (b) Overdue receivables
4. **Restructuring of Business Operations:**
The Management of the Company is in the process of restructuring its business operations as also those of its subsidiaries in which it has substantial investments by way of:
 - (a) Merger of Lyka Healthcare Limited and Lyka Exports Limited with the Company (Refer Note No. 3.1)
 - (b) Infusion of funds by promoters.
 - (c) Expanding business volumes.



6. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results, read with notes attached herewith subject to *Note No. 4.2 relating to Intangible Assets Under Development* and on the basis stated in para no.4, the Statement:

(i) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in this regard;

and

(ii) gives a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2016 as well as the year to date results for the period ended 31st March, 2016.

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: 27th May, 2016

Notes:

1. Fixed Deposits:

The Company has received Order of Company Law Board (CLB) dated 22nd January, 2016, granting extension of time for repayment of Fixed Deposits matured/maturing and claimed, aggregating to Rs.354.35 lacs (Including Interest of Rs. 29.04 lacs) upto 31st December, 2015 on or before 30th June, 2016 and Fixed Deposits maturing and claimed, aggregating to Rs. 337.17 (Including Interest of Rs. 2.15 lacs) lacs from 1st January, 2016 to 30th September, 2016 on or before 31st March, 2017, failing which this order is deemed cancelled after 31st March, 2017. The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

2. Debentures:

The Company has filed a petition with the Company Law Board, seeking extension of time for repayment of Debenture dues up to March, 2020. In Respect of Overdue Debentures aggregating to Rs. 834.00 lacs and interest due thereon Rs. 64.01 lacs (dues) upto 31st March, 2016.

The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

3. Investment In Subsidiaries:

3.1 At the meeting of the Board of Directors held on 10th March, 2016, the board noted that the Company intends to merge its wholly owned subsidiary i.e. Lyka Healthcare Limited and its subsidiary Lyka Export Limited with the Company w.e.f. 1st April, 2015 under the provision of section 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 proposed merger of Lyka Healthcare Limited and Lyka Export Limited with the Company would be in the best interest of the Company, its shareholders, creditors and all other stakeholders of the Company.

3.2 The investments in unquoted equity shares of Lyka BDR International Ltd. have been acquired at par. Though their present book values are significantly lower than their cost of acquisition, keeping in view their long term business synergy and potential, the management is of the opinion that no provision for fall in it's values is required to be made at this juncture taking into consideration the intrinsic value.

4. Capital Expenditure:

4.1 Tangible Project Capital Work-In-Progress Rs. 1,736.28 lacs as on 31st March, 2016, includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 144.43 lacs (including Interest for the period Rs. 62.06 lacs) which is pending allocation to Fixed Assets on completion of project.

4.2 The Company has incurred direct expenditure and allocable indirect expenditure up to 31st March, 2016 in respect of "new product development and applied research" aggregating to Rs. 1,313.88 lacs including finance cost of Rs. 220.87 lacs which is carried forward under "Capital Work in Progress - Intangibles", to 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.



During the quarter, the Company has capitalised Rs. 33.22 lacs as "Self Generated Intangible Assets" upon successful development of respective products.

5. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs. 126.63 lacs (previous year Rs. 134.60 lacs) for which steps are being taken to utilize/realize the same.
6. Loans and advances include Rs. 231.01 lacs (previous year Rs. 226.86 lacs) granted to a company as financial assistance is considered good for recovery by the management.
7. During the earlier period, the Company has recognized revenue by way of insurance claim aggregating to Rs. 270.97 lacs on account of loss of certain fixed assets and materials due to fire. The Company has received on account payments aggregating to Rs. 209.93 lacs and realized Rs. 4.29 lacs by way of sale of scrap arising from loss of such fixed assets. The balance of Rs. 56.75 lacs is considered good for recovery by the Management. The shortfall if any, will be adjusted in the year in which finality is reached.
8. Details of Exceptional Items (Net) are as under :

Sr. No.	Particulars	Rs. In lacs	
		Quarter Ended 31 st March 2016	Period ended 31 st March, 2016
a)	Excess Provision no longer required written back	(87.96)	(87.96)
b)	Loss on sale of Fixed Assets	3.04	3.24
c)	Bad Debts	-	24.49
	TOTAL	(84.92)	(60.23)

Note: Figures in brackets denote items of credit nature

9. Depreciation charged to Profit and Loss Account Rs. 264.02 lacs for period ended 31st March, 2016 includes Rs. 64.01 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.
10. Contingent Liabilities are not provided for in respect of:
 - 10.1 There were demands raised against the Company aggregating to Rs. 680.62 lacs plus interest thereon under the Drug Price Control Order, 1979 by the Government of India which were contested by the Company. In the earlier year, the Company has received recovery notices for recovery of Rs. 2,094.41 lacs to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Company depositing certain amounts against the said demands. Accordingly the Company has deposited Rs. 1,032.45 lacs.



The Company expects favorable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Company as good for recovery. Hence, we are unable to express our opinion of its impact, if any, on the profit for the period ended 31st March, 2016.

- 10.2 The Company has received orders from Sales Tax department causing demands of Rs.85.45 lacs, Rs. 29.51 lacs and Rs. 97.40 against which it has paid under protest Rs. 45.85 lacs, Rs.29.51 lacs and Rs. 12.50 lacs respectively.
- 10.3 The Company has received an order from Central Excise department causing demand of Rs. 108.75 lacs against which it has paid under protest Rs. 25 lacs.
- 10.4 The Company has received an order from Income Tax department causing demand of Rs.912.48 lacs against which it has paid under protest Rs. 100.00 lacs

The Company has filed appeals in respect of all the above matters which are resting with the respective forums.

11. During the previous quarter, the Company has lodged claim for refund of excess finance costs charged by two banks aggregating to Rs. 57.14 lacs.

Of the above:

- i. Rs. 33.49 lacs relates to prior year(s) which is presented as Prior Period Income of which Rs. 8.26 lacs is recovered during the quarter.
- ii. Rs. 23.65 lacs relating to the period July, 2015 to December, 2015 is adjusted against Finance cost for the quarter.

12. The Company provides gratuity and leave encashment (benefits) based on actuarial valuation as at the end of the accounting period. As regards the provision for benefits for the quarters ended September and December, the Company provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liabilities estimated on quarterly basis with the year end liability on actuarial basis will be adjusted during the last quarter of the accounting period.

13. Taxation:

13.1 Current Tax:

In view of unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the period.

13.2 Deferred Tax:

The Company has not recognized Deferred Tax Assets in view of virtual uncertainty of sufficient future taxable income to set off carried forward losses and unabsorbed depreciation.

14. Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs.113.99 lacs (previous year Rs. 105.86 lacs).



15. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Group Companies and Loans & Advances as on 31st March, 2016 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be presently ascertained and will therefore be adjusted in the year in which finality is reached.

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 : 27th May, 2016

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

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

To
The Board of Directors of Lyka Labs Limited

1. We have audited the quarterly consolidated financial results ("the Consolidated Statement") of Lyka Labs Limited ("the Holding Company") for the quarter ended 31st March, 2016, and year to date consolidated financial results for the period ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly as well as year to date Consolidated Statement have been prepared on the basis of the interim consolidated financial statement, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statement, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard Interim Financial Reporting (AS) 25, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of three subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated financial statement reflect total assets of Rs. 9,919.45 as at 31st March, 2016 and total revenue of Rs. 9,387.37 for the year ended 31st March, 2016. This interim financial statement and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on these quarterly and year to date Consolidated Statement, to the extent they have been derived from such audited financial statement is based solely on the report of such other auditors after making such changes as were considered necessary for the purpose of consolidation.
4. The consolidated financial results include the audited results of the above stated three subsidiaries with different reporting periods as state below as compared to the Holding Company (1st July 2015 to 31st March, 2016):

Name of the Subaidiary	Reporting Period	Percentage of Holding
Lyka BDR International Limited	1 st April 2015 to 31 st March, 2016	65.22%
Lyka Exports Limited	1 st April 2015 to 31 st March, 2016	72.80%
Lyka Health Care Limited	1 st April 2015 to 31 st March, 2016	100.00%



5. The financial results relating to Lyka Labs Limited and its three subsidiaries (the Group) have been consolidated in accordance with Accounting Standard "Consolidated Financial Statement" (AS) 21, except the financial results of Lyka Animal Healthcare Limited, subsidiary of Lyka Exports Limited, which is considered by Lyka Exports Limited as an Immaterial Subsidiary, and hence not consolidated.
6. The Group is under financial stress as reflected by:
(a) Note nos. 1 and 2 relating to Fixed Deposits and Overdue Debentures including interest accrued and due thereon.
(b) Overdue receivables
7. **Restructuring of Business Operations:**
The Management of the Group is in the process of restructuring its business operations by way of:
(a) Merger of Lyka Healthcare Limited and Lyka Exports Limited (Subsidiary Companies) with the Holding Company (Refer Note No. 3)
(b) Infusion of funds by promoters.
(c) Expanding business volumes.
8. In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Statement of quarterly and year to date results, read with notes attached herewith subject to *Note No. 4.2 relating to Intangible Assets Under Development* and on the basis stated in para no.4, the Statement:
(i) has been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard;
and
(ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2016 as well as the year to date results for the period ended 31st March, 2016.

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: 27th May, 2016

Notes:

1. **Fixed Deposits:**

The Holding Company has received Order of Company Law Board (CLB) dated 22nd January, 2016, granting extension of time for repayment of Fixed Deposits matured/maturing and claimed, aggregating to Rs. 354.35 lacs (Including Interest of Rs. 29.04 lacs) upto 31st December, 2015 on or before 30th June, 2016 and Fixed Deposits maturing and claimed, aggregating to Rs. 337.17 lacs (Including Interest of Rs. 2.15 lacs) from 1st January, 2016 to 30th September, 2016 on or before 31st March, 2017, failing which this order is deemed cancelled after 31st March, 2017. The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

2. **Debentures:**

The Holding Company has filed a petition with the Company Law Board, seeking extension of time for repayment of Debenture dues up to March 2020. In respect of Overdue Debenture aggregating to Rs. 834.00 lacs and interest due thereon Rs. 64.01 lacs (dues) upto 31st March, 2016.

The liability, if any, arising on account of delayed payment/non-payment of dues will be provided for in the year in which finality is reached.

3. **Investment In Subsidiaries:**

At the meeting of the Board of Directors of Holding Company held on 10th March, 2016, the board noted that the Holding Company intends to merge its wholly owned subsidiary i.e. Lyka Healthcare Limited and its subsidiary Lyka Export Limited with the Company w.e.f. 1st April, 2015 under the provision of section 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 proposed merger of Lyka Healthcare Limited and Lyka Export Limited with the Holding Company would be in the best interest of the Group, its shareholders, creditors and all other stakeholders of the Group.

4. **Capital Expenditure:**

4.1 Tangible Project Capital Work-In-Progress Rs. 1,736.28 lacs as on 31st March, 2016, includes allocable indirect expenditure in respect of modernization/expansion of Ankleshwar unit aggregating to Rs. 144.43 lacs (including Interest for the period Rs. 62.06 lacs) which is pending allocation to Fixed Assets on completion of project.

4.2 The Holding Company has incurred direct expenditure and allocable indirect expenditure up to 31st March, 2016 in respect of "new product development and applied research" aggregating to Rs. 1,313.88 lacs including finance cost of Rs. 220.87 lacs which is carried forward under "Capital Work in Progress - Intangibles", to 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.

During the quarter, the Holding Company has capitalised Rs. 33.22 lacs as "Self Generated Intangible Assets" upon successful development of respective products.



5. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs. 126.63 lacs (previous year Rs. 134.60 lacs) for which steps are being taken to utilize/realize the same.
6. Loans and advances include Rs. 231.01 lacs (previous year Rs. 226.86 lacs) granted to a company as financial assistance is considered good for recovery by the management.
7. During the earlier period, the Holding Company has recognized revenue by way of insurance claim aggregating to Rs. 270.97 lacs on account of loss of certain fixed assets and materials due to fire. The Holding Company has received on account payments aggregating to Rs. 209.93 lacs and realized Rs. 4.29 lacs by way of sale of scrap arising from loss of such fixed assets. The balance of Rs. 56.75 lacs is considered good for recovery by the Management. The shortfall if any, will be adjusted in the year in which finality is reached.
8. Details of Exceptional Items (Net) are as under :

Sr. No.	Particulars	Rs. In lacs	
		Quarter Ended 31 st March 2016	Period ended 31 st March, 2016
a)	Loss/(Gain) on sale of Animal Health Care Limited	627.64	(1,349.11)
b)	Irrecoverable Claim/ Advance written off	0.55	0.55
c)	Excess Provision no longer required written back	(20.25)	(89.96)
e)	Loss on sale of Fixed Assets (Net)	3.04	3.24
f)	Bad Debts	527.59	697.10
	TOTAL	1,138.57	(738.18)

Note: Figures in brackets denote items of credit nature

9. Depreciation charged to Profit and Loss Account Rs. 932.46 lacs for period ended 31st March, 2016 includes Rs. 64.01 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March 2007.
10. Contingent Liabilities are not provided for in respect of:
 - 10.1 There were demands raised against the Holding 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 Holding Company. In the earlier year, the Holding Company has received recovery notices for recovery of Rs. 2,094.41 lacs to be deposited into "Drug Price Equalisation Account".
The Holding Company has challenged the said notices in the writ petitions before the Hon'ble High Court of Gujarat. The Hon'ble High Court has admitted the writ petitions subject to the Holding Company depositing certain amounts against the said demands. Accordingly the Holding Company has deposited Rs.1,032.45 lacs.



The Holding Company expects favorable outcome in the said writ petitions and hence, the amounts paid have been treated as advances which are considered by the Holding Company as good for recovery. Hence, we are unable to express our opinion of its impact, if any, on the profit for the period ended 31st March, 2016.

- 10.2 The Holding Company has received orders from Sales Tax department causing demands of Rs.85.45 lacs, Rs. 29.51 lacs and Rs. 97.40 against which it has paid under protest Rs. 45.85 lacs, Rs.29.51 lacs and Rs. 12.50 lacs respectively.
- 10.3 The Holding Company has received an order from Central Excise department causing demand of Rs. 108.75 lacs against which it has paid under protest Rs. 25 lacs.
- 10.4 The Holding Company has received an order from Income Tax department causing demand of Rs.912.48 lacs against which it has paid under protest Rs. 100.00 lacs.

The Holding Company has filed appeals in respect of all the above matters which are resting with the respective forums.

11. During the previous quarter, the Holding Company has lodged claim for refund of excess finance costs charged by two banks aggregating to Rs. 57.14 lacs.

Of the above:

- i. Rs. 33.49 lacs relates to prior year(s) which is presented as Prior Period Income of which Rs. 8.26 lacs is recovered during the quarter.
- ii. Rs. 23.65 lacs relating to the period July, 2015 to December, 2015 is adjusted against Finance cost for the quarter.

12. The Group provides gratuity and leave encashment (benefits) based on actuarial valuation as at the end of the accounting period. As regards the provision for benefits for the quarters ended September and December, the Group provides the liability on an estimated basis as per the rules applicable to its employees in this regard. The difference between the liabilities estimated on quarterly basis with the year end liability on actuarial basis will be adjusted during the last quarter of the accounting period.

13. Taxation:

13.1 Current Tax:

In view of unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the year except for two subsidiaries which have provided for tax aggregating to Rs.266.39 lacs.

13.2 Deferred Tax:

The Group has not recognized Deferred Tax Assets in view of virtual uncertainty of sufficient future taxable income to set off carried forward losses and unabsorbed depreciation, except a subsidiary which has recognized Deferred Tax Assets amounting to Rs. 111.24 lacs.

14. Arrears of dividend on 10% Cumulative Redeemable Preference Shares aggregates to Rs.113.99 lacs (previous year Rs 105 86 lacs).



15. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, and Loans & Advances as on 31st March, 2016 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be presently ascertained and will therefore be adjusted in the year in which finality is reached.

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 : 27th May, 2016

FORM B (For audit report with modified opinion)

1	Name of Company	Lyka Labs Limited
2	Annual financial statements for the year ended	31 st March, 2016
3	Type of Audit qualification	Qualified
4	Frequency of qualification	Repetitive
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report:	<p><u>Auditors observation:</u></p> <p>The Auditors at point no. 4.2 of notes to their Auditors report qualified that the direct expenditure and allocable indirect expenditures incurred in respect of “new product development and applied research” aggregating to Rs. 1313.88 lacs including finance cost of Rs 220.87 lacs which is carried forward under capital work in progress-intangibles, to be recognized as self-generated intangible asset upon successful development of intangible products or charged to statement of profit and loss in the year in which development is abandoned.</p> <p><u>Management explanation:</u></p> <p>Lyka has a separate R & D center at Mumbai which is approved by the department of Science and Technology, Government of India. It has well equipped laboratories with state of the art equipment to explore development of a wide range of formulation.</p> <p>Like other Pharma companies, Lyka Labs also conducts clinical studies in a phased manner and detailed documentation required for obtaining regulatory approvals is compiled. The period involved could be as much as 8-</p>

		<p>10 years and result in substantial development costs.</p> <p>The benefit of such substantial development costs by way of product development would accrue over a period of time and therefore such development costs are capitalized, as and when regulatory approvals are obtained and commercial operations commence, to the respective products.</p>
	Additional comments from the board/audit committee chair:	-
5	<p>To be signed by:-</p> <ul style="list-style-type: none">  • Narendra I Gandhi (Managing Director)  • Yogesh B. Shah (CFO)  • Mukul M. Patel (M/s M.A. Parikh & Co. Chartered Accounts-Statutory Auditor)  • Ajit Bagadia (Chairman Audit Committee) 	