

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER, PERIOD ENDED 31ST DECEMBER, 2018

Particulars	(Rs. in Lakhs)					
	Quarter ended			Period Ended	Previous Period Ended	Previous Year Ended
	31-Dec-2018 (Unaudited)	30-Sep-2018 (Unaudited)	31-Dec-2017 (Unaudited)	31-Dec-2018 (Unaudited)	31-Dec-2017 (Unaudited)	31-Mar-2018 (Audited)
I. Revenue						
Revenue from Operations	895.53	613.56	1,581.61	2,644.55	3,145.70	4,249.09
Other Income	73.41	30.78	60.05	133.55	158.12	189.21
II. Total Income	968.94	644.34	1,641.66	2,778.10	3,303.82	4,438.30
III. Expenses						
(a) Cost of Materials Consumed	419.33	238.11	659.72	1,018.26	1,395.06	1,848.03
(b) Purchase of Stock In trade	67.12	15.29	16.58	386.50	101.48	134.25
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	(42.20)	2.55	79.28	(34.67)	89.79	171.25
(d) Excise Duty	-	-	-	-	81.00	81.00
(e) Employee benefits expense	227.22	243.97	267.31	752.42	809.46	1,089.96
(f) Finance Costs	118.64	120.55	139.04	345.04	984.33	613.47
(g) Depreciation and amortisation expense	91.58	155.82	158.10	402.45	455.00	630.89
(h) Other expenses	206.56	191.11	223.81	596.57	964.12	1,138.77
Total Expenses	1,088.26	967.40	1,543.84	3,466.57	4,880.24	5,707.62
IV. (Loss)/Profit before Exceptional Items and Taxes (II - III)	(119.32)	(323.06)	97.82	(688.47)	(1576.42)	(1269.32)
V. Exceptional Items (Net)	-	-	-	-	-	(147.12)
VI. (Loss)/Profit before Tax	(119.32)	(323.06)	97.82	(688.47)	(1576.42)	(1122.20)
VII. Tax Expenses (Deferred Tax)	10.15	(2.86)	(5.38)	(9.64)	(37.21)	(38.26)
VIII. Net (Loss)/Profit after Tax	(129.47)	(320.20)	103.20	(678.83)	(1539.21)	(1083.94)
IX. Other Comprehensive Loss / (Income)	7.43	7.43	(1.39)	22.29	(4.17)	29.71
X. Total Comprehensive (Loss) / Income	(136.90)	(327.63)	101.81	(701.12)	(1543.38)	(1113.65)
XI. Paid up Equity Share Capital (Face value Rs.10/- each)	2,814.00	2814.00	2,814.00	2814.00	2814.00	2,814.00
XII. Other Equity	-	-	-	-	-	6,864.14
XIII. Earnings Per Equity Share of Rs 10/-each (not annualised)						
(a) Basic (Rs.)	(0.57)	(1.15)	0.36	(2.70)	(5.93)	(4.24)
(b) Diluted (Rs.)	(0.57)	(1.15)	0.36	(2.70)	(5.93)	(4.24)



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 12th February, 2019.
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. Compromise Settlement and Assignment of debts:**(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 quarter ended 30th September 2018, 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 quarter. 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 quarter, 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 upto 26th December 2018. 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 effect of the settlement and assignment of debts would be accounted when the final terms are formalised with IARC.

(c) Debts of Bank of Maharashtra

During the quarter ended 30th September 2018, Bank of Maharashtra (BoM), has accorded its approval for full and final settlement of its debts at an amount of Rs.1100 lakhs. The Company has also received in principle confirmation from International Asset Reconstruction Company Pvt Ltd (IARC), to acquire entire debts of Bank of Maharashtra (BoM) through assignment of debts agreement with BoM by paying off the agreed amount as per full and final settlement. The Company has accepted the compromise proposal subject to certain conditions and is in the process of finalising the terms of compromise settlement with BoM and IARC.

Accordingly the Company has ceased provision of interest. As per the approval of BoM, if the Company delays payment of the settled amount of debt, BoM shall charge interest for the delayed period at one year MCLR rate for the delayed period. Accordingly during the quarter Rs 3.51 lakhs has been provided as interest towards delayed period upto 31st December, 2018.

6. Pledged shares of a CEO encashed by a Lender:

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.

7. Scheme of Arrangements: -

- (a) The Board of Directors at their meeting held on 10th March, 2016 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 is postponed to 1st April, 2017 by the Board of Directors at their meeting held on 30th August, 2017.
- (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' Meeting was called on 2nd July, 2018 as per NCLT order which stood adjourned due to lack of quorum for further consideration to 9th July, 2018. Further, the adjourned meeting on 9th July, 2018 could not be proceeded due to lack of quorum. NCLT vide its order dated 1st February 2019 has directed the company for conducting Secured Creditors meeting on 7th March 2019.



8. Capital Expenditure:


The Company reviews its portfolio of products under development and applied research regularly. Accordingly, a sum of Rs. 56.13 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 will be charged to the Statement of Profit and Loss.

9. 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.
10. 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 Nine months ended as on 31st December, 2017, are inclusive of excise duty, and is not comparable with "Revenue from Operations" for the nine months ended 31st December, 2018 to that extent.
11. 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.
12. The Company operates in one reportable business segment i.e. "Pharmaceuticals".
13. The figures for previous year /period have been regrouped/rearranged wherever considered necessary.

Mumbai
12th February, 2019



For LYKA LABS LIMITED


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

Mehta Chokshi & Shah
CHARTERED ACCOUNTANTS

Auditor's Report on 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 ("the Company") for the quarter ended 31st December, 2018 and the year to date results for the period from 1st April, 2018 to 31st December, 2018 ("the 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) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. 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.
3. 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.
4. **Opinion**
Based on our review conducted, 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 of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **We draw attention to:**
 - A. **Compromise Settlement**
Note No.5 (a), (b) and (c) regarding compromise settlement with Dena Bank, Kapol Co-op Bank and Bank of Maharashtra for assignment of debts in favour of International Assets Reconstruction Company Pvt Ltd (IARC).

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B. Pledged shares of the CEO encashed by a Lender

Note No.6 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.

C. Scheme of Arrangements

Note No.7 (a) & (b) regarding the pending status of merger with Lyka Exports Limited and Lyka Healthcare Limited.

D. Capital Expenditure:

Note No. 8 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 Ankleshwar Branch ("the Branch), whose financial results shows profit of Rs.55.62 lakhs for the quarter ended 31st December 2018 and loss of Rs 30.99 lakhs for the nine months ended 31st December 2018. 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 the other auditor.

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: 12th February, 2019