

August 28, 2014

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

Dear Sir/Madam,

Script Code : lykalabs

Sub : Adoption of : 1. Audited Standalone and Consolidated Financial Results for the Fifth Quarter  
and Year of 15 months ended 30.06.2014  
2. Restatement of Accounts for the Financial Year 2012-13.

We forward herewith copies of Audited Standalone and Consolidated Financial Results of the Company for the Fifth Quarter and Year of 15 months ended 30.06.2014 together with Report by Auditors thereon and Restatement of Accounts for the Financial Year 2012 - 13 which were considered and adopted by the Board of Directors at its meeting held today.

This is submitted for your information and record.

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 FIFTEEN MONTHS ENDED 30TH JUNE, 2014**

| Particular                                                                                            | (Rs in Lakhs)   |                   |                 |                              |                                              |
|-------------------------------------------------------------------------------------------------------|-----------------|-------------------|-----------------|------------------------------|----------------------------------------------|
|                                                                                                       | Quarter Ended   | Quarter Ended     | Quarter Ended   | Current Period Figures as on | Year to date figures for Previous year Ended |
|                                                                                                       | 30-Jun-2014     | 31-Mar-2014       | 30-Jun-2013     | 30-Jun-2014<br>15 Months     | 31-Mar-2013                                  |
|                                                                                                       | (Audited)       | (Unaudited)       | (Unaudited)     | (Audited)                    | (Audited)                                    |
| <b>1 Income from operations</b>                                                                       |                 |                   |                 |                              |                                              |
| (a) Net Sales/Income from operations (Net of excise duty)                                             | 1,440.58        | 2,174.26          | 1558.28         | 8,057.58                     | 8,714.95                                     |
| (b) Other Operating Income                                                                            | 103.85          | 89.25             | 146.38          | 488.57                       | 757.76                                       |
| <b>Total income from operations (net)</b>                                                             | <b>1,544.43</b> | <b>2,263.51</b>   | <b>1704.66</b>  | <b>8,546.15</b>              | <b>9,472.71</b>                              |
| <b>2 Expenses</b>                                                                                     |                 |                   |                 |                              |                                              |
| (a) Cost of Materials Consumed                                                                        | 890.81          | 1,314.59          | 907.84          | 4,658.18                     | 4,621.22                                     |
| (b) Purchase of traded goods                                                                          | 18.60           | 83.77             | 69.65           | 352.70                       | 1,056.81                                     |
| (c) Change in inventories of finished goods, work-in-progress and stock-in-trade,                     | 6.63            | 145.45            | (21.50)         | 367.88                       | (11.08)                                      |
| (d) Employee benefits expense                                                                         | 208.05          | 296.20            | 290.42          | 1,399.05                     | 1,174.41                                     |
| (e) Depreciation and amortisation expense                                                             | 114.30          | 113.19            | 104.29          | 543.04                       | 329.90                                       |
| (f) Other expenses                                                                                    | 254.34          | 873.92            | 380.71          | 2,288.19                     | 1,466.72                                     |
| <b>Total expenses</b>                                                                                 | <b>1,492.73</b> | <b>2,827.12</b>   | <b>1731.41</b>  | <b>9,609.04</b>              | <b>8,637.98</b>                              |
| <b>3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>  | <b>51.70</b>    | <b>(563.61)</b>   | <b>(26.75)</b>  | <b>(1,062.89)</b>            | <b>834.73</b>                                |
| <b>4 Other Income</b>                                                                                 | <b>42.25</b>    | <b>51.63</b>      | <b>97.55</b>    | <b>593.56</b>                | <b>372.35</b>                                |
| <b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>       | <b>93.95</b>    | <b>(511.98)</b>   | <b>70.80</b>    | <b>(469.33)</b>              | <b>1,207.08</b>                              |
| <b>6 Finance costs</b>                                                                                | <b>475.92</b>   | <b>479.68</b>     | <b>397.56</b>   | <b>2,194.98</b>              | <b>1,511.92</b>                              |
| <b>7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)</b> | <b>(381.97)</b> | <b>(991.66)</b>   | <b>(326.76)</b> | <b>(2,664.31)</b>            | <b>(304.84)</b>                              |
| <b>8 Exceptional Items (Net)</b>                                                                      | <b>(7.89)</b>   | <b>(844.94)</b>   | <b>-</b>        | <b>(1,149.70)</b>            | <b>24.75</b>                                 |
| <b>9 Prior Period Expenses</b>                                                                        | <b>(365.51)</b> | <b>-</b>          | <b>-</b>        | <b>(365.51)</b>              | <b>-</b>                                     |
| <b>10 Profit/(Loss) from Ordinary Activities before tax (7-8-9)</b>                                   | <b>(755.37)</b> | <b>(1,836.60)</b> | <b>(326.76)</b> | <b>(4,179.52)</b>            | <b>(280.09)</b>                              |
| <b>11 Tax Expenses</b>                                                                                | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>-</b>                     | <b>-</b>                                     |
| <b>12 Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>                                | <b>(755.37)</b> | <b>(1,836.60)</b> | <b>(326.76)</b> | <b>(4,179.52)</b>            | <b>(280.09)</b>                              |
| <b>13 Extraordinary Item (net of tax expenses)</b>                                                    | <b>4.39</b>     | <b>3,452.77</b>   | <b>-</b>        | <b>3,457.16</b>              | <b>-</b>                                     |
| <b>14 Net Profit/(Loss) for the period (12+13)</b>                                                    | <b>(750.98)</b> | <b>1,616.17</b>   | <b>(326.75)</b> | <b>(722.36)</b>              | <b>(280.09)</b>                              |
| <b>15 Paid up equity share capital (face value Rs.10/- per share)</b>                                 | <b>2,158.00</b> | <b>2,158.00</b>   | <b>2158.00</b>  | <b>2,158.00</b>              | <b>2,158.00</b>                              |
| <b>16 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year</b>      | <b>-</b>        | <b>-</b>          | <b>-</b>        | <b>3,638.41</b>              | <b>4,365.59</b>                              |
| <b>17 i. Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised))</b>        |                 |                   |                 |                              |                                              |
| (a) Basic                                                                                             | (3.51)          | (8.51)            | (1.51)          | (19.43)                      | (1.30)                                       |
| (b) Diluted                                                                                           | (3.51)          | (8.51)            | (1.51)          | (19.43)                      | (1.30)                                       |



**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30TH JUNE, 2014**

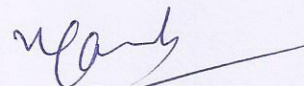
|            |                                                                                                   | (Rs in Lakhs) |               |               |                              |                                              |
|------------|---------------------------------------------------------------------------------------------------|---------------|---------------|---------------|------------------------------|----------------------------------------------|
| Particular |                                                                                                   | Quarter Ended | Quarter Ended | Quarter Ended | Current Period Figures as on | Year to date figures for Previous year Ended |
|            |                                                                                                   | 30-Jun-2014   | 31-Mar-2014   | 30-Jun-2013   | 30-Jun-2014                  | 31-Mar-2013                                  |
|            |                                                                                                   | (Audited)     | (Unaudited)   | (Unaudited)   | 15 Months (Audited)          | (Audited)                                    |
| 17 ii.     | <b>Earnings Per Share (After extraordinary items)</b><br><b>(of Rs 10/-each (not annualised))</b> |               |               |               |                              |                                              |
|            | (a) Basic                                                                                         | (3.49)        | 7.49          | (1.51)        | (3.41)                       | (1.30)                                       |
|            | (b) Diluted                                                                                       | (3.49)        | 7.49          | (1.51)        | (3.41)                       | (1.30)                                       |
| <b>A</b>   | <b>PARTICULARS OF SHAREHOLDING</b>                                                                |               |               |               |                              |                                              |
| 1          | Public Shareholding                                                                               |               |               |               |                              |                                              |
|            | Number of shares                                                                                  | 16552735      | 16552735      | 16552735      | 16552735                     | 16552735                                     |
|            | percentage of shareholding                                                                        | 76.70         | 76.70         | 76.70         | 76.70                        | 76.70                                        |
| 2          | Promoters and promoter group - Shareholding                                                       |               |               |               |                              |                                              |
| a.         | Pledged / Encumbered                                                                              |               |               |               |                              |                                              |
|            | - Numbers of Shares                                                                               | 4142715       | 4142715       | 4108115       | 4142715                      | 4665615                                      |
|            | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)          | 82.40         | 82.40         | 81.72         | 82.40                        | 92.81                                        |
|            | - Percentage of shares (as a % of the total share capital of the company)                         | 19.20         | 19.20         | 19.04         | 19.20                        | 21.62                                        |
| b.         | Non - encumbered                                                                                  |               |               |               |                              |                                              |
|            | - Number of shares                                                                                | 884550        | 884550        | 919150        | 884550                       | 361650                                       |
|            | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)          | 17.60         | 17.60         | 18.28         | 17.60                        | 7.19                                         |
|            | - Percentage of shares (as a % of the total share capital of the company)                         | 4.10          | 4.10          | 4.26          | 4.10                         | 1.68                                         |

**B**

| INVESTOR COMPLAINTS                            | Quarter Ended<br>30th June 2014 |
|------------------------------------------------|---------------------------------|
| Pending at the beginning of the quarter        | 30-Jun-14                       |
| Received during the quarter                    | -                               |
| Disposed of during the quarter                 | Nil                             |
| Remaining unresolved at the end of the quarter | Nil                             |

1. The above results were considered by the Audit Committee at their meeting held on 28<sup>th</sup> August, 2014 and taken on record by the Board of Directors of the Company along with Audited Financial Report carried out by the Auditors at its meeting held on 28<sup>th</sup> August, 2014.
2. The figures for the quarter ended 30<sup>th</sup> June, 2014 (being balancing figures) are arrived on the basis of Audited Results for the full financial period of 15 months and published year to full Unaudited figures for 12 months ended 31<sup>st</sup> March, 2014.
3. The Statutory Auditors of the Company have carried out the audit on Standalone basis of the financial results for the quarter ended 30<sup>th</sup> June, 2014 and the period ended 30<sup>th</sup> June, 2014.
4. During the Quarter the Company has charged to Profit & Loss Account Rs.18.88 lacs being depreciation on revalued assets.
5. During the Quarter, the Company has capitalised interest of Rs.22.17 lacs towards Ankleshwar Unit Expansion.
6. As advised by National Stock Exchange of India Limited, the company has restated its financial statements for the year ended 31<sup>st</sup> March, 2013 by debiting certain items as stated in Prior Period Adjustment.
7. On 31<sup>st</sup> October, 2013 a fire took place in one of our plant at Ankleshwar factory which resulted in damage of certain Fixed Assets and materials in process. Insurance Surveyor has submitted Interim Report to Insurance Company and the final claim is under process.
8. The Company has extended the year ending by 3 months i.e. from 31/03/2014 to 30/06/2014.
9. The Company has one Single Segment "Pharmaceuticals".
10. Previous periods figures have been regrouped/rearranged wherever necessary.

For LYKA LABS LIMITED

  
(N. I. GANDHI)

Chairman & Managing Director

Mumbai  
28-Aug-14



**Standalone statement of Assets and Liabilities**

(Rs.in lakhs)

| Particulars |                                             | As at 30th June, 2014 | As at Previous year ended 31st March, 2013 |
|-------------|---------------------------------------------|-----------------------|--------------------------------------------|
|             |                                             | Audited               | Audited                                    |
| <b>A</b>    | <b>EQUITY AND LIABILITIES</b>               |                       |                                            |
| <b>1</b>    | <b>Shareholders' Funds</b>                  |                       |                                            |
|             | (a) Share Capital                           | 2,266.57              | 2,266.57                                   |
|             | (b) Reserves and Surplus                    | 4,007.95              | 4,540.45                                   |
|             | <b>Sub-Total -Shareholders' Fund</b>        | <b>6,274.52</b>       | <b>6,807.02</b>                            |
| <b>2</b>    | <b>Non-Current Liabilities</b>              |                       |                                            |
|             | (a) Long-Term Borrowings                    | 5,463.70              | 6,178.10                                   |
|             | (b) Other Long-Term Liabilities             | 31.79                 | 85.20                                      |
|             | (c) Long-Term Provisions                    | 317.85                | 313.32                                     |
|             | <b>Sub -Total -Non -Current liabilities</b> | <b>5,813.34</b>       | <b>6,576.62</b>                            |
| <b>3</b>    | <b>Current Liabilities</b>                  |                       |                                            |
|             | (a) Short-Term Borrowings                   | 4,505.82              | 4,483.13                                   |
|             | (b) Trade Payables                          | 3,465.04              | 3,769.76                                   |
|             | (c) Other Current Liabilities               | 6,152.74              | 3,039.64                                   |
|             | (d) Short-Term Provisions                   | 40.25                 | 67.22                                      |
|             | <b>Sub -Total -Current liabilities</b>      | <b>14,163.85</b>      | <b>11,359.75</b>                           |
|             | <b>TOTAL-EQUITY AND LIABILITIES</b>         | <b>26,251.71</b>      | <b>24,743.39</b>                           |
| <b>B</b>    | <b>ASSETS</b>                               |                       |                                            |
| <b>1</b>    | <b>Non-Current Assets</b>                   |                       |                                            |
|             | (a) Fixed Assets                            |                       |                                            |
|             | (i) Tangible Assets                         | 9,006.01              | 9,256.47                                   |
|             | (ii) Capital Work-in-Progress               | 1,205.31              | 684.56                                     |
|             | (iii) Intangible Assets                     | 376.50                | 289.27                                     |
|             | (iii) Intangible assets under development   | 972.58                | 853.22                                     |
|             | (b) Non-Current Investments                 | 11,560.40             | 11,083.52                                  |
|             | (c) Long-Term Loans and Advances            | 6,253.16              | 2,021.62                                   |
|             | <b>Sub -Total -Non-Current assets</b>       | <b>19,368.51</b>      | <b>14,640.09</b>                           |
| <b>2</b>    | <b>Current Assets</b>                       |                       |                                            |
|             | (a) Inventories                             | 859.75                | 1,455.55                                   |
|             | (b) Trade Receivables                       | 2,535.50              | 5,932.21                                   |
|             | (c) Cash and Cash Equivalents               | 651.09                | 456.18                                     |
|             | (d) Short-Term Loans and Advances           | 2,697.82              | 2,120.32                                   |
|             | (e) Other Current Assets                    | 139.04                | 139.04                                     |
|             | <b>Sub -Total -Current assets</b>           | <b>6,883.20</b>       | <b>10,103.30</b>                           |
|             | <b>TOTAL-ASSETS</b>                         | <b>26,251.71</b>      | <b>24,743.39</b>                           |

FOR LYKA LABS LIMITED

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30TH JUNE 2014

| Particulars                                                                                            | (Rs.in Lakhs)           |                                |                            |                                                     |                                   |
|--------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|----------------------------|-----------------------------------------------------|-----------------------------------|
|                                                                                                        | Quarter Ended June-2014 | Quarter Ended 30-31-March-2014 | Quarter Ended 30-June-2013 | Current Period Figures as on 30-June-2014 15 Months | Previous Year ended 31-March-2013 |
|                                                                                                        | (Audited)               | (Unaudited)                    | (Unaudited)                | (Audited)                                           | (Audited)                         |
| <b>1 Income from operations</b>                                                                        |                         |                                |                            |                                                     |                                   |
| (a) Net Sales/Income from operations (Net of excise duty)                                              | 1781.95                 | 2899.54                        | 2312.65                    | 11101.75                                            | 12035.13                          |
| (b) Other Operating Income                                                                             | 68.50                   | 162.66                         | 187.70                     | 650.17                                              | 676.96                            |
| <b>Total income from operations (net)</b>                                                              | <b>1850.45</b>          | <b>3062.20</b>                 | <b>2,500.35</b>            | <b>11751.92</b>                                     | <b>12712.09</b>                   |
| <b>2 Expenses</b>                                                                                      |                         |                                |                            |                                                     |                                   |
| (a) Cost of Materials Consumed                                                                         | 890.81                  | 1314.59                        | 907.84                     | 4658.18                                             | 4646.38                           |
| (b) Purchase of traded goods                                                                           | 302.11                  | 481.30                         | 142.74                     | 1468.36                                             | 2296.01                           |
| (c) Change in inventories of finished goods, work-in-progress and stock-in-trade,                      | 0.74                    | (215.99)                       | 76.97                      | 226.80                                              | (251.89)                          |
| (d) Employee benefits expense                                                                          | 235.45                  | 355.13                         | 337.57                     | 1639.42                                             | 1379.62                           |
| (e) Depreciation and amortisation expense                                                              | 146.08                  | 188.25                         | 179.90                     | 879.80                                              | 1169.58                           |
| (f) Other expenses                                                                                     | 298.92                  | 1188.46                        | 670.15                     | 3311.67                                             | 2652.14                           |
| <b>Total expenses</b>                                                                                  | <b>1874.11</b>          | <b>3311.74</b>                 | <b>2315.17</b>             | <b>12184.24</b>                                     | <b>11891.84</b>                   |
| <b>3 Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional items (1-2)</b>   | <b>(23.66)</b>          | <b>(249.54)</b>                | <b>185.18</b>              | <b>(432.31)</b>                                     | <b>820.25</b>                     |
| 4 Other Income                                                                                         | 86.14                   | 46.06                          | 103.47                     | 670.21                                              | 334.74                            |
| <b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)</b>        | <b>62.48</b>            | <b>(203.48)</b>                | <b>288.65</b>              | <b>237.90</b>                                       | <b>1154.99</b>                    |
| 6 Finance costs                                                                                        | 489.51                  | 551.29                         | 492.58                     | 2580.60                                             | 1911.32                           |
| <b>7 Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5-6)</b> | <b>(427.04)</b>         | <b>(754.77)</b>                | <b>(203.93)</b>            | <b>(2342.70)</b>                                    | <b>(756.33)</b>                   |
| 8 Exceptional Items (Net)                                                                              | (12.68)                 | (844.94)                       | -                          | (1154.51)                                           | 797.18                            |
| 9 Prior Period Items                                                                                   | (365.51)                | -                              | -                          | (365.51)                                            | -                                 |
| <b>10 Profit/(Loss) from Ordinary Activities before tax (7+8+9)</b>                                    | <b>(805.23)</b>         | <b>(1599.71)</b>               | <b>(203.93)</b>            | <b>(3862.72)</b>                                    | <b>40.85</b>                      |
| 11 Tax Expenses                                                                                        | (124.58)                | -                              | -                          | (124.58)                                            | -                                 |
| <b>12 Net Profit/(Loss) from Ordinary activities after tax (10-11)</b>                                 | <b>(929.81)</b>         | <b>(1599.71)</b>               | <b>(203.93)</b>            | <b>(3987.30)</b>                                    | <b>40.85</b>                      |
| 13 Extraordinary Item (net of tax expenses)                                                            | 4.39                    | 3452.77                        | -                          | 3457.17                                             | -                                 |
| <b>14 Net Profit/(Loss) for the period (12+13)</b>                                                     | <b>(925.42)</b>         | <b>1853.06</b>                 | <b>(203.93)</b>            | <b>(530.13)</b>                                     | <b>40.85</b>                      |



## STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30TH JUNE 2014

|                               |                                                                                                         | (Rs.in Lakhs)           |                                 |                             |                                                     |                                    |
|-------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------|-----------------------------|-----------------------------------------------------|------------------------------------|
| Particulars                   |                                                                                                         | Quarter Ended June-2014 | Quarter Ended 30- 31-March-2014 | Quarter Ended 30- June-2013 | Current Period Figures as on 30-June-2014 15 Months | Previous Year ended 31- March-2013 |
|                               |                                                                                                         | (Audited)               | (Unaudited)                     | (Unaudited)                 | (Audited)                                           | (Audited)                          |
| 15                            | Share of Profit/(Loss) of associates                                                                    | -                       | -                               | -                           | -                                                   | -                                  |
| 16                            | Minority interest                                                                                       | 5.40                    | 89.08                           | 42.71                       | (128.81)                                            | 111.62                             |
| 17                            | Net Profit/ (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15) | (920.02)                | 1763.98                         | (246.64)                    | (658.93)                                            | (70.77)                            |
| 18                            | Paid up equity share capital ( face value Rs.10/- per share)                                            | 2158.00                 | 2158.00                         | 2158.00                     | 2158.00                                             | 2158.00                            |
| 19                            | Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year                  | -                       | -                               | -                           | 1,834.14                                            | 3,423.79                           |
| 20                            | i Earnings Per Share (before extraordinary items) (of Rs 10/-each (not annualised)                      |                         |                                 |                             |                                                     |                                    |
|                               | (a) Basic                                                                                               | -4.30                   | -7.41                           | -1.14                       | -19.58                                              | -0.33                              |
|                               | (b) Diluted                                                                                             | -4.30                   | -7.41                           | -1.14                       | -19.58                                              | -0.33                              |
| 20                            | ii Earnings Per Share (After extraordinary items) (of Rs 10/-each (not annualised)                      |                         |                                 |                             |                                                     |                                    |
|                               | (a) Basic                                                                                               | -4.28                   | 8.17                            | -1.14                       | -3.56                                               | -0.33                              |
|                               | (b) Diluted                                                                                             | -4.28                   | 8.17                            | -1.14                       | -3.56                                               | -0.33                              |
| A PARTICULARS OF SHAREHOLDING |                                                                                                         |                         |                                 |                             |                                                     |                                    |
| 1                             | Public Shareholding                                                                                     |                         |                                 |                             |                                                     |                                    |
|                               | - Number of shares                                                                                      | 16552735                | 16552735                        | 16552735                    | 16552735                                            | 16552735                           |
|                               | - Percentage of shareholding                                                                            | 76.70                   | 76.70                           | 76.70                       | 76.70                                               | 76.70                              |
| 2                             | Promoters and promoter group - Shareholding                                                             |                         |                                 |                             |                                                     |                                    |
| a.                            | Pledged / Encumbered                                                                                    |                         |                                 |                             |                                                     |                                    |
|                               | - Numbers of Shares                                                                                     | 4142715                 | 4142715                         | 4108115                     | 4142715                                             | 4665615                            |
|                               | - Percentage of shares (as a % of the total shareholding of promoter and promoter group                 | 82.40                   | 82.40                           | 81.72                       | 82.40                                               | 92.81                              |
|                               | - Percentage of shares (as a % of the total share capital of the company)                               | 19.20                   | 19.20                           | 19.04                       | 19.20                                               | 21.62                              |
| b.                            | Non - encumbered                                                                                        |                         |                                 |                             |                                                     |                                    |
|                               | - Number of shares                                                                                      | 884550                  | 884550                          | 919150                      | 884550                                              | 361650                             |
|                               | - Percentage of shares (as a % of the total shareholding of promoter and promoter group                 | 17.60                   | 17.60                           | 18.28                       | 17.60                                               | 7.19                               |
|                               | - Percentage of shares (as a % of the total share capital of the company)                               | 4.10                    | 4.10                            | 4.26                        | 4.10                                                | 1.68                               |



STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30TH JUNE 2014

| Particulars | Quarter Ended June-2014 | Quarter Ended 30- 31-March-2014 | Quarter Ended June-2013 | Current Period Figures as on 30-June-2014 15 Months | Previous Year ended 31-March-2013 |
|-------------|-------------------------|---------------------------------|-------------------------|-----------------------------------------------------|-----------------------------------|
|             | (Audited)               | (Unaudited)                     | (Unaudited)             | (Audited)                                           | (Audited)                         |

| B | PARTICULARS                                    | Quarter Ended 30th June 2014 |
|---|------------------------------------------------|------------------------------|
|   | INVESTOR COMPLAINTS                            |                              |
|   | 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 | -                            |

*gls*



Contd...4/-

Notes:

- 1) The above results were duly considered by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 28<sup>th</sup> August, 2014.
- 2) The figures for the quarter ended 30<sup>th</sup> June, 2014 (being balancing figures) are arrived on the basis of Audited Results for the full financial period of 15 months and published year to full Unaudited figures for 12 months ended 31<sup>st</sup> March, 2014.
- 3) The Statutory Auditors of the Company have carried out the audit on consolidated basis of the financial results for the period ended 30<sup>th</sup> June, 2014.
- 4) Audited financial results for the period ended 30/06/2014 have been consolidated with that of Lyka BDR International Ltd., Lyka Healthcare Ltd., for the year ended 31/03/2014 and Lyka Exports Ltd., which became a subsidiary from 30/05/2014, hence their account from 30/05/2014 to 30/06/2014 have been consolidated.
- 5) During the quarter Company has charged Rs.18.88 lacs being depreciation on revalued assets.
- 6) During the Quarter, the Company has capitalised interest of Rs.22.17 lacs towards Ankleshwar Unit Expansion.
- 7) As advised by National Stock Exchange of India Limited, the company has restated its financial statements for the year ended 31<sup>st</sup> March, 2013 by debiting certain items as stated in Prior Period Adjustment
- 8) The Company has one Single Segment "Pharmaceuticals".
- 9) Previous periods figures have been regrouped/rearranged wherever necessary.

For LYKA LABS LIMITED

(N. I. GANDHI)

Chairman & Managing Director

Mumbai  
28-Aug-14.

(Rs.in lakhs)



**M. A. PARIKH & CO.**  
**CHARTERED ACCOUNTANTS**

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

To  
Board of Directors of Lyka Labs Limited

We have audited the quarterly financial results of Lyka Labs Limited for the quarter ended 30<sup>th</sup> June, 2014 and the year to date results for the period ended on that date, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement 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 audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, 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 statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

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.

Attention is invited to note no 2 of the Statement regarding figures for the quarter ended 30<sup>th</sup> June, 2014 being balancing figures between the audited figures in respect of the full financial period ended 30<sup>th</sup> June, 2014 and the published year to date figures up to 31<sup>st</sup> March, 2014.

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 and subject to the following in respect of which we are unable to express our opinion :

1. *Note no 8 relating to AS 26 "Intangible Assets"*
2. *Note No. 9 regarding sundry debtors outstanding for more than six months aggregating to Rs. 116,604,637., which are considered good for recovery by the Management.*
3. *Note No.10 regarding pending balance confirmation from Sundry Debtors, Sundry Creditors and for Loans & Advances*
4. *Note No. 11 regarding non provision for diminution in value of investments.*



- a. are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard;
- and
- b. give a true and fair view of the net loss and other financial information for the quarter ended 30<sup>th</sup> June, 2014 as well as net loss for the period ended 30<sup>th</sup> June, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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: 28/08/2014

Notes:

1. Slump Sale :
  - 1.1 The Company has hived off its "Hospital Division" to its wholly owned subsidiary, "Lyka Healthcare Limited" with effect from 28<sup>th</sup> February, 2014 as and by way of a "Slump Sale" for a consideration valued at Rs. 36.50 crores resulting in a gain on Slump Sale of Rs. 34.53 crores which has been presented as an Extraordinary Item in the audited Financial Results.
  - 1.2 According to the Slump Sale Agreement, Lyka Healthcare Limited, will discharge the dues to Lyka Labs Limited, against the 'Slump Sale' consideration of Rs. 36.50 crores in the manner indicated as below :
    - Issue of 75 lacs Equity Shares of Rs. 10/- each at a premium of Rs. 30/- each aggregating to Rs. 30 crores.
    - Interest free unsecured loan Rs. 6.50 crores repayable over a period of 5 years as per mutually agreed terms.
2. The Board of Directors at its meeting held on 14<sup>th</sup> July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of not less than Rs. 36 crores. The Company has obtained the requisite approval of the Members through Postal Ballot as per the requirements of the Companies Act, 2013.  
The Company is in the process of complying with the regulatory / other requirements to complete the sale.
3. As advised by National Stock Exchange of India Limited, the company has restated its financial statements for the year ended 31<sup>st</sup> March, 2013 by debiting certain items as stated hereunder as Prior Period Adjustment:
  - 3.1 Rs. 27,239,600 relating to write off of irrecoverable Sundry Debtors / Loans and Advances, which in the earlier year were debited to Revaluation Reserve.
  - 3.2 Rs. 9,311,805 relating to interest/damages for delay in depositing statutory dues with Government, Semi-Government and Local Authorities upto 31<sup>st</sup> March, 2013.
4. Contingent Liabilities are not provided for in respect of:
  - 4.1 There were demands raised against the Company aggregating to Rs. 68,061,957 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.209,440,565 to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble Gujarat High Court. 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.103,245,000/-

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.

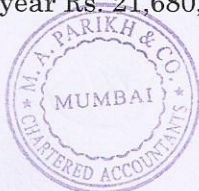


- 4.2 The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of Rs. 132,408,100 for the financial year 2002-2003 for non-submission of proof of export etc. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 8,545,195 against which Company has made payment of Rs. 4,585,150. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payment of Rs.4,585,150 is considered by the Company as good and recoverable.

4.3

| Particulars                                                                               | Current Period (Rs.) | Previous Year (Rs.) |
|-------------------------------------------------------------------------------------------|----------------------|---------------------|
| Ex-gratia – employees                                                                     | 33,887,861           | 33,432,128          |
| Disputed Central Excise duty                                                              | 11,997,395           | 1,122,138           |
| Other Disputed Sales Tax Demands                                                          | 28,484,451           | 23,576,094          |
| Disputed Service Tax Demands                                                              | 1,809,830            | 1,809,830           |
| Undertaking given to the excise dept for goods cleared for export without payment of duty | -                    | 30,000,000          |

- 4.4 Bills of Exchange discounted with the Banks Rs. 69,833,270 (previous year Rs. 59,394,963).
- 4.5 Bank Guarantees from a bank Rs. 9,342,832 (previous year Rs. 1,981,961) with regard to government tenders
5. The depreciation and amortisation charged to Statement of Profit and Loss Rs. for the period Rs. 54,303,516 (Previous year Rs. 32,989,778) includes Rs. 9,457,823 (Previous year Rs. 7,569,413) being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.
- 5.1 The depreciation for the period on Revaluation of Fixed Assets carried out in September, 2010 aggregating to Rs. 7,772,174 (Previous year 6,219,097) has been charged to Revaluation Reserve.
6. On 31<sup>st</sup> October, 2013 fire destroyed certain fixed assets, at the Company's Ankleshwar Plant aggregating to Rs.254.23 lacs (Written down value Rs. 210.87 lacs ) and materials in process aggregating to Rs. 61.10 lacs. The said loss of Rs. 270.97 lacs has been written off to the statement of Profit and Loss. The company has lodged an insurance claim for an aggregate amount of Rs. 270.97 lacs which has been credited to Statement of Profit and Loss against which the company has received Rs. 99.93 lacs and the balance claim of Rs. 171.04 lacs is being processed by the insurance company.
7. Capital Work in Progress - Tangible includes Interest and Financial Charges Rs. 39.44 lacs, including Rs. Nil for the quarter ended 30<sup>th</sup> June, 2014, which is pending allocation to Fixed Assets on completion of project.
8. The Company has incurred upto date direct expenditure and allocable indirect expenditure in respect of "new product development and applied research" aggregating to Rs. 121,790,479 (previous year Rs. 115,945,456) including finance cost of Rs. 25,614,668 (previous year Rs. 21,680,917)



Out of the above:

- Rs. 168,869 (Previous year Rs. 29,206,663) has been transferred to "Self Generated Intangible assets" on successful development including finance cost of Rs. Nil (previous year Rs. 6,558,605).
  - During the period infructuous development expenditure relating to certain products aggregating to Rs. 24,363,762 (Previous year Rs. 1,416,578) including finance cost of Rs. 2,404,535 (previous year Rs. 332,406) has been expensed.
  - Balance of Rs. 97,257,848 (Previous year Rs. 85,322,215), Including finance cost of Rs. 23,210,133 (previous year Rs. 14,789,906), being balance of expenditure Carrying 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.
9. Sundry Debtors aggregating to Rs. 257,155,705 include debtors of Rs. 116,604,637 outstanding for more than six months are considered good for recovery by the management.
10. Balances relating to Sundry Debtors, Sundry Creditors, Loan Licensees and Loans & Advances are pending confirmation from the respective parties during the year in many cases. Adjustments if any will be made in the year in which confirmations are received.
11. Arrears of dividend on 10% Cumulative Redeemable Preference Share dividend aggregate to Rs. 9,499,875 (Previous year Rs. 8,142,750)
12. The investments in unquoted shares of Lyka BDR International Ltd., 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 synergies and potential 1, the management is of the opinion that no provision for fall in their values is required to be made at this juncture taking into consideration intrinsic values of their respective businesses.
13. Taxation:
- Deferred Tax:  
In accordance with Accounting Standard (AS-22) on Accounting for Taxes on Income notified by the Companies (Accounting Standards) Rules, 2006, Deferred Tax Assets comprise of substantial amounts of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.
  - Current Tax:  
In view of the loss for the period, unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the period.
14. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs. 7,998,296 for which steps are being taken to utilize/realize the same.



**M. A. PARIKH & CO.**  
**CHARTERED ACCOUNTANTS**

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

To  
Board of Directors of Lyka Labs Limited

We have audited the quarterly consolidated financial results of Lyka Labs Limited (Company) for the quarter ended 30<sup>th</sup> June 2014 and the consolidated year to date results for the year ended on that date, attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for :

1. The disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management.
2. The consolidated financial results include the audited results of the subsidiaries with different reporting periods as stated below:

| Name of the Subsidiary         | Reporting Period                                           | Percentage of Holding |
|--------------------------------|------------------------------------------------------------|-----------------------|
| Lyka BDR International Limited | 1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March, 2014 | 65.22%                |
| Lyka Export Limited            | 30 <sup>th</sup> May, 2014 to 30 <sup>th</sup> June, 2014  | 72.80%                |
| Lyka Health Care Limited       | 5 <sup>th</sup> June 2013 to 31 <sup>st</sup> March, 2014  | 100.00%               |

which have not been audited by us. The financial results/financial information of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as they relate to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors.

These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, 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 statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

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. 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.



Attention is invited to note no 2 of the Consolidated Statement regarding figures for the quarter ended 30<sup>th</sup> June, 2014 being balancing figures between the audited figures in respect of the full financial period ended 30<sup>th</sup> June, 2014 and the published year to date figures up to 31<sup>st</sup> March, 2014.

In our opinion and to the best of our information and according to the explanations given to us these quarterly consolidated financial results as well as the year to date results, read with notes attached herewith and subject to the following in respect of which we are unable to express our opinion :

1. *Note no 8 relating to AS 26 "Intangible Assets"*
  2. *Note No. 9 regarding sundry debtors outstanding for more than six months aggregating to Rs. 116,604,637. which are considered good for recovery by the Management.*
  3. *Note No. 10 regarding pending balance confirmation from Sundry Debtors, Sundry Creditors and for Loans & Advances*
- a. have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard;
- and
- b. give a true and fair view of the net loss and other financial information for the quarter ended 30<sup>th</sup> June 2014 as well as net loss for the year to date results for the period ended 30<sup>th</sup> June, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



*Mukul M. Patel*

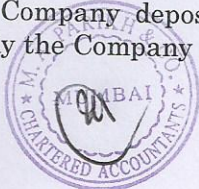
Partner  
Name: Mukul M. Patel  
Membership No: 32489

Place: Mumbai  
Date: 30/05/2013

Notes:

1. Slump Sale :
  - 1.1 The Company has hived off its "Hospital Division" to its wholly owned subsidiary, "Lyka Healthcare Limited" with effect from 28<sup>th</sup> February, 2014 as and by way of a "Slump Sale" for a consideration valued at Rs. 36.50 crores resulting in a gain on Slump Sale of Rs. 34.53 crores which has been presented as an Extraordinary Item in the audited Financial Results.
  - 1.2 According to the Slump Sale Agreement, Lyka Healthcare Limited, will discharge the dues to Lyka Labs Limited, against the 'Slump Sale' consideration of Rs. 36.50 crores in the manner indicated as below :
    - Issue of 75 lacs Equity Shares of Rs. 10/- each at a premium of Rs. 30/- each aggregating to Rs. 30 crores.
    - Interest free unsecured loan Rs. 6.50 crores repayable over a period of 5 years as per mutually agreed terms.
2. The Board of Directors at its meeting held on 14<sup>th</sup> July, 2014 resolved to sell its manufacturing facilities for formulations at Tarapur, Maharashtra as the said unit has become unviable due to various factors for a total sale consideration of not less than Rs. 36 crores. The Company has obtained the requisite approval of the Members through Postal Ballot as per the requirements of the Companies Act, 2013.  
The Company is in the process of complying with the regulatory / other requirements to complete the sale.
3. As advised by National Stock Exchange of India Limited, the company has restated its financial statements for the year ended 31<sup>st</sup> March, 2013 by debiting certain items as stated hereunder as Prior Period Adjustment:
  - 3.1 Rs. 27,239,600 relating to write off of irrecoverable Sundry Debtors / Loans and Advances, which in the earlier year were debited to Revaluation Reserve.
  - 3.2 Rs. 9,311,805 relating to interest/damages for delay in depositing statutory dues with Government, Semi-Government and Local Authorities upto 31<sup>st</sup> March, 2013.
4. Contingent Liabilities are not provided for in respect of:
  - 4.1 There were demands raised against the Company aggregating to Rs. 68,061,957 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.209,440,565 to be deposited into "Drug Price Equalisation Account".

The Company has challenged the said notices in the writ petitions before the Hon'ble Gujarat High Court. 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.103,245,000/-



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.

- 4.2 The Company has received an Order from the Gujarat Sales Tax Commissioner (Appeals) Baroda, dated 24th January, 2011 in respect of Company's appeal against the demand for Gujarat Sales Tax of Rs. 132,408,100 for the financial year 2002-2003 for non-submission of proof of export etc. The Commissioner of Sales Tax (Appeals) based on the facts as submitted, has revised the demand to Rs. 8,545,195 against which Company has made payment of Rs. 4,585,150. The Company has further contested this demand before the Sales Tax Tribunal. The matter is sub-judice and the payment of Rs.4,585,150 is considered by the Company as good and recoverable.

4.3

| Particulars                                                                               | Current Period (Rs.) | Previous Year (Rs.) |
|-------------------------------------------------------------------------------------------|----------------------|---------------------|
| Ex-gratia – employees                                                                     | 33,887,861           | 33,432,128          |
| Disputed Central Excise duty                                                              | 11,997,395           | 1,122,138           |
| Other Disputed Sales Tax Demands                                                          | 28,484,451           | 23,576,094          |
| Disputed Service Tax Demands                                                              | 1,809,830            | 1,809,830           |
| Undertaking given to the excise dept for goods cleared for export without payment of duty | -                    | 30,000,000          |

- 4.4 Bills of Exchange discounted with the Banks Rs. 69,833,270 (previous year Rs. 59,394,963).

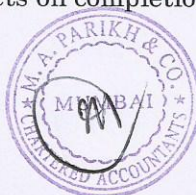
- 4.5 Bank Guarantees from bank Rs. 9,342,832 (previous year Rs. 1,981,961) with regards to government tenders

5. The depreciation and amortisation charged to statement of profit and loss Rs. for the period Rs. 87,980,082 (Previous year Rs. 116,958,448) includes Rs. 9,457,823 (Previous year Rs. 7,569,413) being depreciation relating to Revaluation of Fixed Assets carried out in March, 2007.

- 5.1 The depreciation on Revaluation of Fixed Assets carried out in September, 2010 aggregating to Rs. 7,772,174 (Previous year 6,219,097) has been charged to Revaluation Reserve.

6. On 31<sup>st</sup> October, 2013 fire destroyed certain fixed assets, at the Company's Ankleshwar Plant aggregating to Rs.254.23 lacs (Written down value Rs. 210.87 lacs ) and materials in process aggregating to Rs. 61.10 lacs. The said loss of Rs. 270.97 lacs has been written off to the statement of Profit and Loss. The company has lodged an insurance claim for an aggregate amount of Rs. 270.97 lacs which has been credited to Statement of Profit and Loss against which the company has received Rs. 99.93 lacs and the balance claim of Rs. 171.04 lacs is being processed by the insurance company.

7. Capital Work in Progress - Tangible includes Interest and Financial Charges Rs. 39.44 lacs, including Rs. Nil for the quarter ended 30<sup>th</sup> June, 2014, which is pending allocation to Fixed Assets on completion of project.



8. The Company has incurred upto date direct expenditure and allocable indirect expenditure in respect of "new product development and applied research" aggregating to Rs. 121,790,479 (previous year Rs. 115,945,456) including finance cost of Rs. 25,614,668 (Previous year Rs. 21,680,917)

Out of the above:

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  - During the period infructuous development expenditure relating to certain products aggregating to Rs. 24,363,762 (Previous year Rs. 1,416,578) including finance cost of Rs. 2,404,535 (previous year Rs. 332,406) has been expensed.
  - Balance of Rs. 97,257,848 (Previous year Rs. 85,322,215), Including finance cost of Rs. 23,210,133 (Previous year Rs. 14,789,906), being balance of expenditure Carrying 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.
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11. Arrears of dividend on 10% Cumulative Redeemable Preference Share dividend aggregate to Rs. 9,499,875 (Previous year Rs. 8,142,750)
12. Taxation:
- Deferred Tax:  
In accordance with Accounting Standard (AS-22) on Accounting for Taxes on Income notified by the Companies (Accounting Standards) Rules, 2006, Deferred Tax Assets comprise of substantial amounts of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.
  - Current Tax:  
In view of the loss for the period, unabsorbed Business Losses and Depreciation of the earlier years, current tax has not been provided for the period.
13. Inventories include slow/non-moving raw material and packing materials procured during the prior years amounting to Rs. 7,998,296 for which steps are being taken to utilize/realize the same.

