

August 13, 2018

<b>The Dy. General Manager Corporate Relations Department The Bombay Stock Exchange Ltd. 1<sup>st</sup> Floor, New Trading Ring Rotunda Bldg, P.J. Towers Dalal Street, Mumbai- 400 001</b>	<b>The Manager Listing Department The National Stock Exchange of India Ltd Exchange Plaza, 5<sup>th</sup> Floor Plot No. C/1, G. Block Bandra Kurla Complex Bandra (East), Mumbai - 400 051</b>
<b>Script Code: 500259</b>	<b>Script Code : LYKALABS</b>

Dear Sir / Madam,

**Sub : 1. Unaudited Standalone Financial Results for the first quarter ended 30<sup>th</sup> June, 2018.  
2. Limited Review Report of Auditors.**

With respect to above, we wish to inform you that the Board of Directors at their meeting held today have adopted the Unaudited Standalone Financial Results for the First Quarter ended 30<sup>th</sup> June, 2018.

We forward herewith copy of the Unaudited Standalone Financial Results for the First Quarter ended 30<sup>th</sup> June, 2018 together with Limited Review Report issued by Auditors thereon for your information and record.

The meeting commenced at 12.00 Noon and ended at 6.00 pm.

Thanking you,

Yours faithfully,  
For LYKA LABS LIMITED

  
D.J. Darji  
Company Secretary



Encl : as above

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

Rs. In Lakhs

Particulars	Quarter Ended			Previous Year Ended
	30-Jun-2018	31-Mar-2018	30-Jun-2017	31-Mar-2018
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>I. Revenue</b>				
Revenue from Operations	1,135.46	1,103.39	651.09	4,168.09
Other Income	29.36	31.09	16.02	189.21
<b>II. Total Income</b>	<b>1,164.82</b>	<b>1,134.48</b>	<b>667.11</b>	<b>4,357.30</b>
<b>III. Expenses</b>				
(a) Cost of Materials Consumed	360.81	452.97	282.94	1,848.03
(b) Purchase of Stock in trade	304.09	32.77	75.24	134.25
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	4.97	81.46	(1.96)	171.25
(d) Employee benefits expense	281.23	280.50	220.92	1,089.96
(e) Finance Costs	105.84	(370.86)	423.20	613.47
(f) Depreciation and amortisation expense	155.05	175.89	139.31	630.89
(g) Other expenses	198.90	256.26	287.45	1,138.77
<b>Total Expenses</b>	<b>1,410.89</b>	<b>908.99</b>	<b>1,427.10</b>	<b>5,626.62</b>
<b>IV. (Loss)/Profit before Exceptional Items and Taxes (II - III)</b>	<b>(246.07)</b>	<b>225.49</b>	<b>(759.99)</b>	<b>(1,269.32)</b>
<b>V. Exceptional Items (Net)</b>	<b>-</b>	<b>(65.51)</b>	<b>-</b>	<b>(147.12)</b>
<b>VI. (Loss)/Profit before Tax</b>	<b>(246.07)</b>	<b>291.00</b>	<b>(759.99)</b>	<b>(1,122.20)</b>
<b>VII. Tax Expenses (Deferred Tax)</b>	<b>(16.92)</b>	<b>(1.05)</b>	<b>(7.58)</b>	<b>(38.26)</b>
<b>VIII. Net (Loss)/Profit after Tax</b>	<b>(229.15)</b>	<b>292.05</b>	<b>(752.41)</b>	<b>(1,083.94)</b>
<b>IX. Other Comprehensive Loss / (Income)</b>	<b>7.43</b>	<b>(25.54)</b>	<b>1.39</b>	<b>29.71</b>
<b>X. Total Comprehensive (Loss) / Income</b>	<b>(236.58)</b>	<b>317.59</b>	<b>(753.80)</b>	<b>(1,113.65)</b>
<b>XI. Paid up Equity Share Capital</b> ( Face value Rs.10/- each)	<b>2814.00</b>	<b>2814.00</b>	<b>2,204.00</b>	<b>2,814.00</b>
<b>XII. Other Equity</b>				<b>6,864.14</b>
<b>XIII. Earnings Per Equity Share</b> <b>of Rs 10/-each (not annualised)</b>				
(a) Basic (Rs.)	(0.82)	1.12	(3.43)	(4.24)
(b) Diluted (Rs.)	(0.82)	1.12	(3.43)	(4.24)
<b>See accompanying notes to the financial results</b>				



## Notes:

1. The above unaudited 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 13<sup>th</sup> August, 2018.
2. The Limited Review as required as per listing agreement has been carried out by the Statutory Auditors of the Company.
3. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized practices and policies to the extent applicable.
4. The Company has opted to publish only unaudited standalone financial results. The company would be consolidating and presenting its Consolidated Financial Statements as at and for the year ended 31st March, 2019.

**5. Interest On Borrowings:**

The Company had applied to two of its banks for settlement of principal / interest amount. The management has not provided interest on term loan from the said two banks for the period from April '18 to June '18 amounting to Rs 232.04 Lakhs. During the Financial Year 2017-2018, there was non provision/reversal of interest on these loans amounting to Rs.1285.91 lakhs.

Further, there is no provision of penal interest on term loan from two banks and working capital limit from one bank amounting to Rs. 25.16 lakhs for the period from April 1, 2018 to June 30, 2018. During the Financial Year 2017-2018, there was non provision of penal interest on these loans amounting to Rs.80.04 lakhs.

Subsequent to the quarter ended on 30<sup>th</sup> June, 2018, the Company has received In Principle approval for compromise settlement from one Bank. On finalisation of terms and conditions of compromise settlement along with repayment schedule, the formal settlement will be entered into. However, the impact of the same is not given in the above results as it is non-adjusting event.

**6. Inventories:**

Inventories include slow/non-moving raw material and packing materials procured during the earlier years amounting to 166.63 lakhs as on 30<sup>th</sup> June 2018, which are valued at lower than cost. The Company is evaluating to utilize/realise the same.

**7. Pledged shares of a CEO encashed by a Lender (Bank) :**

Bank of Maharashtra has invoked 160,000 equity shares of the Company pledged by the CEO 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 CEO.

**8. Scheme of Arrangements: -**

- (a) The Board of Directors at their meeting held on 10<sup>th</sup> March, 2016 resolved to merge Company's Subsidiary i.e. Lyka Exports Limited with it, effective from 1<sup>st</sup> 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 30<sup>th</sup> November, 2015. Since then the "appointed date" of the said merger of Lyka Exports Limited is postponed to 1<sup>st</sup> April, 2017 by the Board of Directors at their meeting held on 30<sup>th</sup> August, 2017.

- (b) The Board of Directors at their meeting held on 29<sup>th</sup> May 2017, resolved to merge Company's subsidiary Lyka Healthcare Limited with it effective from 1<sup>st</sup> 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 30<sup>th</sup> November, 2015.

The National Company Law Tribunal (NCLT), Ahmedabad approved the application vide its order dated 6<sup>th</sup> February 2018 and ordered to call Equity/ Preference Shareholders and Secured/ Unsecured Creditors meeting on 27<sup>th</sup> 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 13<sup>th</sup> 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 9<sup>th</sup> May, 2018 directing the Company for reconvening meeting of Secured Creditors on 2<sup>nd</sup> July, 2018.

Accordingly, Secured Creditors' Meeting was called on 2<sup>nd</sup> July, 2018 as per NCLT order which stood adjourned due to lack of quorum for further consideration to Monday, 9<sup>th</sup> July, 2018. Further, the adjourned meeting on 9<sup>th</sup> July, 2018 could not be proceeded due to lack of quorum, matter is still under process.

#### **9. Capital Expenditure:**

The Company reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs. 73.80 lakhs incurred during the quarter is carried forward as "Intangible Assets under development" to be recognized as "Self-Generated Intangible Assets" upon successful development and commercial viability of the respective products. However, the carrying cost of those product's which do not confirm to the test of commercial viability are charged to the Statement of Profit and Loss.

10. The format for quarterly results as prescribed in SEBI's Circular CIR/CFB/CMD/15/2015 dt. Nov 30, 2015 has been modified to comply with the requirements of SEBI's circular dt. Jul 5, 2016.
11. 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 quarter ended 30<sup>th</sup> June, 2017, are inclusive of excise duty, and is not comparable with "Revenue from operations" for the quarter ended 30<sup>th</sup> June, 2018 to that extent.
12. Ind AS 115, Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings as at 1 April 2018. Also, the application of Ind AS 115 did not have any significant impact.



recognition and measurement of revenue and related items in the financial results of the Company.

13. The Company operates in one reportable business segment i.e. "Pharmaceuticals".
14. The figures for the quarter ended 31st March, 2018, are the balancing figures between audited figures of the year ended 31st March, 2018 and the published figures of the nine months ended 31st December, 2017.
15. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.

Mumbai  
13<sup>th</sup> August, 2018



**For LYKA LABS LIMITED**

A handwritten signature in blue ink, appearing to read "N. I. Gandhi", written over a horizontal line.

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



# *Mehta Chokshi & Shah*

## CHARTERED ACCOUNTANTS

### Auditor's Report on Standalone Quarterly Financial 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 reviewed the accompanying statement of Standalone 'Un-audited financial results' of Lyka Labs Limited for the quarter ended 30<sup>th</sup> June, 2018 hereinafter referred to as 'Statement' (which includes the Statement of the Company's branch at Ankleshwar reviewed by other auditor and relied upon by us, after making such changes as are considered necessary for incorporation). This Statement which is the responsibility of the Company's Management has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 on "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our limited review.
2. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

### 3. **Basis of Qualification** **Interest on Borrowings:**

Attention is drawn to Note no. 5 of the unaudited results for the quarter ended 30<sup>th</sup> June, 2018. The Company has not provided for normal interest accrued during the quarter amounting to Rs.232.04 lakh and penal interest accrued during the quarter amounting to Rs.25.16 lakh for the reason mentioned in the said note.

This non-provisions of interest is not in compliance with Ind-AS 109 Financial Instruments. Accordingly loss for the quarter is understated by Rs.257.2 lakhs.

### 4. **Qualified Opinion**

Based on our review conducted and subject to possible effects of the matters described in para 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

MAKER BHAVAN 3, 214, 2ND FLOOR, NEW MARINE LINES, MUMBAI - 400 020.

TEL. : 2205 7309 • 2208 8743 • 6633 4067 • Fax : 2205 5432 • Email : chetanshah@camcs.in

A-101, "AADESHWAR" S.V.P. ROAD, (MANDPESHWAR ROAD), BORIVALI (W), MUMBAI - 400 092.

Tel. 2893 0502 • Telefax : 2893 05 03 • Email : abhaymehta@camcs.in



5. We draw attention to:

**A. Pledged shares of the CEO encashed by a Lender**

Note No.7 regarding invoking of the pledged shares of the Company held by the CEO and part encashment of the same by a lender aggregating to Rs.51.46 lakhs.

**B. Scheme of Arrangements**

Note No.8 (a) & (b) regarding the pending status of merger with Lyka Exports Limited and Lyka Healthcare Limited.

**C. Capital Expenditure:**

Note No. 9 regarding the review of the portfolio of products under development and applied research.

Our report is not modified in respect of these matters.

6. We did not review the financial results and other financial information of Ankaleshwar Branch ("the Branch"), whose financial results shows loss of Rs.54.37 lakhs. These financial results and other financial information have been reviewed by other auditor, and their review report has 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.

7. The comparative financial information of the Company for the quarter ended June 30, 2017, included in these standalone unaudited financial results, have been reviewed by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 30<sup>th</sup> August, 2017 expressing a qualified opinion has been relied upon by us.

Our report is not modified in respect of these matters.

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



  
Partner

Name: Abhay Mehta  
Membership No. 046088

Place : Mumbai

Date : 13<sup>th</sup> August, 2018