FORM NO B		
1	**Name of the Company**	**LYKA LABS LIMITED.**
2	**Annual Financial Statements for the period Ended**	**30-June-2015**
3	**Type of Audit Qualification**	**QUALIFIED**
4	**Audit Qualification**	**Management Response**
	Auditors pointed out Non-Compliance of the provisions of Section 74 of the Companies Act, 2013 to the extent of non repayment of overdue Fixed Deposits mentioned at Note No. 28 to the Financial Statement.	The below mentioned Management explanation is also stated at Point No. 10 B of the Directors Report for the Financial Year ended 30th June, 2015. 1. Due to fire in lyophilization plant at Ankleshwar Factory, the operation of the plant was suspended for about 4 months which resulted into substantial loss of production and sales affecting the liquidity of the Company thereby impacted the performance of the Company. 2. The Company was regular in making payment of Fixed Deposit and interest thereon upto 31st March, 2014. Subsequent to introduction of the new Companies Act, 2013 w.e.f 1st April, 2014 the Company was not eligible to accept/renew the Fixed Deposits as a result; the Company's cash flow was under pressure. The above factors delayed the payment of Fixed Deposits and Interest thereon. However, the Company has paid Fixed Deposits of Rs.7.62 Crores during April, 2014 to 31st October, 2015 leaving overdue deposit of Rs.3.25 Crores approx as of this date. The Company has also preferred an application under Section 74(2) of the Companies Act, 2013 for seeking extension of time for repayment of Fixed Deposit and Interest thereon before CLB Bench, Western Region Mumbai. The hearing of an Application is pending. The Company is giving priority for making repayment of fixed deposits to senior citizens and small investors and also regularizing the interest payment. The Company is also in process of arranging funds to regularize the payment of outstanding deposits.
	Frequency of Qualification :	First Time
	N. I. Gandhi – Managing Director	
	Y. B. Shah - Chief Financial Officer	
	Mukul M. Patel - **M/s. M. A. Parikh & Co., Chartered Accountants – Statutory Auditor**	
	Ajit Bagadia - Audit Committee Chairman	

Mumbai,
Dated 28th November, 2015