



**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**



Stock of the nation

Ref No: NSE/LIST/242214-1)

June 19, 2014

The Company Secretary
Lyka Labs Limited
101 - Shiv Shakti Industrial Estate
Andheri Kurla Road
Andheri (East)
Mumbai - 400059

Kind Attn: - Mr. Piyush Hindia

Dear Sir,

Sub: - Manner of Dealing with the Qualified Audit Reports filed by the Listed Companies.

This has reference to SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL 9/2013 dated June 05, 2013 on the captioned subject matter.

SEBI has informed the Exchange that based on the deliberations at QARC, the cases (Annexure I) were referred to FRRB for its opinion on the qualifications. Subsequently, SEBI is in receipt of opinion of FRRB in these cases.

SEBI has directed the Exchange to advise the companies, with regard to restate the financial statements pertaining to Financial Year 2012-13 under Clause 5 (d) (ii) of the aforementioned Circular and with regard to rectification under Clause 5(d)(iii), that the qualifications raised by the Statutory Auditor of the said companies shall be suitably rectified, and that the same qualification shall not appear in the Audit report for the next reporting period.

You are advised to ensure compliance of the said SEBI directives and report status of compliance to the Exchange.

Yours faithfully,

For National Stock Exchange of India Limited

Avinash Kharkar
Asst. Vice President

CC to: The Statutory Auditor

Messrs. M. A. PARIKH & Co.
Chartered Accountants
Yusuf Building, 2nd Floor,
43, Mahatma Gandhi Road,
Fort,
Mumbai - 400001

Annexure I

Name of the company	Qualification	Opinion of FRRB	Action to be taken
Lyka Labs Limited	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies and AS 10 "Accounting for Fixed Assets".	FRRB opined that the qualification of the Auditor is justified.	Restatement under Clause 5(d)(ii) of the SEBI Circular
	Sundry debtors and Loans and Advances written-off aggregating to Rs. 27,239,600 to the Revaluation Reserve instead of Statement of Profit and Loss which was not in accordance with Generally Accepted Accounting Practice(GAAP).		
	Provisions, Contingent Liabilities and Contingent Assets" in respect of non-provision of interest and penalties on delays in deposit of statutory dues with Government, Semi-Government and Local Authorities.		
	Employee Benefit" in respect of non-disclosure of defined obligation.		
	Unsecured loan to a party amounting to Rs. 93,499,068 considered good for recovery by the company.	FRRB opined that the qualification of the Auditor is justified. However, FRRB recommended Rectification instead of Restatement.	Rectification under Clause 5d(iii) of the SEBI Circular
	Sundry debtors outstanding for more than six months aggregating to Rs. 318,187,410 which are considered good for recovery by the company.		
	Pending balance confirmations from Sundry Debtors, Sundry Creditors, Loan Licensees and Loans & Advances.		
	Non provision for diminution in value of investments.		
	CWIP Intangible amounting to Rs. 85,322,215.		
	Slow/non-moving raw materials and packing materials amounting to Rs. 6,576,549.		

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