November 10, 2015

The Manager
Listing Department
The National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

Dear Sir/Madam,

Script Code : lykalabs

Sub : Un-audited Standalone and Consolidated Financial Results for the First Quarter ended September 30, 2015.

We forward herewith copy of the Un-audited Standalone and Consolidated Financial Results of the Company for the First Quarter ended September 30, 2015 which were taken on record by the Board of Directors at its meeting held today together with Limited Review Report by Auditors thereon for your information and record.

Thanking you,

Yours faithfully,
For LYKA LABS LIMITED

P. G. HINDIA
COMPANY SECRETARY

LYKA LABS LIMITED MUMBAI

Encl : as above

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015

Rs. In Lakhs

	Particulars	Quarter Ended			Previous year Ended
		30-Sep-2015 (Unaudited)	30-Jun-2015 (Audited)	30-Sep-2014 (Unaudited)	30-Jun-2015 12 months (Audited)
1	**Income from operations**				
	(a) Net Sales/Income from operations (Net of excise duty)	1,952.43	2,503.78	1,807.49	8,307.33
	(b) Other Operating Income	106.26	72.19	501.26	741.10
	Total income from operations (net)	**2,058.69**	**2,575.97**	**2,308.75**	**9,048.43**
2	**Expenses**				
	(a) Cost of Materials Consumed	869.21	948.27	924.86	4,658.11
	(b) Purchase of traded goods	232.56	289.41	33.54	479.22
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	47.45	411.74	66.69	(56.98)
	(d) Employee benefits expense	216.90	202.37	230.93	963.58
	(e) Depreciation and amortisation expense	88.28	90.39	151.61	383.26
	(f) Other expenses	277.42	306.36	429.00	1,171.44
	Total expenses	**1,731.82**	**2,248.54**	**1,836.63**	**7,598.63**
3	**Profit/(Loss) from Operations before Other Income,Finance cost and Exceptional Items (1-2)**	326.87	327.43	472.12	1,449.80
4	Other Income	17.33	20.50	22.59	170.73
5	**Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)**	**344.20**	**347.93**	**494.71**	**1,620.53**
6	Finance costs	393.24	446.80	516.84	1,834.72
7	**Profit/(Loss) from ordinary activities after finance cost but before exceptional Items (5-6)**	**(49.04)**	**(98.87)**	**(22.13)**	**(214.19)**
8	**Exceptional Items (Net)**	(24.69)	124.07	853.96	363.47
9	Prior Period Adjustments	392.36	-	-	(12.60)
10	**Profit/(Loss) from Ordinary Activities before tax (7-8-9)**	**318.63**	**25.20**	**831.83**	**136.68**
11	Tax Expenses	-	-	-	-
12	**Net Profit/(Loss) from Ordinary activities after tax (10-11)**	**318.63**	**25.20**	**831.83**	**136.68**
13	Extraordinary Item (net of tax expenses)	-	-	-	-
14	**Net Profit/(Loss) for the period (12+13)**	**318.63**	**25.20**	**831.83**	**136.68**
15	Paid up equity share capital (face value Rs.10/- per share)	2,158.00	2,158.00	2,158.00	2,158.00
16	Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	3,511.18

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015

Rs. In Lakhs

	Particulars	Quarter Ended			Previous year Ended
		30-Sep-2015 (Unaudited)	30-Jun-2015 (Audited)	30-Sep-2014 (Unaudited)	30-Jun-2015 12 months (Audited)
17 i.	Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)				
	(a) Basic	1.46	0.10	3.84	0.58
	(b) Diluted	1.46	0.10	3.84	0.58
17 ii.	Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)				
	(a) Basic	1.46	0.10	3.84	0.58
	(b) Diluted	1.46	0.10	3.84	0.58
A	PARTICULARS OF SHAREHOLDING				
1	Public Shareholding				
	a Number of shares	16552735	16552735	16552735	16552735
	b percentage of shareholding	76.70	76.70	76.70	76.70
2	Promoters and promoter group - Shareholding				
	a. Pledged / Encumbered				
	- Numbers of Shares	2813615	1985615	4142715	1985615
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group	55.97	39.50	82.40	39.50
	- Percentage of shares (as a % of the total share capital of the company)	13.04	9.20	19.20	9.20
	b. Non - encumbered				
	- Number of shares	2213650	3041650	884550	3041650
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group	44.03	60.50	17.60	60.50
	- Percentage of shares (as a % of the total share capital of the company)	10.26	14.10	4.10	14.10

	INVESTOR COMPLAINTS	Current Quarter Ended 30th Sept, 2015
B	Pending at the beginning of the quarter	-
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	-

Admn. Office : 101, Shiv Shakti Industrial Estate, Sir M. V. Road, Andheri (E), Mumbai - 400 059. • Phone : 6611 2200 • Fax : 6611 2249
Regd. Office : 4801 / B & 4802 / A, G.I.D.C. Industrial Estate, Ankleshwar - 393 002. • Phone : 02646 221422 / 220549 • Fax : 02646-250692
Website : www.lykalabs.com • Email : enquiry@lykalabs.com
CIN L24230GJ1976PLC008738

Notes:

1. The above results has been reviewed by the Audit Committee 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 10th November, 2015.

2. During the Quarter the Company has charged to Profit & Loss Account Rs.21.41 lacs being depreciation on revalued assets.

3. During the Quarter, the Company has capitalised interest of Rs.20.68 lacs and allocable expenses of Rs. 8.66 lacs towards Ankleshwar Unit Expansion / Upgradation.

4. Exceptional items include Bad Debts written off Rs.24.49 lacs.

5. Consent was given by the shareholders of the company at their Extra Ordinary General Meeting held on 29/09/2015 to Lyka Exports Ltd., to sell its Animal Healthcare business. Subsequently the transaction has been completed.

6. The Company has one Single Segment "Pharmaceuticals".

7. Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current period classification.

For LYKA LABS LIMITED

(N. I. GANDHI)
Chairman & Managing Director

Mumbai
10th November, 2015

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to 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, 2015 hereinafter referred to as 'Statement' (which includes the Statement of the company's branch reviewed by another auditor and relied upon by us 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 16 here below and more particularly to note no. 4 relating to AS 26 "Intangible Assets", note no. 5 relating to AS 13 "Accounting for Investment", note no. 6 relating to AS 2 "Valuation of Inventories" and note no. 13 relating to AS 22 "Accounting for Taxes on Income", 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 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, 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.

M. A. PARIKH & CO. Yusuf Building, 43, Mahatma Gandhi Rd, Fort, Mumbai CHARTERED ACCOUNTANTS

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W

Partner
Name: Mukul M. Patel
Membership No: 32489

Place: Mumbai
Date: 10th November, 2015

Notes:

1. **Fixed Deposits:**
The Company has not repaid overdue Fixed Deposits aggregating to Rs. 730.12 lacs and interest due thereon Rs. 117.41 lacs upto 30th September, 2015 (excluding Short Term Loans in respect of which, the Company has been legally advised that such loans are not deposits, as defined, in the Companies (Acceptance of Deposits) Rules, 2014). Consequently, the Company has not complied with the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.

   The Company has filed a petition with the Company Law Board on 31st March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020. The liability, if any, arising on account of delayed payments/non-payment of dues will be provided for in the year in which finality is reached.

2. **Debentures:**
The Company has not repaid Overdue Debentures aggregating to Rs. 680.50 lacs and interest due thereon Rs. 92.53 lacs (dues) upto 30th September, 2015.

   The Company has filed a petition with the Company Law Board, seeking extension of time for repayment of Debenture dues up to March, 2020. The liability, if any, arising on account of delayed payments/non-payment of dues will be provided for in the year in which finality is reached.

3. Tangible Project Capital Work-In-Progress Rs. 1,635.76 lacs includes allocable indirect expenditure in respect of modernisation/expansion of Ankleshwar unit aggregating to Rs.8.66 lacs which is pending allocation to Fixed Assets on completion of project.

4. The Company has incurred upto 30th September, 2015 direct expenditure and allocable indirect expenditure in respect of "new product development and applied research" aggregating to Rs. 1,153.34 lacs including finance cost of Rs. 220.87 lacs which is carried 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.

5. The investments in unquoted shares of Lyka BDR International Ltd., Lyka Health Care Limited and Lyka Exports Ltd., have been acquired at par/premium respectively. 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 values of the respective investee companies.

6. Inventories: The Branch Auditor has not verified the valuation of inventories at Ankleshwar branch Rs. 718.66 lacs which are valued by the management and have been relied upon by us.

7. Loans and advances include Rs. 250.86 lacs granted to a company as financial assistance is considered good for recovery by the management.

M. A. PARIKH & CO.
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Fort, Mumbai
CHARTERED ACCOUNTANTS

8. 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 such destroyed 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.

9. 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 on the profit for the quarter ended 30th September, 2015.

10.1 The Company has received orders from Sales Tax department causing demands of Rs. 85.44 lacs and Rs. 29.51 lacs against which it has paid under protest Rs. 45.85 lacs and Rs.29.51 lacs respectively.

10.2 The Company has received an order from Central Excise department causing demand of Rs. 108.57 lacs against which it has paid under protest Rs. 25 lacs.

   The Company has filed appeals which are resting with the respective forums.

11. Depreciation charged to Profit and Loss Account Rs. 88.27 lacs for quarter ended 30th September, 2015 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.

12. Finance cost Rs 393.24 lacs is net of:
   i. Interest income Rs.29.74 lacs for the period 1st July, 2015 to 30th September, 2015 relating to interest on overdues receivable from a group company.
   ii. Interest expense Rs. 20.69 lacs for the quarter ended 30th September, 2015 allocated to Tangible Capital Work in Progress which is pending allocation to Fixed Assets on completion of Project.

13. Tax Expenses:

13.1 Current Tax: The Company has not provided for Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act 1961 in view of uncertainty of book profit for the Financial Year ended 31st March, 2016.

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.

M. A. PARIKH & CO.
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Fort, Mumbai
CHARTERED ACCOUNTANTS

14. Exceptional Items (Net) comprise of the following:

Sr. No.	Particulars	For Quarter ended 30th September, 2015	For Quarter ended 30th June, 2015
a)	Irrecoverable Claim/Advances/Debts Written off	24.49	19.36
b)	Loss on sale of Fixed Assets (Net)	0.20	3.38
c)	Liability no longer payable written back	-	(76.17)
d)	Excess Provision written back	-	(70.64)
	Total	24.69	**(124.07)**

Note: Figures in brackets denote items of credit nature.

15. Prior Period Adjustments Rs. 392.36 lacs (net) comprise of the following items:

i. Interest for the period 1st April, 2012 to 30th June, 2015 Rs. 549.32 lacs receivable from a group company.
ii. Provision for Interest on Fixed Deposits Rs. 16.53 lacs , Debentures Rs. 37.87 lacs and Provident Fund Rs. 3.07 lacs .
iii. Other Expenses Rs. 88.35 lacs.
iv. Employee Benefit Expenses Rs. 11.14 lacs.

16. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Group Companies and Loans & Advances as on 30th September, 2015 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 financial results cannot be ascertained.

For M. A. Parikh & Co
Chartered Accountants
Firm Reg. No. 107556W

M. A. PARIKH & CO. Yusuf Building, 43, Mahatma Gandhi Rd, Fort, Mumbai CHARTERED ACCOUNTANTS

Partner
Name: Mukul M. Patel
Membership No. 32489

Place : Mumbai
Date : 10th November, 2015

LYKA LABS LIMITED

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015

(Rs.in Lakhs)

	Particulars	For the Quarter ended 30th Sept' 2015 (Un Audited)	For the Quarter ended 30th June, 2015 (Un Audited)	For the Quarter ended 30th Sept' 2014 (Un Audited)	For the Year ended 30th June' 2015 (Audited)
1	**Income from operations**				
	(a) Net Sales/Income from operations (Net of excise duty)	3,394.75	4,638.70	3,376.79	15,705.13
	(b) Other Operating Income	144.06	139.78	535.57	921.46
	Total income from operations (net)	**3,538.81**	**4,778.48**	**3,912.36**	**16,626.59**
2	**Expenses**				
	(a) Cost of Materials Consumed	869.21	948.27	924.86	4,658.11
	(b) Purchase of traded goods	659.81	1,161.03	865.96	4,417.01
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade,	186.00	397.98	132.35	(2.47)
	(d) Employee benefits expense	460.29	435.18	452.66	1,726.35
	(e) Depreciation and amortisation expense	259.28	260.08	319.59	1,087.34
	(f) Other expenses	672.27	773.02	829.74	3,091.02
	Total expenses	**3,106.86**	**3,975.56**	**3,525.16**	**14,977.36**
3	**Profit/(Loss) from Operations before Other Income,Finance cost and Exceptional items (1-2)**	**431.95**	**802.92**	**387.20**	**1,649.23**
4	Other Income	36.22	28.03	45.80	235.27
5	**Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)**	**468.17**	**830.95**	**433.00**	**1,884.50**
6	Finance costs	523.05	534.12	585.95	2,415.92
7	**Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)**	**(54.88)**	**296.83**	**(152.95)**	**(531.42)**
8	**Exceptional Items (Net)**	**2,005.80**	**(20.94)**	**804.84**	**178.27**
9	Prior Period Adjustments	(156.96)	-	-	(12.60)
10	**Profit/(Loss) from Ordinary Activities before tax (7+8+9)**	**1,793.96**	**275.89**	**651.89**	**(365.75)**
11	Tax Expenses	-	-	-	(106.40)
12	**Net Profit/(Loss) from Ordinary activities after tax (10-11)**	**1,793.96**	**275.89**	**651.89**	**(472.15)**
13	Extraordinary Item (net of tax expenses)	-	-	-	-
14	**Net Profit/(Loss) for the period (12+13)**	**1,793.96**	**275.89**	**651.89**	**(472.15)**
15	Share of Profit/(Loss) of associates	-	-	-	-
16	Minority interest	(440.74)	(107.39)	(17.66)	(22.77)
17	Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (14+15+16)	1,353.22	168.50	634.23	(494.92)

LYKA LABS LIMITED

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015

(Rs.in Lakhs)

		Particulars	For the Quarter ended 30th Sept' 2015 (Un Audited)	For the Quarter ended 30th June, 2015 (Un Audited)	For the Quarter ended 30th Sept' 2014 (Un Audited)	For the Year ended 30th June' 2015 (Audited)
18		Paid up equity share capital (face value Rs.10/- per share)	2,158	2,158	2,158	2,158
19		Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year				1,077.81
20	i	Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)				
	(a)	Basic	6.26	0.77	2.93	(2.34)
	(b)	Diluted	6.26	0.77	2.93	(2.34)
21	ii	Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)				
	(a)	Basic	6.26	0.77	2.93	(2.34)
	(b)	Diluted	6.26	0.77	2.93	(2.34)
A		PARTICULARS OF SHAREHOLDING				
1		Public Shareholding				
		- Number of shares	16,552,735	16,552,735	16,552,735	16,552,735
		- Percentage of shareholding	76.70	76.70	76.70	76.70
2		Promoters and promoter group - Shareholding				
	a.	Pledged / Encumbered				
		- Numbers of Shares	2,813,615	1,985,615	1,985,615	1,985,615
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group	55.97	39.50	39.50	39.50
		- Percentage of shares (as a % of the total share capital of the company)	13.04	9.20	9.20	9.20
	b.	Non - encumbered				
		- Number of shares	2,213,650	3,041,650	3,041,650	3,041,650
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group	44.03	60.50	60.50	60.50
		- Percentage of shares (as a % of the total share capital of the company)	10.26	14.10	14.10	14.10

		PARTICULARS	For the Quarter ended 30th Sept' 2015
B		INVESTOR COMPLAINTS	
		Pending at the beginning of the quarter	NIL
		Received during the quarter	NIL
		Disposed of during the quarter	NIL
		Remaining unresolved at the end of the quarter	NIL

Notes:

1) The above results has been reviewed by the Audit Committee 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 10th November, 2015.

2) During the quarter the Holding Company has charged Rs. 21.41 lacs to Statement of Profit & Loss, being depreciation on revalued assets.

3) During the Quarter, the Holding Company has capitalised interest of Rs.20.68 lacs and allocable expenses of Rs. 8.66 lacs towards Ankleshwar Unit Expansion / Upgradation.

4) Exceptional items consist of :

   a) During the quarter the Holding Company has written of bad debts of Rs.24.49 lacs

   b) Rs.2030.49 lacs towards gain on Slump Sale of Animal Healthcare Division of Company's Subsidiary, Lyka Exports Ltd.

5) Slump Sale :
   During the quarter, pursuant to the approval of the Board of Directors of Lyka Exports Ltd., (Subsidiary Company) and consent received from the shareholders of Holding as well as Subsidiary Company, the Subsidiary Company sold/ transferred its Animal Healthcare Division, including all its assets & liabilities and without limitations, all trademarks, licences, permits, approvals and consents for a consideration of Rs.33.40 Crores along with additional earn out of Rs.8.00 crores based on the earnings as on 31st March, 2016.

6) The Company has one Single Segment "Pharmaceuticals".

7) Figures for previous period have been regrouped/rearranged wherever necessary, to confirm to the relevant current period classification.

For LYKA LABS LIMITED

(N. I. GANDHI)
Chairman & Managing Director

Mumbai
10th November, 2015

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

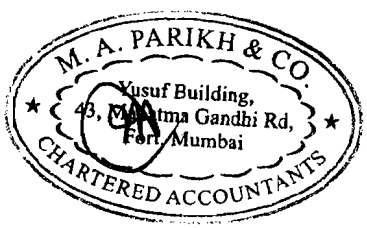
Auditor's Report On Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to Clause 41 of the Listing Agreement

To,
Board of Directors of Lyka Labs Limited

We have reviewed the accompanying statement of 'Un-audited consolidated financial results' of Lyka Labs Limited for the quarter ended September 30, 2015 hereinafter referred to as 'Statement' (which includes the Statement of the company's three subsidiaries and one branch reviewed by other auditors and relied upon by us, 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 consolidated 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 16 here below and more particularly to note no. 4 relating to AS 26"Intangible Assets", note no. 5 relating to AS 2 "Valuation of Inventories" and note no. 12 relating to AS 22 "Accounting for Taxes on Income", 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 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, 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: 10th November, 2015

YUSUF BUILDING, 2ND FLOOR, 43, MAHATMA GANDHI ROAD, FORT, MUMBAI - 400 001.
TELEPHONE : 2204 1018 · 2204 3850 · 2202 9187 · FAX : 91-22-2287 4524 · E-MAIL : maparikh@eth.net

Notes:

1. **Fixed Deposits:**
The Holding Company has not repaid overdue Fixed Deposits aggregating to Rs. 730.12 lacs and interest due thereon Rs. 117.41 lacs upto 30th September, 2015 (excluding Short Term Loans in respect of which, the Holding Company has been legally advised that such loans are not deposits, as defined, in the Companies (Acceptance of Deposits) Rules, 2014). Consequently, the Holding Company has not complied with the provisions of Section 74 of the Companies Act, 2013 to the extent of such non repayment of overdue Fixed Deposits.

   The Holding Company has filed a petition with the Company Law Board on 31st March, 2015 to seek extension of time for repayment of principal and interest (dues) thereon upto March, 2020. The liability, if any, arising on account of delayed payments/non-payment of dues will be provided for in the year in which finality is reached.

2. **Debentures:**
The Holding Company has not repaid Overdue Debentures aggregating to Rs.680.50 lacs and interest due thereon Rs. 92.53 lacs (dues) upto 30th September, 2015.

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

3. Tangible Project Capital Work-In-Progress Rs. 1,635.76 lacs includes allocable indirect expenditure in respect of modernisation/expansion of Ankleshwar unit aggregating to Rs.8.66 lacs which is pending allocation to Fixed Assets on completion of project.

4. The Holding Company has incurred upto 30th September, 2015 direct expenditure and allocable indirect expenditure in respect of "new product development and applied research" aggregating to Rs. 1,153.34 lacs including finance cost of Rs. 220.87 lacs which is carried 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.

5. Inventories: The Branch Auditor has not verified the valuation of inventories at Ankleshwar branch Rs. 718.66 lacs which are valued by the management and have been relied upon by us.

6. Loans and advances include Rs. 250.86 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 such destroyed 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.

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8. 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 on the profit for the quarter ended 30th September, 2015.

9.1 The Holding Company has received orders from Sales Tax department causing demands of Rs. 85.44 lacs and 29.51 lacs against which it has paid under protest Rs. 45.85 lacs and 29.51 lacs respectively.

9.2 The Holding Company has received an order from Central Excise department causing demand of Rs. 108.57 lacs against which it has paid under protest Rs. 25 lacs.

The Holding Company has filed appeals which are resting with the respective forums.

10. Depreciation charged to Profit and Loss Account Rs. 259.28 lacs for quarter ended 30th September, 2015 includes Rs. 21.42 lacs being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007 by the Holding Company.

11. Finance cost Rs. 523.05 lacs (net) includes

Interest expense Rs. 20.69 lacs for the quarter ended 30th September, 2015 allocated to Tangible Capital Work in Progress which is pending allocation to Fixed Assets on completion of Project.

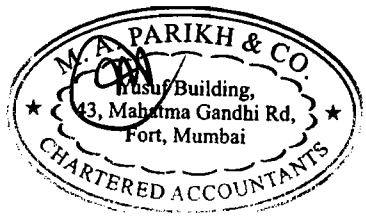
12. Tax Expenses:

12.1 Current Tax: The Holding Company and two of it's subsidiaries have not provided for Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act 1961 in view of uncertainty of book profit for the Financial Year ended 31st March, 2016.

12.2 Deferred Tax: During the Quarter 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.

13. Slump Sale:

During the quarter, pursuant to the approval of the Board of Directors of M/s Lyka Export Limited (the Subsidiary Company) and consent received from the shareholders of Holding as well as Subsidiary Company, the Subsidiary Company sold/ transferred its Animal Healthcare Division, including all its assets & liabilities on a Slump sale basis for a gain of Rs. 2,030.49, which is recognized as exceptional item (Refer note no. 14).



14. Exceptional Items (Net) comprise of the following:

Sr. No.	Particulars	For Quarter ended 30th September, 2015	For Quarter ended 30th June, 2015
a)	Gain on sale of Animal Health Care Division (Refer note no 13)	(2,030.49)	-
b)	Irrecoverable Claim/Advances/Debts Written off	24.49	164.37
c)	Loss on sale of Fixed Assets (Net)	0.20	3.38
d)	Liability no longer payable written back	-	(76.17)
e)	Excess Provision written back	-	(70.64)
	Total	**(2,005.80)**	**20.94**

Note: Figures in brackets denote items of credit nature.

15. Prior Period Adjustments Rs. 156.96 lacs comprise of the following items:

i. Provision for Interest on Fixed Deposits Rs. 16.53 lacs, Debentures Rs. 37.87 lacs and Provident Fund Rs. 3.07 lacs.
ii. Other Expenses Rs. 88.35 lacs.
iii. Employee Benefit Expenses Rs. 11.14 lacs.

16. The balances relating to Sundry Debtors, Sundry Creditors, Fixed Deposits, Group Companies and Loans & Advances as on 30th September, 2015 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 financial results cannot be ascertained.

For M. A. Parikh & Co
Chartered Accountants
Firm Reg. No. 107556W

M. A. PARIKH & CO. Yusuf Building, 41, Mahatma Gandhi Rd, Fort, Mumbai CHARTERED ACCOUNTANTS

Partner
Name: Mukul M. Patel
Membership No. 32489

Place : Mumbai
Date : 10th November, 2015