

29TH

ANNUAL
REPORT
2015-16



Bal Pharma Limited

*Your Preferred Partner in
Quality Health Care*

**Board of Directors**

Mr. Shailesh D. Siroya	- Managing Director
Mr. Shrenik D. Siroya	- Non-executive Director
Dr. Subbarao Prasanna	- Executive Director
Dr. G.S.R. Subba Rao	- Independent Director
Mr. Pramod Kumar. S	- Independent Director
Mrs.Sarika Bhandari	- Independent Director

Company Secretary & Compliance Officer :

Mr. Sanjay Kumar Agarwal

Plant Locations**Unit 1 : Formulations**

21 & 22, Bommasandra Industrial Area,
Hosur Road, Bengaluru - 560 099.

Unit 2 : APIs

61/B, Bommasandra Industrial Area,
Hosur Road, Bengaluru - 560 099.

Unit 3 : Parenterals

732/735, Off. National Highway, No. 4,
Village Kenjal, Dist. Bhor, Maharashtra - 412 217.

Unit 4 : Formulations

Plot # 1,2,3 & 69, Sector 4, IIE-Pantnagar,
Rudrapur, Udham Singh Nagar, Uttarakhand - 263 153.

Unit 5 : APIs and Intermediates

Thabadewadi Post, Kavatha Mahankal,
Sangali, Maharashtra - 416 405.

Bankers

Canara Bank
Punjab National Bank
EXIM Bank
Corporation Bank
ICICI Bank
State Bank of India

Statutory Auditors

Messrs TD Jain & DI Sakaria
Chartered Accountants

Internal Auditors

Messrs Abhishek Jain & Dheeraj Bafna
Chartered Accountants

Cost Auditor

Mr. M. R. Krishnamurthy
Cost Accountants

Secretarial Auditor

Mr. Parameshwar.G.Bhat
Practising Company Secretary

Registrar & Share Transfer Agent

TSR Darashaw Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai - 400 011.

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NOTICE IS HEREBY GIVEN THAT the 29th (Twenty Ninth) Annual General Meeting of the Members of Bal Pharma Limited will be held on Thursday, the 22nd September, 2016 at 10.30 A.M at Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at 31st March, 2016, and the Statement of Profit and Loss for the financial year ended as on that date together with the Board's Report and Independent Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Shrenik Siroya, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of the Statutory Auditors:
To consider and if thought fit to pass, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 139 (1) and all other applicable provisions of the Companies Act, 2013 and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of Messrs T.D Jain and D I Sakaria, Chartered Accountants (Registration No. 002491S) as Statutory Auditors of the Company for the financial year ended 31.03.2017, who were appointed as Auditors of the Company in the 28th Annual General Meeting (AGM) of the Company held on 22nd September 2015 to hold office until the conclusion of the 31st AGM, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company".

SPECIAL BUSINESS

5. Re-appointment of Dr. Subba Rao Prasanna as Whole time Director:
To consider and if thought fit to pass, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198, 203 and other applicable provisions, of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government as may be required and subject to the applicable clauses of Articles of Association of the Company, approval of the members be and is hereby accorded to appoint Dr. Subba Rao Prasanna (DIN: 00084602) as Whole time Director of the Company for a period of two (2) years with effect from 01.10.2016 to 30.09.2018.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT, the managerial remuneration payable to Dr. Subba Rao Prasanna, Whole Time Director , as recommended by the Nomination and Remuneration Committee and the Board is ₹ 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) per month for a period of 2 (two) years with effect from 01.10.2016, which is inclusive of salary and perquisites, but exclusive of the followings:

1. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent they singly or together are not taxable under the Income Tax Act,1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of continuous service and
3. En-cashment of leave at the end of his tenure as Director of the Company.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of his appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be revised to match with the provisions prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary the terms and conditions of appointment of Dr. Subba Rao Prasanna as Whole time Director, subject to the limits prescribed under Schedule V of the Companies Act, 2013".

6. To ratify the Cost Auditor's Remuneration:
To consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ended March 31, 2017 be paid the remuneration as set out in the statement annexed to the notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and to take up all such deeds as may be necessary and expedient to give effect to this resolution".

By the order of the Board of Directors

Place : Bengaluru
Date : 10.8.2016

Sanjay Kumar Agarwal
Company Secretary
Membership No. FCS6802



NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll instead of himself / herself. A proxy need not be a member of the Company. Proxy, in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy Form is forwarded as detachable part of Annual Report.
2. Dividend, if any, that may be declared at the Meeting will be paid on or before 14.10.2016 to those Members entitled there to, whose names appear in the Register of Members of the Company at the close of business hours on 17th September 2016 and for those holding the Shares in demat mode, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL) as beneficial owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
3. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an attendance slip, which is forwarded as detachable part of the Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18.09.2016 to 22.09.2016 (both days inclusive).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the Meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
8. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, TSR Darashaw Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
10. Members holding more than one Share Certificate in different folios are requested to apply for consolidation of the folios and send the relative Share Certificates to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited, # 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.
11. Members are requested to bring the Annual Report 2015-16 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
12. Electronic copy of the Annual Report 2015-16 is being sent to all the Shareholders, whose email ID's are registered with the Company/D.P for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of Annual Report 2015-16 is being sent. Soft copy of the Annual Report along with the notice for the Meeting will also be available on the Company's website www.balpharma.com for their download. Members who desire to get the printed version of the Annual Report may get the same at free of cost, upon making a request for the same.
13. Pursuant to Section 124 of the Companies Act, 2013 (Corresponding Section 205 A of the Companies Act, 1956, as amended), any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend amount from the Company. The Company has since transferred the amount lying in the credit of Unpaid Dividend Account for the financial year 2008-09 to Investor Education and Protection Fund as stipulated under Section 125 of the Companies Act, 2013 (Corresponding Section 205C of the Companies Act, 1956) read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not encashed the Dividend Warrants for the financial years 2008-09 onwards are requested to write to the Company directly or to TSR Darashaw Limited, the Registrar and Share Transfer Agents of the Company.
14. The Members may now avail of the facility of nomination, by nominating in the prescribed form, a person to whom your shares in the Company shall vest in the event of death of the member. Interested members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, TSR Darashaw Limited.
16. Voting through electronic means :
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL)
The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - (i) Open email and open PDF file viz; "Bal Pharma e-Voting.pdf" with your Client ID or Folio No. as password.



The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above click login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" (E-Voting Event Number) of Bal Pharma Ltd.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to parameshwar@vjkt.in or secretarial@balpharma.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM : EVEN (E-Voting Event Number) USER ID PASSWORD/PIN.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- (iv) The e-voting period commences on 19th September, 2016 (9:00 am) and ends on 21st September, 2016 (5:00 pm). During this, period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15th September, 2016, may cast their vote electronically.

The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 15th September, 2016.
- (vi) If the share holder exercises his/her vote both electronically and physically, then the vote cast by him electronically will super cede.
- (vii) Mr. Parameshwar G Bhat, Practising Company Secretary (Membership No. 25167) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (viii) The Scrutinizer shall within a period not exceeding Forty Eight (48) hours from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director or designated Director of the Company.
- (ix) The Results shall be declared within Forty Eight hours from the conclusion of the Annual General Meeting The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.balpharma.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and also communicated to BSE and NSE.

17) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

18) Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.

By the order of the Board of Directors

Place : Bengaluru
Date : 10.08.2016

Sanjay Kumar Agarwal
Company Secretary
Membership No. FCS6802



Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013:

Item No.5:

Dr. S. Prasanna was re-appointed as Whole-time Director at the Annual General Meeting of the Company held on 18.09.2013 for a period of 3 years from 01.10.2013 to 30.09.2016.

Dr. Prasanna has been heading the Research and Development Centre of the Company. As the Company benefits immensely from his vast and extensive experience, your Directors recommend for extension of his appointment for a further period of 2 years from 01.10.2016 to 30.09.2018.

As per the industry norms and remuneration paid to similar appointees in other Companies and the active role played by Dr. S. Prasanna as Whole-time Director, the Nomination and Remuneration Committee of the Company and the Board in its Meeting held on 10.08.2016 have considered and recommended for the remuneration payable to ₹ 2.50 Lakhs/month, with effect from 01.10.2016 for a period of 2 years, which is within the permissible limits of Schedule V of the Companies Act, 2013.

The remuneration recommended may be revised to the minimum remuneration payable in the event of loss or inadequacy of Profits, as per Schedule V of the Companies Act, 2013.

The above may be treated as abstract of terms of appointment of Dr.Subba Rao Prasanna.

The Board recommends the resolution for approval of the members.

None of the Directors other than Dr. Subba Rao Prasanna is concerned or interested in the above said resolution.

Item No. 6:

The Board of Directors of the Company at its Meeting held on 25.05.2016 has appointed Mr. M. R Krishna Murthy, Cost Accountant (Membership No. 7568) as Cost Auditor of the Company for the financial year 2016 - 17 and has fixed ₹ 40,000/- (Rupees Forty Thousand Only) as a consolidated remuneration payable to him for the F.Y 2016-17.

The Share holders may consider ratifying the decision taken by the Board in fixing the remuneration payable to Mr. M.R Krishna Murthy.

None of the Directors, Key Managerial Personnel of the Company, and relatives, is concerned or interested financially or otherwise in resolution set out at Item No. 6.

By the order of the Board of Directors

Place : Bengaluru
Date : 10.08.2016

Sanjay Kumar Agarwal
Company Secretary
Membership No. FCS6802

Additional information relevant to Dr.Subba Rao Prasanna, Whole Time Director (As per Schedule V of the Companies Act, 2013).

General Information:

1.	Name of the Industry	Pharmaceutical Industry
2.	Date or expected date of commencement of commercial production	The Company was incorporated on 19.05.1987 as a Private Limited Company and its commercial production started from 1992.
3.	Financial performance based on given indicators	For the F.Y. ended 31.03.2016 (standalone) in Cr Turnover and other income :199.15 Profit before tax : 5.18 Net Profit : 2.80
4.	Export performance and net foreign exchange collaboration	The Company's export income was ₹ 190.40 Crores in FY 2015.16 and net foreign exchange earnings during the year is ₹ 59.25 Crores. There was no foreign exchange collaboration. BE
5.	Foreign Investments or collaborations , if any	Nil

Information about Dr. Subba Rao Prasanna, Whole Time Director, whose remuneration is under review.

1.	Name of the Director	Dr. Subba Rao Prasanna
2.	Brief background	Dr. Subba Rao Prasanna has been associated with the Company from its inception. He has done Phd in organic Chemistry and has extensive exposure as a Research Scientist. He has been heading the R& D Centre of the Company .
3.	Immediate past remuneration	₹ 2,50,000/- was paid as salary and perquisites per month during F.Y 2015-16, which is in line with the provisions of Schedule V of the Companies Act, 2013.
4.	Job profile and suitability	Dr. Prasanna is heading the R&D centre of the Company. With his extensive experience and knowledge, he is the most appropriate person to guide the research and development efforts of the Company.
5.	Remuneration proposed	Details of remuneration proposed have been given in the notice. Taking into consideration the size of the Company, profile of the appointee, responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration packages paid or is comparable to other companies in the industry.
6.	Pecuniary relationship with the managerial personnel, if any.	Dr. S. Prasanna, besides drawing the remuneration prescribed and holding 0.14% of the paid up Equity Share Capital of the Company, does not have any pecuniary relationship neither with the Company nor with its managerial personnel.

**Additional information about Directors seeking reappointment at the Annual General Meeting, as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Name of the Director	Mr. Shrenik D Siroya
Date of Birth	10.09.1964
Date of Appointment as non executive Director	26.04.2003
Qualification	BE
Experience / Expertise	Has an experience of over 25 years in management and administration.
Inter-se relationship with Directors	Mr. Shrenik D Siroya is the brother of Mr. Shailesh Siroya , Managing Director of the Company.
Directorship/Membership of committees of the Board of Listed entities	Mr. Shrenik D Siroya does not hold any Directorship in any of the Listed Companies except Bal Pharma Ltd nor is a member of any of their Committees.
Share Holding	Mr. Shrenik D Siroya holds 3,74,700 Equity Shares, which constitute 2.64% of the paid up Share Capital of the Company.

Name of the Director	Dr. S. Prasanna
Date of Birth	20.07.1948
Date of re appointment as executive Director	18.9.2013
Qualification	Ph.D in Organic Chemistry.
Experience / Expertise	Has an experience of over 30 years in Research and Development .
Inter-se relationship with Directors	Nil
Directorship/Membership of committees of the Board of Listed entities	Nil
Share Holding	Dr. S. Prasanna holds 20,200 equity shares of the Company which constitute 0.15% of the share capital of the Company.

Route map for AGM Venue

Bharatiya Vidya Bhavan, High Grounds, Sampangi Rama Nagar, Bengaluru, Karnataka 560001.



To the Members,

Your Directors are pleased to present the Twenty Ninth (29th) Annual Report and the Company's Audited Financial Statements for the Financial Year ended 31.03.2016.

FINANCIAL RESULTS

The following is the summary of the Company's Consolidated financial performance during the year under review.

(` in Crores)

Particulars	FY 2015-16	FY 2014-15
Total Income from operations	198.32	187.15
Profit from operations before Interest other income and exceptional items.	7.84	10.08
Tax expense	2.39	1.18
Finance cost	6.48	6.52
Profit After Tax	0.26	3.55
Profit After Taxes and Minority Interest and share of profit /loss of associates	1.40	3.62
Earnings per Share (in Rupees)	1.09	2.83

Note : Previous year's expenses have been regrouped wherever necessary to confirm to this year's classification.

2. DIVIDEND & APPROPRIATIONS

Your Directors are pleased to recommend dividend of ` 1.00/- (i.e 10%) on each Equity Share of ` 10/-, thereby absorbing an amount of ` 1.41 crores excluding Dividend Distribution Tax of ` 28.85 Lakhs.

3. SHARE CAPITAL:

The Company has made the allotment of 13,00,000 Equity Shares of ` 10/- each on preferential basis with each share carrying a premium of ` 52/-. With this allotment, the Paid-up Equity Share Capital of the Company has increased to ` 14,17,23,720/- divided into 1,41,72,372 Equity Shares of ` 10/- each.

During the period under review, the Company has not issued shares with differential voting rights nor granted stock options nor Sweat Equity Shares.

4. MANAGEMENT DISCUSSION AND BUSINESS ANALYSIS:

Indian Pharmaceutical Industry scenario and opportunities:

India continues to be the global manufacturing hub for the pharmaceuticals during the financial year 2015.16. Presently there are 10,500 manufacturing units and over 3,000 Pharmaceutical

Companies in India, and still growing at an exceptional rate. India has about 1,400 WHO GMP approved manufacturing units. 1,105 CEP accredit ions, more than 950 TGA approvals and 584 sites approved by the USFDA. Globally more than 90 per cent of formulations approvals for Anti-retroviral (ARVs), Anti-tubercular & Anti-malarial (WHO pre-qualified) have been granted to companies present in India. Manufacturing costs in India are approximately 35-40 percent less than those in the US due to low installation and manufacturing costs. Qualified manpower, availability of raw materials and a huge domestic market for growth are some of the contributing factors for this scenario. India ranks amongst the top global generic formulation exporters in volume terms.

India's exports of pharma and drugs stood at US\$ 16.8 bn. India exports all forms of pharmaceuticals from APIs to formulations, both in modern medicine and traditional Indian medicines. The country's pharmaceutical industry accounts for about 1.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms.

Bal Pharma Limited during the year under review has aimed at consolidating its position in Indian market by advancing its project on modernizing and expansion of its manufacturing capabilities, which is expected to be completed by December 2017. Once the enhanced production capability is made available to the Company, it is expected to meet the demand of its signature products in Cardiology, Diabetology, Analgesics, Antipyretics, Antibiotic, Anti histamine, IV fluids, Nutrition supplements etc both in domestic and international markets.

Lifezen healthcare Private Limited, an Over The Counter (OTC) products marketing Company floated by Bal Pharma Limited as its Subsidiary has launched 2 new products in Indian OTC market and the said products has received encouraging response from the market. Even through the Subsidiary is yet to break even in its business; it has made its presence felt in OTC market and aiming at an profitable business model in near future.

5. BUSINESS OPERATIONS

(i) Turnover and Net profit:

During the Financial Year 2015-16, your Company has achieved a gross standalone turnover of ` 201.82 Crores as against ` 190.67 Crores achieved during the previous Financial Year, thus registering a top line growth of 5%.

The Net Profit After Tax of the Company during the financial year 2015-16 stands at ` 2.81 Crores as against the Net Profit of ` 4.02 Crores achieved in the previous financial year 2014-15.



(ii) Formulations Business:

The Formulations Business of the Company has contributed a total revenue of ` 111.03 Crores, during the F.Y 2015-16 as compared to ` 115.40 Crores, during F Y 2014-15.

The turnover from export of formulations during the year under review stands at ` 61.51 Crores as against ` 73.51 Crores achieved during the previous financial year. This drop in revenues is due to sluggish economy in overseas markets.

In the domestic market, Branded formulations of the Company, consisting of mainly Diabetic, Gynaecology and Cardiac drugs have contributed to revenue of ` 36.00 Crores during the year under review as against ` 22.49 crores achieved during the previous year.

(iii) Bulk Drug Business:

Bulk Drug Business continue to show its momentum in sales with a revenue of ` 87.31 Crores during the year under review as compared to ` 75.13 Crores achieved during the previous financial year, thereby registering a growth of 10.7%.

Exports sales of bulk drugs during the year under review stands at ` 53.60 Crores as against ` 48.01 crores registered during the previous financial year.

Domestic sales of the bulk drugs have registered an revenue of ` 33.70 Crores as against the revenue of ` 27.24 Crores registered during the previous financial year.

(iv) Export Performance:

The overall export sales of the Company during the year under review has recorded a turnover of ` 115.11 Crores as against revenue of ` 121.53 Crores achieved during the previous financial year.

Revenues from the export sales continue to consistently dominate the Companies overall turnover.

(v) Domestic Performance:

Revenue from domestic sales has registered a turnover of ` 82.76 Crores as compared to ` 64.46 Crores achieved during 2014-15, there by registering a growth of 22% .

Diabetic and Cardiac drugs of the Company continue to prove their dominance in revenue earnings in Indian markets.

7. AUDIT COMMITTEE:

The Audit Committee, a sub-Committee of Board consists of Dr. G.S.R Subba Rao, Independent Director, Mr. Shrenik Siroya, Non-Executive Director, Mr. Pramod Kumar S, Independent Director and Mrs. Sarika Bhandari, Independent Director.

Mr. Pramod Kumar S was appointed as Chairman of the Committee on 10.02.2016 in place of Dr. G.S.R Subba Rao, who resigned from the Chairmanship of the Committee citing personal reasons. The Audit Committee has been discharging its duties as per the

provisions of SEBI (LODR) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

8. AUDITORS AND AUDITORS REPORT :

a. Statutory Auditors:

Messrs T.D Jain and D I Sakaria , Chartered Accountants were appointed as Statutory Auditors of the Company from Financial Year 2015-16 to 2017-18 i.e., for the period of 3 years, to hold office from the conclusion of 28th Annual General Meeting held on 22nd September, 2015 until the conclusion of 31st Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting..

There are no qualifications or reservations or adverse remarks by the Statutory Auditors in their report.

b. Cost Auditors:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Company has appointed Mr. M.R Krishna Murthy, Cost Accountant as Cost Auditor for conducting audit of cost records of the Company, for the Financial Year 2015-16.

c. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Parameshwar G. Bhat, Practising Company Secretary to conduct Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit report for the Financial Year 2015-16 is annexed to this report as Annexure 2. Certain non material observations made by Secretarial Auditor in his report have been suitably addressed by the Management with corrective actions, wherever necessary.

d. Internal Auditors:

Messrs Abhishek Jain and Dheeraj Bafna, Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2015-16 and their Reports on Internal Audit were periodically reviewed by the Audit Committee and recommends to the Board for its noting. The Internal Audit Reports do not contain any qualifications, reservations or adverse remarks.

9. RISK MANAGEMENT:

The Risk Management Committee of the Company consisting of the Functional heads and Company Secretary of the Company will submit its periodical report to the Board of Directors of the Company on the measures taken for mitigation of potential risk factors.

The Risk Management Policy devised and implemented by the Company is available on the website i.e www.balpharma.com.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has an adequate system of internal controls with clearly defined authority limits. Internal controls ensure that the Company's assets are protected against loss from unauthorized use or disposition and all transactions are authorized, recorded



and reported in conformity with Generally Accepted Accounting Principles. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically reviewed to meet current business requirements.

11. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors wish to confirm:

- a) that in preparing the Annual Accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for that period.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts on a going concern basis.
- e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES :

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties that could be considered material i.e., exceeding 10% of the annual consolidated turnover of the Company, as defined in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Company's Policy on the Related Party Transactions as approved by the Board can be accessed from our website i.e www.balpharma.com.

Please refer to the note #34 to the financial statements, which sets out related party disclosures.

13. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

During the year under review, the following Companies listed below are Company's Subsidiaries, Joint Ventures or Associate

Companies. A report on the performance and financial position of each of the Subsidiaries, Associates, Joint Venture companies as per Companies Act, 2013 is provided as Annexure 1 to the Board's Report and hence not repeated here for the sake of brevity.

Sl. No.	Name of the Company/LLP	Nature of Business	% of stake as on 31.03.2016
01	Lifezen Healthcare Private Limited	Marketing of Over the counter (OTC) products	50%
02	Bal Research Foundation	Research and Development in Pharma and health care.	80%
03	Balance Clinics LLP	Diabetic care clinics	80%

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shrenik D Siroya, Non Executive Director of the Company retires by rotation at the Annual General Meeting and being eligible offers himself for reappointment.

As per Section 196,197 and Schedule V of the Companies Act,2013, Dr.S.Prasanna is being reappointed as the Whole time Director of the Company for a period of 2 years w.e.f 1.10.2016 to 30.9.2018.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

The Company has devised a Policy for familiarization of independent Directors with the Company, their roles, rights, responsibilities in the Company etc and the same is uploaded on the website of the Company i. e www.balpharma.com.

The Company also has in place a Policy for Nomination and remuneration of KMP's, Senior Managerial personnel and Directors of the Company, which is in compliance with Section 178 of the Companies Act, 2013. The said Policy is available on the website of our Company.

15. VIGIL MECHANISAM:

The vigil mechanism of the Company, which also incorporates Whistle Blower Policy as per the SEBI (LODR) Regulations, 2015, includes compliance task force comprising of Senior Executives of the Company. The complete text on the vigil mechanism and Whistle Blower Policy can be accessed from our website i.e., www.balpharma.com.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND FOREIGN EXCHANGE OUTGO:

As per provisions of Section 134(m) of the Companies Act, 2013, read with the rule 8 of the Companies (Accounts) Rules, 2014, details relating to the Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outflow are given in Annexure-3, which forms part of the Board's Report.



17. PARTICULARS OF EMPLOYEES:

Information as per Rule 5(1) of Chapter XIII of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as an Annexure - 5 to this report.

18. CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION TO SHARE HOLDERS:

A detailed report on the Corporate Governance System and practices of the Company are given in a separate section of this Annual Report. Detailed information for the shareholders is given in Additional Shareholders information section.

19. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY:

The Company has not given any loan or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There were no material changes and commitments between the end of the financial year and the date of the Report, which affect the financial position of the Company.

21. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return of the Company for the Financial Year 2015-16, in Form MGT-9 is annexed to this report as Annexure - 4.

22. CORPORATE SOCIAL RESPONSIBILITY:

The Board has constituted a Corporate Social Responsibility Committee consisting of Dr. G.S.R Subba Rao, Mr. Pramod Kumar S, Dr. S. Prasanna and Mr. Shailesh Siroya as its members.

The Committee has formulated a Corporate Social Responsibility (CSR) Policy and the Board has approved the Policy for its implementation. The CSR Policy may be accessed from our website i.e., www.balpharma.com.

Due to delay in suitable planning of the CSR activities, the Company could not spend any amount towards Corporate Social responsibility for the year ended 31.03.2016.

23. HUMAN RESOURCES:

The human resources of the Company continue to contribute its share in the growth of the Company. Human Resource agenda of the Company for the year continued to focus on building a talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement, and strengthening employee relations through progressive people management.

There was no complaint lodged by any woman employee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with the Company during the period under report.

24. ANNUAL BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, its Committee's and the Directors individually. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

25. LISTING WITH STOCK EXCHANGES:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into revised Listing Agreement with BSE Limited and the National Stock Exchange of India Limited, during November 2015.

The Company has paid the Annual Listing Fees for the year 2016-17 to National Stock exchange of India Limited (NSE) and BSE Limited (BSE) where the Company's Shares are listed.

26. CEO & CFO CERTIFICATION:

The Board has acknowledged that Managing Director as the CEO of the Company and DGM Finance and Accounts as the CFO for the purpose of compliance under the Listing Regulations. The CEO and CFO have certified to the Board, in terms of Regulation 33(2) of SEBI (LODR) Regulations, 2015, that the financial statements present a true and fair view of the Company's affairs and do not omit any material facts which may make the statements or figures contained therein misleading.

27. INSURANCE COVERAGE:

The Board of Directors reports that your Company has adequate and comprehensive insurance cover on all the movable and immovable assets of the Company.

28. CREDIT RATING:

The Company's financial discipline is reflected in the BBB (stable) rating given by ICRA for the Companies borrowings, both for term loan and working capital for the financial year 2015-16 which is a notch above the previous year's credit rating of BBB - . The Company looks forward to further improve its credit rating during the Financial Year 2016-17.

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees



(permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:

No. of complaints received : NIL
No. of complaints disposed off : NIL

30. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting etc.
3. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. Neither the Managing Director nor the whole time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

5. No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in the future.

31. APPRECIATION:

Your Directors wish to express their sincere appreciation on significant contributions made by the employees through their dedication, hard work and commitment. Your Directors also place on record their sincere thanks on the trust reposed on the Company by the medical fraternity and the patients. We also acknowledge the support extended by Canara Bank, Punjab National Bank, EXIM Bank, Corporation Bank and other financial institutions, government agencies, shareholders and investors at large. We look forward to the continued support from all the quarters in our endeavor to help people lead healthier lives.

For and on behalf of the Board of Directors

Bengaluru
10th August 2016

Dr. S. Prasanna
Whole Time Director

Shailesh D Siroya
Managing Director





Annexure's to Board's Report

Annexure 1

FORM AOC-1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF THE SUBSIDIARIES/ASSOCIATES /JOINT VENTURES

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Name of the Subsidiary	Lifezen Healthcare Private Limited	Bal Research Foundation	Balance Clinics LLP
Share Capital	2,00,00,000	10,00,000	10,00,000
Reserves & Surplus	(2,22,81,833)	(18,109)	(78,47,426)
Total assets	20,17,16,717	10,00,667	35,44,550
Total Liabilities	20,39,98,550	18,776	1,03,91,975
Investments	0	0	0
Turnover	57,85,515	0	12,96,210
Profit before taxation	(2,12,05,407)	(17,994)	(41,25,595)
Provision for taxation	15,914	0	1,00,0971
Profit after taxation	(2,12,21,321)	(17,994)	(42,26,566)
Proposed Dividend	Nil	Nil	Nil
Share holding structure	Bal Pharma Limited : 50% Bennett, Coleman & Co Ltd : 49% Shailesh Siroya : 1%	Bal Pharma Limited : 80% Shailesh Siroya : 20%	Bal Pharma Limited : 80% Shailesh Siroya : 20%

Annexure 2

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(l) of the Companies Act, 2013 and rule No.9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
BAL PHARMA LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bal Pharma Limited (CIN: L85110KA1987PLC008368) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bal Pharma Limited for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Industry specific laws applicable to the Company are as follows:
- a) Pharmacy Act, 1948
 - b) Drugs and Cosmetics Act, 1940
 - c) Homoeopathy Central Council Act, 1973
 - d) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - e) Narcotic Drugs and Psychotropic Substances Act, 1985
 - f) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
 - g) The Medicinal & Toilet Preparations (Excise Duties) Act, 1955
 - h) Petroleum Act, 1934
 - i) Poisons Act, 1919
 - j) Food Safety and Standards Act, 2006
 - k) Insecticides Act, 1968
 - l) Biological Diversity Act, 2002
 - m) The Indian Copyright Act, 1957
 - n) The Patents Act, 1970
 - o) The Trade Marks Act, 1999
- (vii) The other general laws as may be applicable to the Company including the following:
- (1) Employer/Employee Related laws & Rules:**
- i. Industries (Development & Regulation) Act, 1951
 - ii. The Factories Act, 1948 (in case of manufacturing companies, where applicable)
 - iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
 - iv. The Apprentices Act, 1961
 - v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - vi. The Employees State Insurance Act, 1948
 - vii. The Workmen's Compensation Act, 1923
 - viii. The Maternity Benefits Act, 1961
 - ix. The Payment of Gratuity Act, 1972
 - x. The Payment of Bonus Act, 1965
 - xi. The Industrial Disputes Act, 1947
 - xii. The Trade Unions Act, 1926
 - xiii. The Payment of Wages Act, 1936
 - xiv. The Minimum Wages Act, 1948
 - xv. The Child Labour (Regulation & Abolition) Act, 1970
 - xvi. The Contract Labour (Regulation & Abolition) Act, 1970
 - xvii. The Industrial Employment (Standing Orders) Act, 1946
 - xviii. Equal Remuneration Act, 1976
 - xix. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
 - xx. Dangerous Machines (Regulation) Act, 1983
 - xxi. Indian Boilers Act, 1923
 - xxii. The Karnataka Shops & Establishments Act, 1961
 - xxiii. The Industrial Establishments (National and Festival Holidays) Act, 1963



- xxiv. The Labour Welfare Fund Act, 1965
- xxv. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxvi. For majority of Central Labour Laws the State has introduced Rules [names of each of the Rules is not included here]

(2) Environment Related Acts & Rules:

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Air (Prevention & Control of Pollution) Act, 1981
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

(3) Economic/Commercial Laws & Rules:

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2 (applicable from 1st July, 2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the SEBI (LODR) Regulations, 2015, wherever applicable.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. The following are some of the observations which in my opinion will have material impact on the Company's compliance status:

- a) *Certain compliances on Secretarial Standards 1 and recording of minutes need to be strengthened.*
- b) *Certain returns/registers required under some of the above mentioned General Laws are not maintained and the Management has represented that the same are being addressed.*

Further I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Bengaluru
Date : 10.8.2016

(Parameshwar G. Bhat)
ACS No.: 25167
C P No.: 11004

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.



Annexure

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru
Date : 10.8.2016

(Parameshwar G. Bhat)
ACS No.: 25167
C P No.: 11004





Annexure 3

2. Conversion of Energy, Technology Absorption & Foreign Exchange Earnings and Outflow:

A. Conservation of Energy

Electricity	2015-16	2014-15
(a) Purchased Units		
Units (Kwhr)	41,23,782	51,75,156
Amount - (₹)	2,85,26,847	2,60,56,638
Rate/Unit - (₹ P)	6.92	5.03
(b) Own Generation through Diesel generator		
Units (Through Diesel Generator) – Kw/hr	1,85,235	2,04,059
Units / ltr of Diesel.	3.11	2.99
Cost/unit (₹ P)	16.14	19.89
(c) Total Units purchased/generated (Kw/hr)	43,09,017	53,79,215

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards * (if any)	2015-16	2014-15
i. Electricity			
ii. Furnace Unit	NA	NA	NA
iii. Coal			
iv. Others			

* Owing to the range of products manufactured and the ever changing product mix, it is not possible to establish standards relating to consumption of energy per unit of production;

Technology absorption & Adaptation :

1. Research and Development (R & D)

Specific areas in which R&D is carried out by the company.	<p>In continuation of the R&D activities of Bal Pharma Ltd., investigative work has been initiated to develop and standardize synthetic routes for several new products of varied therapeutic range.</p> <p>Among these new products are two which are for the treatment of Parkinson's disease related involuntary spastic movement disorders. These two belong to the range of amines and amino acid category. A foray has also been made into a medicinal product in the cardiac care area; this drug addresses the hypertensive disorders resulting from the combined pulmonary and artery malfunctioning.</p> <p>One more product has been added to the range of chelating drugs. Thus, while it was a copper chelating agent in the previous year, it is an iron metal chelating agent this year. These two drugs transport excess of these two metals from the body in a facile fashion.</p> <p>The share of chiral drugs in the market has been going up quite steadily in recent years. Aware of this trend, Bal Pharma Ltd has been concentrating on this class of single isomer drugs. A chiral drug that is the object of study is a cough suppressant belonging to this category. Added to this are other chiral products that provide treatment for diabetes, for anxiety disorders, for urinary incontinence, for bipolar disorders etc. which are under development.</p>
--	--

Benefits derived as a result of the above R&D..	<p>Many of the medicinal products that are targets of development in the R&D laboratory are novel and unique in nature. In addition to being in good demand within the country, these also have sizeable potential in the export market. These new drugs will add to the range of quality products that are already being exported to several countries by Bal Pharma Ltd.</p> <p>Determination by analysis of the purity and homogeneity of such new drugs poses special challenges. New analytical tools, instruments and equipments are necessary to meet these challenges. Bal Pharma has made efforts to address this. The range and sophistication of analytical equipments have gone up considerably in the laboratories. The research personnel have benefited and gained considerable knowledge from utilizing these.</p>
Future plan of action	<p>The new medicinal products under development will be taken up for scale up studies and determination of inherent characteristics such as stability. Subsequently, these products are to meet commercial levels of production and to be made available in the international markets to meet customer requirements. They will add to the many medicinal products that have already been introduced in international markets by Bal Pharma Ltd out of its own R&D efforts and which have gained ready acceptance.</p>
d) Expenditure on R&D during the financial year ended 31-03-2015:	
i) Capital	Nil
ii) Recurring	₹ 1,93,74,485
iii) Total	₹ 1,93,74,485
iv) Total R&D expenditure as a percentage of total turnover	0.97 %

3. Foreign Exchange Earnings and Outgo:- (Amount in ₹)

	2015-16	2014-15
Total Foreign Exchange Earnings	1,09,40,72,710	1,17,62,84,864
Total Foreign Exchange outflow	50,16,67,645	43,23,60,911
(a) Towards purchase Raw Materials	48,60,64,338	41,12,76,917
(b) Towards purchase Capital Goods	21,21,403	27,37,221
(c) Towards Other Foreign currency payments		
(i) Travelling Expenses	35,13,768	21,30,469
(ii) Export Promotion Expenses	53,35,216	1,24,89,327
(iii) Commission of export sales	21,39,838	7,97,010
(iv) Registration fees	24,92,482	29,35,967



Annexure 4

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I REGISTRATION AND OTHER DETAILS

- i) **CIN** : L85110KA1987PLC008368
 ii) **Registration Date** : 19/05/1987
 iii) **Name of the Company**: BAL PHARMA LIMITED
 iv) **Category/Sub Category of the Company**: Public Company/Limited by shares
 v) **Registered Office Address**: Plot No.21 & 22, Bommasandra Industrial Area, Bengaluru-560 099.
 vi) **Whether Listed Company**: YES
 vii) **Name of address of Registrar and Transfer Agent**:
 TSR Darashaw Limited
 # 6-10, Haji Moosa Patrawala Industrial Estate
 20, Dr. E. Moses Road, Mahalaxmi,
 Mumbai - 400 011.
 Phone : +91-22-6656 8484
 Email-csg-unit@tsrdarashaw.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be provided.

SI No	Name and description of the main products /services	NIC code of the product/ service	% of total turnover of the Company
1	Manufacture of Pharmaceuticals and medical chemicals	2423	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
1	Lifezen Healthcare Private Limited	U24230KA2014PTC077114	Subsidiary	50%	Section 2(87)
2	Bal Research Foundation	U73100KA2014NPL076995	Subsidiary	80%	Section 2(87)
3	Balance Clinics LLP	AAC-3012	Subsidiary	80%	Section 2(87)

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i) Category-wise Share Holding**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(1)	A. Promoters									
(a)	Individuals / Hindu Undivided Family	43,19,779	-	43,19,779	33.56	43,19,779	-	43,19,779	33.56	-
(b)	Central Government / State Governments(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	13,10,836	-	13,10,836	10.18	13,10,836	-	13,10,836	10.18	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	56,30,615	-	56,30,615	43.74	56,30,615	-	56,30,615	43.74	-



Category Code	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	6,55,187	-	6,55,187	5.09	6,55,187	-	6,55,187	5.09	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	6,55,187	-	6,55,187	5.09	6,55,187	-	6,55,187	5.09	-
	Total Shareholding of Promoter and Promoter Group (A)	62,85,802	-	62,85,802	48.83	62,85,802	-	62,85,802	48.83	-
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	-	200	200	-	-	200	200	-	-
(b)	Financial Institutions / Banks	4,583	1,800	6,383	0.05	2,000	1,800	3,800	0.03	-0.02
(c)	Central Government / State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	4,583	2,000	6,583	0.05	2,000	2,000	4,000	0.03	-0.02
(2)	Non-Institutions									
(a)	Bodies Corporate									
i	Indian	7,30,126	6,058	7,36,184	5.72	6,07,347	6,058	6,13,405	4.77	-0.95
ii	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ` 1 lakh	26,01,394	2,74,634	28,76,028	22.34	28,36,439	2,70,877	31,07,316	24.14	1.80
ii	Individual shareholders holding nominal share capital in excess of ` 1 lakh	29,67,775	-	29,67,775	23.06	28,61,849	-	28,61,849	22.23	-0.82
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other									
i	Trust	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2)	62,99,295	2,80,692	65,79,987	51.12	63,05,635	2,76,935	65,82,570	51.14	0.02
	Total Public Shareholding (B) = (B)(1)+(B)(2)	63,03,878	2,82,692	65,86,570	51.17	63,07,635	2,78,935	65,86,570	51.17	-
	TOTAL (A)+(B)	1,25,89,680	2,82,692	1,28,72,372	100.00	1,25,93,437	2,78,935	1,28,72,372	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	1,25,89,680	2,82,692	1,28,72,372	100.00	1,25,93,437	2,78,935	1,28,72,372	100.00	-



ii) Shareholding of Promoters

Sl. No.	Share holder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Micro Labs Limited	13,10,836	10.18	-	13,10,836	10.18	-	-
2	Shailesh Siroya	12,70,759	9.87	-	12,70,759	9.87	-	-
3	Anita Siroya	10,18,540	7.91	-	10,18,540	7.91	-	-
4	Anand Surana	5,25,686	4.08	-	5,25,686	4.08	-	-
5	Chandraprakash Dheera-jmal Siroya	4,86,420	3.78	-	4,86,420	3.78	-	-
6	Dilip Surana	4,74,994	3.69	-	4,74,994	3.69	-	-
7	Shrenik D Siroya	3,74,700	2.91	-	3,74,700	2.91	-	-
8	Archana Surana	2,84,996	2.21	-	2,84,996	2.21	-	-
9	Monica Surana	1,79,909	1.40	-	1,79,909	1.40	-	-
10	Dilip Surana (HUF)	1,69,995	1.32	-	1,69,995	1.32	-	-
11	Anita Chandraprakash Siroya	1,22,687	0.95	-	1,22,687	0.95	-	-
12	Jivi Dheerajmal Siroya	46,080	0.36	-	46,080	0.36	-	-
13	Subbarao Prasanna	20,200	0.16	-	20,200	0.16	-	-
14	Hasumati Pravin Siroya	2,83,500	2.55	-	0	0.00	-	-2.55
	TOTAL	59,69,302	53.72	-	62,85,802	48.83	-	-2.34

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No	Name of the ShareHolder	Shareholding at the beginning of the year 01.04.2015		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cummlative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Micro Labs Limited	1,310,836	10.18					13,10,836	10.18
				-	No Change	-	-	13,10,836	10.18
				31.03.2016	At the end of the year	-	-	13,10,836	10.18
2	Shailesh Siroya	1,270,759	9.87					12,70,759	9.87
				-	No Change	-	-	12,70,759	9.87
				31.03.2016	At the end of the year	-	-	12,70,759	9.87
3	Anita Siroya	1,018,540	7.91					10,18,540	7.91
				-	No Change	-	-	-	-
				31.03.2016	At the end of the year	-	-	10,18,540	7.91
4	Anand Surana	525,686	4.08					5,25,686	4.08
				-	No Change	-	-	5,25,686	4.08
				31.03.2016	At the end of the year	-	-	5,25,686	4.08
5	Chandraprakash Dheerajmal Siroya	486420	3.78					4,86,420	3.78
				-	No Change	-	-	4,86,420	3.78
				31.03.2016	At the end of the year	-	-	4,86,420	3.78
6	Dilip Surana	474994	3.69					4,74,994	3.69
				-	No Change	-	-	4,74,994	3.69
				31.03.2016	At the end of the year	-	-	4,74,994	3.69
7	Shrenik D Siroya	374700	2.91					3,74,700	2.91
				-	No Change	-	0.00	3,74,700	2.91
				31.03.2016	At the end of the year	-	-	3,74,700	2.91



Sl. No	Name of the ShareHolder	Shareholding at the beginning of the year 01.04.2015		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumlative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8	Archana Surana	284996	2.21					2,84,996	2.21
				-	No Change	-	0.00	2,84,996	2.21
				31.03.2016	At the end of the year	-	-	2,84,996	2.21
9	Monica Surana	179909	1.40					1,79,909	1.40
				-	No Change	-	0.00	1,79,909	1.40
				31.03.2016	At the end of the year	-	-	1,79,909	1.40
10	Dilip Surana (HUF)	169995	1.32					1,69,995	1.32
				-	No Change	-	0.00	1,69,995	1.32
				31.03.2016	At the end of the year	-	-	1,69,995	1.32
11	Anita Chandraprakash Siroya	122687	0.95					1,22,687	0.95
				-	No Change	-	-	1,22,687	0.95
				31.03.2016	At the end of the year	-	-	1,22,687	0.95
12	Jivi Dheerajmal Siroya	46080	0.36					46,080	0.36
				-	No Change	-	0.00	46,080	0.36
				31.03.2016	At the end of the year	-	-	46,080	0.36
13	Subbarao Prasanna	20200	0.16					20,200	0.16
				-	No Change	-	0.00	20,200	0.16
				31.03.2016	At the end of the year	-	-	20,200	0.16

(iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Sl. No	Name of the ShareHolder	Shareholding at the beginning of the year 01.04.2015		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumlative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Ram Keshav Murthy	584,000	4.54		At the beginning of the year			5,84,000	4.54
				-	No Change	-	0.00	5,84,000	4.54
				31.03.2016	At the end of the year	-	-	5,84,000	4.54
2	Prakash Chandra Jain	581,270	4.52		At the beginning of the year			5,81,270	4.52
				-	No Change	-	0.00	5,81,270	4.52
				31.03.2016	At the end of the year	-	-	5,81,270	4.52
3	Hasumati Pravin Siroya	233,500	1.81		At the beginning of the year			2,33,500	1.81
				-	No Change	-	0.00	2,33,500	1.81
				31.03.2016	At the end of the year	-	-	2,33,500	1.81
4	Gautam Chand Mehta	250,000	1.94		At the beginning of the year			2,50,000	1.94
				15.01.2016	Sale of Shares	-40,000	-0.31	2,10,000	1.63
				31.03.2016	At the end of the year	-	-	2,10,000	1.63
5	Harsha Sanjay Siroya	242,324	1.88		At the beginning of the year			2,42,324	1.88
				31.07.2015	Sale of Shares	-5,000	-0.04	2,37,324	1.84
				04.12.2015	Sale of Shares	-3,000	-0.02	2,34,324	1.82
				11.12.2015	Sale of Shares	-13,245	-0.10	2,21,079	1.72
				18.12.2015	Sale of Shares	-9,000	-0.07	2,12,079	1.65
				15.01.2016	Sale of Shares	-8,000	-0.06	2,04,079	1.59
				22.01.2016	Sale of Shares	-6,000	-0.05	1,98,079	1.54
				29.01.2016	Sale of Shares	-2,000	-0.02	1,96,079	1.52
				31.03.2016	At the end of the year	-	-	1,96,079	1.52
6	Kaunshya Investments Private Limited	179,000	1.39		At the beginning of the year			1,79,000	1.39
				04.12.2015	Purchase of Shares	154,000	1.20	3,33,000	2.59
				11.12.2015	Sale of Shares	-10,000	-0.08	3,23,000	2.51
				18.12.2015	Sale of Shares	-10,000	-0.08	3,13,000	2.43
				08.01.2016	Sale of Shares	-20,000	-0.16	2,93,000	2.28
				15.01.2016	Sale of Shares	-20,000	-0.16	2,73,000	2.12
				04.12.2015	Sale of Shares	-179,000	-1.39	94,000	0.73
				31.03.2016	At the end of the year	-	-	94,000	0.73



Sl. No	Name of the ShareHolder	Shareholding at the beginning of the year 01.04.2015		Date	Reason	Purchase of Shares/Decrease in Shareholding		Cumulative Shares during the year	
		No. of Shares	% of total shares of the company			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
7	Vara Lakshmi G	-	-		At the beginning of the year			-	-
				31.07.2015	Purchase of Shares	13,000	0.10	13,000	0.10
				07.08.2015	Purchase of Shares	25,552	0.20	38,552	0.30
				14.08.2015	Purchase of Shares	37,863	0.29	76,415	0.59
				25.12.2015	Purchase of Shares	4,000	0.03	80,415	0.62
				31.03.2016	At the end of the year	-	-	80,415	0.62
8	Lalita Ashok Siroya	62,620	0.49		At the beginning of year			62,620	0.49
				-	No Change	-	0.00	62,620	0.49
				31.03.2016	At the end of the year	-	-	62,620	0.49
9	Rambabu Veldi	-	-		At the beginning of the year			0	0.00
				31.07.2015	Purchase of Shares	12,824	0.10	12,824	0.10
				07.08.2015	Purchase of Shares	24,000	0.19	36,824	0.29
				14.08.2015	Purchase of Shares	4,000	0.03	40,824	0.32
				25.12.2015	Purchase of Shares	10,000	0.08	50,824	0.39
				31.03.2016	At the end of the year	-	-	50,824	0.39
10	Kumar Dinesh Seth	-	-		At the beginning of the year			0	0.00
				15.01.2016	Purchase of Shares	70,924	0.55	70,924	0.55
				22.01.2016	Sale of Shares	-21,969	-0.17	48,955	0.38
				29.01.2016	Sale of Shares	-38,926	-0.30	10,029	0.08
				05.02.2016	Sale of Shares	-4,452	-0.03	5,577	0.04
				12.02.2016	Purchase of Shares	42,691	0.33	48,268	0.37
				19.02.2016	Sale of Shares	-36,075	-0.28	12,193	0.09
				26.02.2016	Purchase of Shares	61,698	0.48	73,891	0.57
				04.03.2016	Sale of Shares	-66,871	-0.52	7,020	0.05
				11.03.2016	Sale of Shares	-3,961	-0.03	3,059	0.02
				18.03.2016	Purchase of Shares	2,680	0.02	5,739	0.04
				25.03.2016	Sale of Shares	-5,493	-0.04	246	0.00
				31.03.2016	Purchase of Shares	50,435	0.39	50,681	0.39
				31.03.2016	At the end of the year	-	-	50,681	0.39
				11	Kiran Mardia	100,000	0.78		At the beginning of year
27.11.2015	Sale of Shares	-40,000	-0.31					60,000	0.47
25.12.2015	Sale of Shares	-60,000	-0.47					0	0.00
26.02.2016	Purchase of Shares	40,000	0.31					40,000	0.31
31.03.2016	At the end of the year	-	-					40,000	0.31
12	Saifuddin Fakhruddin Miyajiwala	50,000	0.39		At the beginning of year			50,000	0.39
				04.12.2015	Sale of Shares	-10,000	-0.08	40,000	0.31
				05.02.2016	Sale of Shares	-5,000	-0.04	35,000	0.27
				31.03.2016	At the end of the year	-	-	35,000	0.27
13	Rajesh Ghodilal Jain	58,180	0.45		At the beginning of year			58,180	0.45
				04.12.2015	Sale of Shares	-30,000	-0.23	28,180	0.22
				31.03.2016	At the end of the year	-	-	28,180	0.22
14	Chetan Fakirchand Karani	250,000	1.94		At the beginning of year			2,50,000	1.94
				11.12.2015	Sale of Shares	-3,000	-0.02	2,47,000	1.92
				18.12.2015	Sale of Shares	-1,60,000	-1.24	87,000	0.68
				25.12.2015	Sale of Shares	-75,000	-0.58	12,000	0.09
				31.03.2016	At the end of the year	-	-	12,000	0.09



V) SHAREHOLDING OF DIRECTORS AND KMP'S

Sl. No	PAN No.	Name of the Shareholder	Date	Reason	Increase/Decrease in Shareholding		% of total Shares of the company
					No. of Shares	% of total Shares of the company	
1	AWIPS5665B	Mr. Shailesh D. Siroya		At the beginning of the year	-	-	-
			-	No Change	-	-	-
			31/03/2016	At the End of the year	-	-	-
2	ABLPP7396J	Dr. S. Prasanna		At the beginning of the year	-	-	-
			-	No Change	-	-	-
3	AABPS5177K	Mr. Shrenik Siroya	31/03/2016	At the End of the year	-	-	-
				At the beginning of the year	-	-	-
			-	No Change	-	-	-
4	ABPPS0413H	Dr. G. S. R. Subba Rao	31/03/2016	At the End of the year	-	-	-
				At the beginning of the year	-	-	-
			-	No Change	-	-	-
5	AFKPS0248F	Mr. Pramod Kumar. S		At the beginning of the year	-	-	-
			-	No Change	-	-	-
			31/03/2016	At the End of the year	-	-	-
6	AQRPS3273L	Mrs. Sarika Bhandari		At the beginning of the year	-	-	-
				No change	-	-	-
			31.03.2016	At the End of the year	-	-	-
7	AFEPA5460R	Mr. Sanjay Kumar Agarwal		At the beginning of the year	-	-	-
			-	No Change	-	-	-
			31/03/2016	At the End of the year	-	-	-

VI) INDEBTEDNESS

(Amount in ` crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year			Nil	
i) Principal Amount	40.04	9.03		49.07
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-			
Total	40.04	9.03		49.07
Change in indebtedness during the financial year	-		NA	
• Addition	-			
• Reduction	-			
Net Change	-			
Indebtedness at the end of the financial year			Nil	
i) Principal Amount	52.04	17.82		69.86
ii) Interest due but not paid	-	0		0
iii) Interest accrued but not due	-	0		0
Total (i + ii + iii)	52.04	17.82		69.86

**VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Director:****(Amount in `)**

SI No	Particulars of Remuneration	Shailesh D Siroya Managing Director	Dr.Subba Rao Prasanna Whole-Time Director	Total
1	Gross Salary			
	a) Salary as per the provisions contained in section 17(1) of Income-Tax Act,1961.	78,00,000	30,00,000	1,08,00,000
	b) Value of prerequisites u/s 17(2) of Income Tax Act,1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of Income Tax Act,1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission- as % of Profit	-	-	-
5	Others,please specify	-	-	-
	Total (A)	78,00,000	30,00,000	1,08,00,000
	Ceiling as per Central Government / Share Holders approval	78,00,000	30,00,000	1,08,00,000

B. Remuneration to other directors:**(Amount in `)**

SI No	Particulars of Remuneration	G.S.R.Subbarao	Pramod Kumar S	Shrenik Siroya	Sarika Bhandari	Total
1	Independent Directors					
	· Fee for attending board and committee meetings	3,000	8,000		4,000	15,000
	· Commission	-	-		-	-
	· others	-	-		-	-
	Total (1)	3,000	8,000		4,000	15,000
2	Other Non-executive Directors					
	· Fee for attending Board Committee meetings			-		
	· Commission			-		
	· Others,please specify			-		
	Total (2)			-		
	Total (B)=(1 + 2)					
	Total managerial Remuneration	3,000	8,000	-	4,000	15,000
	Overall ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/ID**(Amount in `)**

SI No	Particulars of Remuneration	CFO & CS	TOTAL
1	Gross Salary		
	(a) Salary as per provisions of Section 17(1) of Income Tax Act,1961	13,19,220	13,19,220
	(b) Value of prerequisites u/s 17(2) Income Tax Act,1961.	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission – as % of profit	-	-
5	Others, Please specify	-	-
	Total (A)	13,19,220	13,19,220

VIII COMPOUNDING/PENALTIES/PUNISHMENT FOR OFFENCES

There were no penalties/punishments/compounding of offences as on financial year ended 31.03.2016. Annexure 5



Annexure 5

PARTICULARS OF EMPLOYEES:

Information as per Rule 5(1) and 5(II) of Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

The Nomination and Remuneration Committee of the Company fixes the remuneration of Whole time Directors and Key Managerial Personnel and is as per the remuneration policy of the Company.

Details of the remuneration paid to the Directors and Key Managerial Personnel of the Company is provided in the annual return, which forms part of this report. Disclosure of employees as per Rule 5(II) - Nil.

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2015-16

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Bal Pharma Limited has been laying significant emphasis on Corporate Governance. As a part of its growth strategy, the Company believes in adopting the 'Best Practices' which are normally followed in the area of Corporate Governance across various geographies by well managed companies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholder and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

2. BOARD OF DIRECTORS:

2.1 Composition:

The Board consist of 6 Directors, of which 3 Directors are independent. The composition of Board is in conformity with the relevant Regulations of SEBI (LODR) Regulations, 2015.

Composition of the Board is as follows:

Sl. No.	Name of the Director	Directors Identification Number	Designation
1.	Mr. Shailesh Siroya	00048109	Managing Director
2.	Dr. S. Prasanna	00084602	Whole-Time Director
3.	Mr. Shrenik Siroya	00078892	Non-Executive Director & Non Independent
4.	Dr. G.S.R Subba Rao	00048126	Independent Director
5.	Mr. Pramod Kumar S	00719828	Independent Director
6.	Mrs. Sarika Bhandari	07140112	Independent Director

All Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors are the members of more than ten committees or Chairman of more than five committees in public listed companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship and have been taken on record by the Board.

2.2 Board Meetings:

During the financial year 2015-16 under review, 5 (five) Board Meetings were held on 29-05-2015, 09-07-2015, 13-08-2015, 09-11-2015 and 10-02-2016. Compositions of the Board, attendance of the members of the Board at the Board meetings and Annual General Meeting along with their Chairmanship/Membership on Boards/Committees during the financial year 2015-16 are as furnished below:

Sl. No.	Name of the Director	Category	Attendance at		Total number of Directorships in Boards of public Limited companies as on the date of this report	Total Number of memberships in Committees of Public Limited Companies on the date of this report	
			Board Meetings	Last AGM held on 22-09-2015		As Chairman	As Member
1.	Mr. Shailesh Siroya	Executive Director	5	NO	03	Nil	02
2.	Dr. S.Prasanna	Executive Director	5	YES	01	Nil	01
3.	Mr. Shrenik Siroya	Non-Executive and Non-Independent Director	2	NO	02	Nil	03
4.	Dr. G.S.R Subbarao	Independent Director	4	NO	02	3	Nil
5.	Mr. Pramod kumar.S	Independent Director	5	NO	02	Nil	02
7.	Mrs. Sarika Bhandari	Independent Director	2	NO	01	Nil	02



Notes:

1. Other directorships exclude Foreign Companies, Private Limited Companies and alternate Directorships.
2. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

2.3 TRANSACTIONS OF THE BOARD

Board Meetings are governed by structured agenda. The Board, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to make informed decisions. Agenda papers and all the supporting information are circulated at least seven working days prior to the Board meeting date among the Board members.

Information placed before the Board

The following among other things are tabled for the Board's periodic review/information/approval:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of the Audit Committee and of Subsidiaries and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non payment of goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions which involve any substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary retirement Scheme etc.
- Sales of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
- Non-Compliance of any regulatory, statutory or listing requirements and shareholder services such as non payment of dividend, delay in share transfer etc.

2.4 BOARD COMMITTEES:

Currently, the Board has 5 (five) Committees namely (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders' Relationship Committee (4) Corporate Social Responsibility Committee and (5) Banking Transaction Committee (Non Statutory Committee). The Board decides the terms of reference of these Committees and the assignment of its Members thereof.

3. AUDIT COMMITTEE:

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of Audit Committee covers all matters specified in SEBI (LODR) Regulations, 2015 and also those specified in section 177 of Companies Act, 2013.

The terms of reference broadly include:

- Review of internal Audit Reports and action taken reports.
- Assessment of the efficiency of internal control systems/ financial reporting systems and reviewing the efficiency of the financial policies and the practices followed by the company.
- Review of the compliances with the legal and Statutory requirements, the quarterly and annual financial statement and related party transactions and report its findings to the Board.



- Recommendations of the appointment of the Internal Auditor, Statutory Auditor and Cost auditor.
- Noting of any default in the payments to creditors and shareholders.
- Such other matters as may be specifically referred to it by the Board.

The Audit Committee comprises of the following Directors for the year ended 31st March, 2016:

Sl. No.	Name of the Member	Category
1.	Dr.G.S.R Subba Rao, Member	Independent Director
2.	Mr. Shrenik Siroya, Member	Non-executive Director
3.	Mr.Pramod Kumar.S, Chairman	Independent Director
4.	Mrs. Sarika Bhandari, Member	Independent Director

- As on 31st March 2016, the Committee comprised of three Independent Directors and one Non-Executive Director, all of whom are financially literate and have relevant finance/ audit exposure.
- The Company Secretary acts as the Secretary to the Committee.
- The composition of the Audit Committee is as per the SEBI (LODR) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 22nd September, 2015.

The Audit Committee met five (5) times during the year on 29.05.2015, 09.07.2015, 13.08.2015, 09.11.2015 and 10.02.2016. The details are as follows:

Sl. No.	Name of the Member	Number of meeting attended
1.	Dr.G.S.R Subba Rao, Member	05
2.	Mr. Shrenik Siroya, Member	01
3.	Mr. Pramod Kumar. S, Chairman	05
4.	Mrs. Sarika Bhandari, Member	01

Dr.G.S.R Subba Rao has relinquished Chairmanship of Audit Committee, citing personal reasons and the Board has noted the same and appointed Mr. Pramod Kumar. S as Chairman of the Audit Committee with effect from 10.02.2016.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee functions as per the provisions of Section 178 of the Companies Act, 2013.

4.1 Brief description of terms of reference:

- To guide the Board in relation to appointment and removal of the Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

4.2 Composition of the Committee and attendance of the members:

Sl. No.	Name of the Member	Number of meeting attended
1.	Dr. G.S.R Subba Rao, Member	02
2.	Mr. Pramod Kumar. S, Chairman	02
3.	Mr. Shrenik Siroya, Member	01
4.	Mrs. Sarika Bhandari, Member	01



Dr. G.S.R Subba Rao has relinquished chairmanship of Nomination and Remuneration Committee, citing personal reasons and the Board has noted the same and appointed Mr.Pramod Kumar. S as Chairman of the Nomination and Remuneration Committee with effect from 10.02.2016.

4.3 Remuneration Policy:

The Company has framed detailed Remuneration Policy as per the requirement of Companies Act, 2013. The policy is available on the website of the Company (www.balpharma.com/pdf/Nomination_and_Remuneration%20Policy.pdf).

4.4 The Nomination and Remuneration Committee is also authorized to function as 'Compensation Committee' under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

4.5 The Remuneration paid to Mr. Shailesh Siroya (Managing Director), Dr. S. Prasanna, (Whole Time Director) and sitting fee paid to Non-executive Director and Independent Directors, during the year 2015-16 are as under:

(Amount in `)

Sl. No.	Particulars	Mr. Shailesh Siroya	Dr. S. Prasanna	Mr. Shrenik Siroya	Dr. G.S.R. Subba Rao	Mr. Pramod Kumar.S	Mrs. Sarika Bhandari
1	Salary and Perquisites	78,00,000	30,00,000	N.A.	N.A.	N.A.	NA
2	Sitting Fees	N.A.	N.A.	N.A.	6,000	8,000	4,000
	TOTAL	78,00,000	30,00,000	N.A	6,000	8,000	4,000

Remuneration paid to Whole time Directors, KMPs and Employees of the Company is based on the Remuneration policy adopted by the Company.

4.6 There were no pecuniary relationships or transactions of the Non-executive Directors vis-a-vis the Company during the Financial Year ended 31st March, 2016.

4.7 Details of Equity Shares held by Non- executive Directors as on 31.03.2016:

Sl. No.	Director	No. of Equity Shares held
1.	Dr. G S R Subbarao	Nil
2.	Mr Shrenik Siroya	3,74,700
3.	Mr Pramod Kumar S	140
4.	Mrs Sarika Bhandari	Nil

5. STAKE HOLDER'S RELATIONSHIP COMMITTEE:

5.1 The Committee consists of the following members of the Board:

Sl. No.	Director	Category
1	Dr. G S R Subba Rao, Chairman	Non Executive Director
2	Mr Shrenik Siroya	Non Executive Director
3	Mr. Shailesh Siroya	Executive Director

5.2 The Committee meets on need basis to dispose off the matters under its reference.

5.3 Name and designation of the Compliance Officer: Mr. Sanjay Kumar Agarwal

5.4 Investor Queries/Requests/ Complaints handled:

Year	Outstanding as on 31.03.2015	Received during the FY	Resolved during the FY	Pending as on 31.03.2016
2015-16	NIL	0	0	0

**6. OTHER COMMITTEES:****6.1 Banking Transactions Committee.**

Considering the size and the continuous growth of both the Company and its banking transactions, a Sub-Committee of Board, named as Banking Transactions Committee was constituted on 30th April, 2006 for approving specific banking transactions, annexed below:

- To review periodically the banking transactions of the Company;
- To open new bank accounts for the business purposes of the Company, wherever required;
- To close bank accounts of the Company, where required;
- To change signatories to the bank accounts of the Company, where required;
- To borrow funds from various Banks and financial institutions, within the limits prescribed towards working capital and for purchase of movable and immovable assets and to create charge of these assets.

The Committee comprises of Mr. Shailesh Siroya, Managing Director, Dr. S Prasanna, Whole time Director and Dr. G S R Subbarao, Independent Director.

7. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met on 10-02-2016 during the year to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and has accessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Company has also during the year conducted familiarization programmes for Independent Directors of the Company and the details of such familiarization programmes was disseminated on the websites of the Company.(www.balpharma.com/pdf/Familiarization_program_for_Director's.pdf).

8. GENERAL BODY MEETINGS:

8.1 The details of the Annual General Meetings held in last three years are as follows:

Financial Year	Date	Time	Location
2012-13	18-09-2013	4:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.
2013-14	18-09-2014	11:00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.
2014-15	22-09-2015	11:30 AM	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru-560001.

8.2 The Special Resolutions passed by the Company in its 26th, 27th and 28th AGM(s) are as under :

Date of AGM	AGM No.	Business Transacted by Special Resolution
18-09-2013	26 th	Reappointment of Dr. Subba Rao Prasanna as the Whole Time Director of the Company
18-09-2014	27 th	1. Appointment of Dr. G.S.R Subba Rao as Independent Director. 2. Appointment of Mr. Pramod Kumar. S as Independent Director. 3. Reappointment of Mr. Shailesh Siroya as Managing Director of the Company. 4. Approval to enter into contract or arrangement with Messers Desa Marketing International. 5. Approval of Bal Pharma Limited Employees Stock Option Plan, 2014. 6. Approval for the preferential issue of convertible warrants to the investors.
22-09-2015	28 th	1. Approval for borrowings in excess of prescribed limits.

8.3 e-Voting:

The Company has entered into a tripartite agreement with National Securities Depository Ltd (NSDL) and T.S.R Darashaw Private Limited, Mumbai (R&T agents) for providing e-voting facility to shareholders, as specified in Section 108 of the Companies Act, 2013 Clause 35B of the Listing Agreement.

8.4 Postal Ballot:

The Company has not passed any resolution by way of Postal Ballot during the Financial year 2015-16.

9. SUBSIDIARY /ASSOCIATE COMPANIES:

During the year under review, Lifezen Healthcare Private Limited, Bal Research Foundation and Balance Clinics LLP continue to be the subsidiaries/ associates of the Company.



10. WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. As per the requirements of SEBI (LODR) Regulations, 2015, the Company has issued a circular including the employees about their right to access Audit Committee for the purpose of bringing to the committee's notice unethical or improper practice in the Company. The Company affirms that no employee has been denied access to the Audit Committee. The Directors and Management personnel are obliged to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination.

11. DISCLOSURES:

11.1 Related Party Transactions:

There have been no other materially significant related party transactions with the Company's Promoters, Directors, the Management, their Subsidiaries or relatives which may have potential conflicts with the interest of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts.

The Company has also formulated a policy for determining the material Related Party Transaction and detail of such policies for dealing with related party and the related party transactions are disseminated in the website of the Company, (www.balpharma.com/pdf/Policy_on_dealing_with_Related_Party_Transactions.pdf)

11.2. Compliances:

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the stock exchanges or SEBI or any other statutory authority on such matters.

11.3. Demat suspense Account:

As the Company do not have any outstanding /unclaimed shares, we are not reporting the details of the outstanding shares in the demat suspense account.

12. MEANS OF COMMUNICATIONS:

- a. The Un-audited quarterly results of the Company are published in newspapers such as Financial Express, Bengaluru & Mumbai editions and Sanjevani news papers. The financial results are uploaded on our website on periodic intervals for the benefit of our shareholders.
- b. The financial result and other information about the Company was disseminated to the stock exchanges for its up dation on their respective websites.
- c. Pursuant to the Listing Regulations, all data related to quarterly financial results, shareholding pattern, etc are filed in NEAPS within the time frame prescribed in this regard.
- d. No presentations have been made to institutional investors or to analysts.

13. RISK MANAGEMENT:

Risk Management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likely hood of their occurrence, and then taking appropriate actions to address the most likely threats.

The Company has constituted Risk Management Committee with various functional heads of the Company and the Company Secretary, as its members.

14. GENERAL INFORMATION TO SHAREHOLDERS:

a) Annual General Meeting:

Date of Incorporation	May 19, 1987.
CIN	L85110KA1987PLC008368
Date and time of the 29 th Annual General meeting.	22-09-2016 at 10:30 AM
Venue of Annual General Meeting	Bharatiya Vidya Bhavan, Race Course Road, Bengaluru - 560001.
Date of Book Closure	18.09.2016 to 22.09.2016 (both days inclusive)
Financial Year	1 st April, 2015 - 31 st March, 2016

**b) Financial Calendar 2016-17(tentative):**

Financial reporting for the first quarter ended on 30-06-2016	10th August, 2016
Financial reporting for the second quarter ended on 30-09-2016	11th November,2016
Financial reporting for the third quarter ended 31-12-2016	12th February, 2017
Financial reporting for the quarter & year ended on 31-03-2017	27th May, 2017

c) Particulars of payment of Dividend for the year ended 31.03.2016

Date of Declaration (if approved at the General Meeting)	22.09.2016
Rate of Dividend (proposed)	10%
Book Closure Date	18.09.2016 to 22.09.2016 (Both days inclusive)
Date of payment of dividend (subject to approval at the general meeting)	14.10.2016
Amount of dividend to paid	₹ 1,41,72,372/-
Share Capital	₹ 14,17,23,720/-

d) Listing of Shares:

Name of the Stock Exchange	Stock Code
Bombay stock Exchange (BSE)	524824
National Stock exchange (NSE)	BALPH
ISIN Number	INE083D01012.

e) Market Price Data:

Monthly high and low quotations as well as the volume of shares traded at **National Stock Exchange of India Limited** during FY 2015-16 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
April 2015	80.00	61.60	9,50,934
May 2015	63.60	58.20	2,83,573
June 2015	63.60	50.95	3,08,069
July 2015	77.00	53.50	11,88,975
August 2015	83.80	64.15	10,73,463
September 2015	72.50	64.20	4,31,894
October 2015	83.65	73.15	7,77,145
November 2015	119.10	74.10	36,66,924
December 2015	143.05	110.55	70,31,944
January 2016	159.20	95.10	91,83,809
February 2016	112.50	80.10	54,40,527
March 2016	115.55	85.15	67,02,378

Monthly high and low quotations as well as the volume of shares traded at BSE Limited, during 2015-16 are as under:

Month	Month's High Price ₹	Month's Low Price ₹	Total volume of shares traded
April 2015	83.40	60.00	4,22,209
May 2015	66.70	56.00	90,345
June 2015	62.00	50.00	1,02,516
July 2015	81.90	52.60	5,40,859
August 2015	87.25	60.50	5,16,552
September 2015	73.75	64.00	1,49,549
October 2015	86.00	70.85	3,28,688
November 2015	121.40	72.75	12,90,147
December 2015	148.50	107.80	28,59,856
January 2016	167.90	93.50	33,43,389
February 2016	117.40	78.70	23,38,230
March 2016	117.55	82.50	24,60,240



f) Distribution of Shareholding as on 31.03.2016:

Range Start	Range End	Total Shares	Percentage of Capital	Total Number of shareholders	% of total Security holders
1	5,000	1,209,697	9.40	8,913	86.55
5,001	10,000	574,717	4.46	702	6.82
10,001	20,000	519,696	4.04	336	3.26
20,001	30,000	282,929	2.20	111	1.08
30,001	40,000	171,949	1.34	48	0.47
40,001	50,000	190,308	1.48	40	0.39
50,001	1,00,000	519,673	4.04	72	0.70
1,00,001	9,99,99,99,999	9,403,403	73.05	76	0.74
Total		12,872,372	100.00	10,298	100.00

g) Categories of Shareholders as 31.03.2016:

SI No	Category	No of Shareholders	No of shares held	% of shareholding
1	FII	0	0	0
2	Non Resident			
3	Other Banks	02	3800	0.03
4	Mutual Fund	01	200	0.00
5	Body Corporate	156	350765	2.72
6	Promoters, Directors & Relatives	14	6285802	48.83
7	Indian Public	10125	6231805	48.42
	GRAND TOTAL	10298	12872372	100%

h) Detail of shares held in Demat and Physical form:

Name of the Depository	Number of share holders	Number of shares held	% to total capital
NSDL	5576	94,34,962	73.29
CDSL	3119	31,58,475	24.54
Physical	1603	2,78,935	2.17
Total	10298	1,28,72,372	100%

i) Share Transfer System:

The Company's shares are listed and traded on the stock exchange in compulsory Demat mode. Shares in physical form which are lodged for transfer at the investor Service Centre of our R&T agent are processed and credit of shares have been given to the investors Demat account.

Periodical audits are carried out at the office of the Share Transfer Agents by independent Practising Company Secretary and requisite Compliance Certificates/Reports are obtained by the Company from Practising Company Secretary.

TSR Darashaw Limited, Mumbai, is the Share Transfer Agent of the Company for both physical and electronic mode of transfer of the Company's shares. Transfer of shares held in the physical mode are approved within a maximum period of 15 days, if found in order. Shares under objection are returned within 7 days.

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Demat requests are processed within 21 days from the date of request. The Shareholder's and Investors Grievances Committee whose terms of reference include approving physical transfer of shares meets as and when required.



j) Information in respect of unclaimed dividend due for remittance into Investor Education and Protection Fund (IEPF) is given below:

Year	Amount in `
2008.09	1,72,169
2012-13	1,66,082
2013-14	2,26,565
2014-15	2,35,886
Total	8,00,702

As per Section 125 of the Companies Act, 2013, dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

- Shareholders are advised to en-cash their dividend before the due date for transfer of unclaimed dividend amount to IEPF account. Members are requested to note that as per the Companies Act, 2013, unclaimed dividend once transferred to IEPF will not be refunded.
- Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

k) Request to Investors:

Shareholders are requested to follow the general safeguards/ procedures as detailed here under in order to avoid risks, while dealing in the securities of the Company.

- Shareholders are requested to convert their holding to demat/electronic form through any of the DP's to avoid any possibility of the loss, mutilation etc, of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.
- Shareholders holding shares in physical form who have not availed nomination facility and would like to do so are requested to avail the same, by submitting the Nomination Form SH-13. Those holding shares in electronic form are advised to contact their DP's.
- As required by SEBI, it is advised that the shareholder furnish details of their bank account and name address of their bank for incorporating the same in the dividend warrants. This would avoid credits being obtained by unauthorized persons.

l) Reconciliation of Share Capital Audit:

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificate were submitted to the stock exchange within the prescribed time limit. As on 31st March, 2016 there was no difference between the issued capital and the listed capital and the aggregate of shares held by investors in both physical and electronic form with the depositories. 1,25,93,437 Equity Shares representing 97.83.% of the paid up Equity Capital have been dematerialized as on 31st March, 2016.

m) Address for Correspondence:

Compliance Officer

Bal Pharma Limited,

Corporate Office:

5th Floor, 'Lakshmi Narayan Complex',

10/1, Palace Road, Bengaluru – 560052

Tel: 080 - 41379500 Fax: 080 - 22354057

Email:- secretarial@balpharma.com



TSR Darashaw Limited,

6-10, Haji Moosa Patrawala Industrial Estate
20 Dr.E. Moses Road, Mahalaxmi,
Mumbai -400011.
Phone:-91-22-66568484 : Fax :-91-22-66568494
Email: - csg-unit@tsrdarashaw.com

Shareholders can also contact the branch offices/Agencies of TSR Darashaw Limited, whose addresses are given below:

- i) TSR Darashaw Limited, 503, Barton Centre, 84, MG Road, Bengaluru – 560 001, Tel: 080-25580019/25320321, Fax: 080-25580019, Email: tsrdlbgang@tsrdarashaw.com.
- ii) TSR Darashaw Limited, Bungalow No: 1 E Road, Northern Town, Bistupur, Jamshedpur – 831001, Tel: 0657-2426616, Fax: 0657-2426937, Email: tsrdljsr@tsrdarashaw.com.
- iii) TSR Darashaw Limited, Tata Centre, 1st floor, 43, Jawaharlal Nehru Road, Kolkata 700071. Tel: 033- 22883087, Fax: 033-22883062, Email: tsrdlcal@tsrdarashaw.com.
- iv) TSR Darashaw Limited, Plot No: 2/42, Sant Vihar, Ansari Road, Darya Ganj, New Delhi – 110002, Tel:011-23271805, Fax: 011-23271802, Email: tsrdldel@tsrdarashaw.com.
- v) Agent: Shah Consultancy Services Pvt. Ltd, 3 Sumatinath Complex, 2nd Dhal Pritam Nagar, Ellisbridge, Ashram Road, Ahmedabad – 380006, Telefax: 079 – 26576038, Email ID shahconsultancy8154@gmail.com

**DECLARATION BY MANAGING DIRECTOR ON
CODE OF CONDUCT AS PER REGULATION 34(3) AND 53(f) OF SEBI (LODR) REGULATIONS, 2013**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2016

Place : Bengaluru

Date : 10th August 2016

Shailesh D Siroya
Managing Director



CERTIFICATION BY MANAGING DIRECTOR (CMD) AND THE CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD

We, Shailesh Siroya, Managing Director and Sanjay Kumar Agarwal, DGM Finance and Company Secretary of Bal Pharma Limited, certify that:

1. We have reviewed the financial statement and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of the internal control. The internal auditor works with all levels of management and statutory auditors and report significant issues to the audit committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's Internal control system and financial reporting. However, during the year there was no such instance.

Place : Bengaluru
Date : 10th August, 2016

Sd/-
Managing Director

Sd/-
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT AND THE SEBI (LODR) REGULATIONS, 2015:

To
The Members of
Bal Pharma Limited
Bengaluru

I have examined all the relevant records of Bal Pharma Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the year ended 31st March, 2016 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement / the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru
Date : 10th August, 2016

Vijayakrishna K T
Company Secretary
FCS-178 CP-980

**TO THE MEMBERS OF BAL PHARMA LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of BAL PHARMA LIMITED, ("the company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, its profits and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **'Annexure-A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating



effectiveness of such controls, refer to our separate report in 'Annexure-B'.

- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i). The Company has disclosed the impact, if any, of pending litigations as at 31 March 2016, on its financial position in its financial statements – Refer Note 37 to the financial statements.
 - ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii). There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.

- iii. The Company has granted unsecured loans to companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
 - (a) We are unable to comment as to whether the terms and conditions of the loans granted to the companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Act, are not prejudicial to the company's interest as there has been no stipulation with respect to the same.
 - (b) We are unable to comment on the repayment of loans granted to companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Act, as there has been no stipulation with respect to the repayment of such loans or the payment of interest.
 - (c) We are also unable to ascertain the overdue amount as there has been no stipulation with respect to the repayment of such loans or the payment of interest.

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants
Firm registration no: 002491S

T D JAIN

Partner
M. No.: 012034

Bengaluru
25 May 2016

Annexure-A to the Independent Auditor's Report

(The annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Bal Pharma Limited for the year ended 31 March 2016)

- i. In respect of its fixed assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us by the management, the Company has a policy of physically verifying fixed assets in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - (c) The title deeds of all the immovable properties are held in the name of the company.
- ii. As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year. In

- iv. In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposit to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us:

- (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31 March 2016 for a period of more than six months from the date they became payable.



- (b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of an any dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount involved* (₹)
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	Commissioner of Central Excise	Nov 2007 to March 2012	85,88,511
The Central Excise Act, 1944	Central Excise Duty and Penalty	Commissioner of Central Excise	January to October 2010	2,88,356
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	Jan to Oct 2010	24,34,816
The Central Excise Act, 1944	Central Excise Penalty	CESTAT	Nov 2007 to July 2011	85,01,823
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	July 2011 to December 2011	1,79,119
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	Jan to Feb 2012	3,28,671
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	March 2012 to Jan 2013	13,50,844
The Central Excise Act, 1944	Central Excise Duty and Penalty	Assistant Commissioner of Central Excise	Dec-08	1,79,184
The Central Excise Act, 1944	Central Excise Duty and Penalty	Additional Commissioner of Central Excise	FY 2010-11, 2011-12 & 2012-13	21,82,891
The Central Excise Act, 1944	Central Excise Duty and Penalty	Assistant Commissioner of Central Excise	FY 2013-14 & 2014-15	7,42,297
Income Tax Act, 1961	Income tax	Honorable High court of Karnataka	FY 2005-06	9,63,682

*Net of amounts paid under protest or otherwise. Amount as per demand order including interest wherever quantified.

- viii. Based on our audit procedures, information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the company during the year have been applied for the purposes for which they were obtained. Further, the company has not raised any money by way of public issue/ follow on offer.
- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the company and no fraud on the company by its officers/ employees has been noticed or reported during the course of our audit.
- xi. The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by section 197 read with Schedule V of the Companies Act.
- xii. The company is not a Nidhi Company and therefore clause 3(xii) of the Order is not applicable to the company.
- xiii. All transactions with the related parties are in compliance with Section 188 and 177 (where applicable) of Companies Act, 2013 and the details thereof have been disclosed in the standalone financial statements as required by the Accounting Standards and Companies Act, 2013.
- xiv. The Company has not made any preferential allotment/ private placements of shares during the year and therefore clause 3(xiv) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with him and therefore clause 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **M/s T D JAIN AND D I SAKARIA**
Chartered Accountants
Firm registration no: 002491S

T D JAIN
Partner
M. No.: 012034

Bengaluru
25 May 2016



'Annexure – B' to the Independent Auditors' Report of Even Date on the Standalone Financial Statements of Bal Pharma Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BAL PHARMA LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s T D JAIN AND D I SAKARIA**
Chartered Accountants
Firm registration no: 002491S

T D JAIN
Partner
M. No.: 012034

Bengaluru
25 May 2016

**BALANCE SHEET AS AT 31 MARCH 2016**

Particulars	Note no	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' fund			
Share capital	3	12,87,23,720	12,87,23,720
Reserves and surplus	4	41,81,02,004	40,70,99,346
Money received against share warrants	3	2,01,50,000	2,01,50,000
		56,69,75,724	55,59,73,066
Non- current liabilities			
Long-term borrowings	5	15,93,66,449	6,64,43,264
Deferred tax liabilities (Net)	6	6,95,77,172	7,28,57,800
Other long term liabilities	7	89,59,483	74,59,483
Long-term provisions	8	2,22,89,187	1,65,18,446
		26,01,92,291	16,32,78,993
Current liabilities			
Short- term borrowings	9	50,09,15,144	40,13,78,854
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	10	-	1,119
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10	46,74,66,154	38,48,63,967
Other current liabilities	11	11,53,72,684	11,77,11,012
Short- term provisions	8	2,23,98,210	1,82,82,039
		1,10,61,52,192	92,22,36,991
Total		1,93,33,20,207	1,64,14,89,050
ASSETS			
Non- current assets			
Fixed assets			
Tangible assets	12	51,33,10,593	47,03,79,315
Intangible assets	13	4,62,28,812	4,86,64,727
Capital work in progress		3,92,54,557	76,85,181
Non- current investments	14	1,17,50,000	1,09,50,000
Long term loans and advances	15	7,51,63,063	5,40,40,624
Other non-current assets	16	31,93,633	32,94,793
		68,89,00,658	59,50,14,640
Current assets			
Inventories	17	41,61,15,377	35,77,17,155
Trade receivables	18	56,82,38,607	44,98,75,566
Cash and cash equivalents	19	4,46,35,348	4,53,79,571
Short-term loans and advances	15	21,26,78,171	19,15,08,361
Other current assets	16	27,52,046	19,93,757
		1,24,44,19,549	1,04,64,74,410
Total		1,93,33,20,207	1,64,14,89,050

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration number- 002491S

For and on behalf of **Board of Directors of Bal Pharma Limited****T D Jain**

Partner

Membership No. 012034

Bengaluru
25 May 2016**Sanjay Kumar Agarwal**Chief Financial Officer &
Company Secretary**Dr. S. Prasanna**

Director

Shailesh Siroya

Managing Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	Note no	31 March 2016	31 March 2015
Income			
Revenue from operations (gross)	20	2,01,82,39,845	1,90,66,94,660
Less: Excise duty		4,16,75,166	3,53,95,064
Revenue from operations (net)		1,97,65,64,679	1,87,12,99,596
Other income	21	1,49,61,226	1,19,47,825
Total Income - (i)		1,99,15,25,905	1,88,32,47,421
Expenses			
Cost of materials consumed	22	97,67,81,879	96,11,71,329
Purchase of traded goods	23	7,38,66,528	6,22,88,579
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(37,72,406)	(3,14,68,384)
Employees benefits expenses	25	35,67,19,177	31,96,23,612
Other expenses	26	40,15,79,350	38,44,23,103
Total Expense - (ii)		1,80,51,74,528	1,69,60,38,239
Earnings before interest, tax, depreciation and amortization - EBITDA - (i-ii)		18,63,51,377	18,72,09,182
Finance costs	27	6,47,65,963	6,51,61,765
Depreciation and amortization expenses	28	6,97,41,902	7,00,34,980
Profit/(loss) before tax - (iii)		5,18,43,512	5,20,12,437
Tax expenses			
Current tax		1,23,56,060	1,04,77,641
MAT credit (entitlement)/utilised		70,39,469	76,50,183
Net Current Tax		1,93,95,529	1,81,27,824
(Excess)/Short provision for tax of earlier years		76,68,422	(1,96,332)
Deferred Tax		(32,80,630)	(61,47,198)
Total tax expense - (iv)		2,37,83,321	1,17,84,294
Profit/(loss) for the year (iii-iv)		2,80,60,191	4,02,28,142
Earning per equity share: Nominal value per share: ` 10 (31 March 2015: ` 10)			
Basic		2.18	3.14
Diluted		2.18	3.11

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration number- 002491S

For and on behalf of **Board of Directors of Bal Pharma Limited****T D Jain**

Partner

Membership No. 012034

Bengaluru

25 May 2016

Sanjay Kumar AgarwalChief Financial Officer &
Company Secretary**Dr. S. Prasanna**

Director

Shailesh Siroya

Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

Particulars	31 March 2016	31 March 2015
Cash flows from operating activities:		
Profit before tax	5,18,43,512	5,20,12,436
Add/(Less) : Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortisation	6,97,41,902	7,00,34,980
- Proposed Dividend & Tax on Dividend	(1,70,57,533)	(1,54,46,089)
- (Gain)/Loss on sale of fixed assets	(1,56,100)	(1,15,672)
- Finance cost	6,47,65,963	6,51,61,765
- Interest income	(51,66,222)	(29,24,567)
Operating profit/(loss) before working capital changes	16,39,71,522	16,87,22,853
Add/(Less): Working capital changes		
- Decrease / (Increase) in inventories	(5,83,98,222)	(4,05,75,362)
- Decrease / (Increase) in trade receivables	(11,83,63,041)	50,06,127
- Decrease / (Increase) in loans and advances	(4,22,92,249)	(5,82,86,462)
- Decrease/(Increase) in other assets	(6,57,129)	(17,72,415)
- Increase/(Decrease) in trade payables	8,26,01,069	4,95,55,992
- Increase/(Decrease) in other liabilities	(1,21,13,123)	2,02,32,785
- Increase/(Decrease) in provisions	60,54,681	1,40,11,645
Cash generated from/(used in) operations	2,08,03,508	15,68,95,164
Direct taxes paid	80,19,661	1,30,54,333
Net cash flow from/(used in) operating activities (A)	1,27,83,847	14,38,40,831
Cash flows from investing activities :		
Purchase of fixed assets including intangible assets and capital work-in-progress	(14,18,50,539)	(5,30,82,032)
Proceeds from sale of fixed assets	2,00,000	3,02,158
Interest income	51,66,222	29,24,567
Investment in Subsidiaries	(8,00,000)	(1,08,00,000)
Net cash flow from/(used in) investing activities (B)	(13,72,84,318)	(6,06,55,307)
Cash flows from financing activities:		
Receipts against issue of share warrants	-	2,01,50,000
Money Received on Conversion of Share warrant	-	1,96,16,734
Receipts of Long term borrowings	13,99,75,597	1,60,19,000
Repayment of Long - term borrowings	(3,57,77,617)	(1,74,91,156)
Receipts of short - term borrowings	9,95,36,289	(2,61,20,345)
Dividend paid (including dividend distribution tax)	(1,52,12,057)	(1,50,60,030)
Finance cost	(6,47,65,963)	(6,51,61,764)
Net cash flow from/(used in) financing activities (C)	12,37,56,249	(6,80,47,561)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,44,222)	1,51,37,963
Cash and cash equivalents at the beginning of the year	4,53,79,571	3,02,41,608
Cash and cash equivalents at the end of the year	4,46,35,348	4,53,79,571
Components of cash and cash equivalents		
Cash in hand	3,71,652	3,80,436
Balance with banks - on current accounts	1,63,46,949	2,11,06,523
Balance with banks - on deposit accounts	2,79,16,747	2,38,92,612
Total Cash and cash equivalents	4,46,35,348	4,53,79,571

As per our report of even date
For **M/s T D JAIN AND D I SAKARIA**
Chartered Accountants
Firm registration number- 002491S

For and on behalf of Board of Directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

Sanjay Kumar Agarwal
Chief Financial Officer &
Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bengaluru
25 May 2016



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Corporate Information

Bal Pharma Limited (the company) is a Public Limited Company domiciled in India and incorporated under provisions of the Companies Act, 1956. Its shares are listed on two recognized stock exchanges in India. The company is engaged in the manufacturing and selling of pharmaceutical products. The company caters to both domestic and international markets.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to apply as per Section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) rules, 2014, and other recognized accounting practices and policies generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates and adopts all recently issued or revised accounting standards on an ongoing basis.

2.1. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenditure for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Revenue recognition

Revenue from domestic sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from export sales is recognized when the significant risks and rewards of ownership of products are transferred to the customer, which is based upon the terms of the applicable contract.

Revenue from product sales is stated inclusive of Excise Duty and exclusive of returns, sales tax and applicable trade discounts and allowances.

Service income is recognized as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognized on the time proportionate method.

Export entitlements under the Duty Drawback ('DBK'), Focus Marketing incentive scheme(FMS), Focus product scheme (FPS), Market Linked Product Scheme (MLPS), Incremental Exports incentive scheme, Merchandise Export India Scheme and Service tax rebate scheme (STR) are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment.

c) Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use and all pre-operative expenses till the commencement of commercial production are capitalized.

Advances paid towards acquisition of tangible fixed assets outstanding at the end of the reporting period is shown under loans and advances and the cost of tangible fixed assets not ready for their intended use before such date are disclosed under capital work in progress.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

d) Intangible fixed assets

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

e) Depreciation

The Company adopted depreciation on straight line basis. Pursuant to the enactment of Companies act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/ Amortized over the revised/ remaining useful lives after considering residual value of 5% of cost of the asset. The written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted net of tax, in the opening balance of Reserves and Surplus.

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Intangible assets are amortized as under:

<u>Intangible assets</u>	<u>Estimated Useful Life</u>
Computer Softwares	6 Years

f) Valuation of inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determining cost of various categories of inventories are as follows:

Raw materials	First in-first-out (FIFO)
Stores and spares	First in-first-out (FIFO)
Work-in-process and finished goods (manufactured)	FIFO and including an appropriate share of production overheads
Finished goods (traded)	Actual cost of purchase

g) Retirement benefits

- Gratuity

In accordance with Indian laws, Bal Pharma Limited provide for gratuity, a defined benefit retirement plan covering all eligible employees of the Company. In accordance with the payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and tenure of employment and vesting occurs upon completion of five years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

Provision for gratuity & compensated absences is made on the basis of actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions payable to the recognized provident fund, which is defined contribution scheme, are charged to the statement of profit and loss.

- Short term employees benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. These benefits include leave travel allowance, bonus/performance incentives.

h) Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

i) Foreign currency transactions and balances

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year-end rates. The resultant exchange differences are recognized in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

j) Expenditure on research and development

In accordance with the Accounting Standard 26 on Intangible Assets, the Management has recognized Revenue Expenditure, direct as well as allocated, on R & D projects for development of new products and processes as Intangible Assets, since it is of the opinion that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. These assets shall be amortized over a period of ten years starting from the year of commercial production. However, Revenue Expenditure on projects, which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure incurred on research and development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the company.

k) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after April 01, 2001 are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

l) Income tax expense

Income tax expense comprises current tax and deferred tax charge or credit.

- Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit Entitlement".

The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

m) Earning per share

In determining earnings per share, the company considers the net profit after tax and includes the post-tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

n) **Employee stock option schemes**

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the employee stock option schemes, over the exercise price is treated as employee compensation and amortized over the vesting period.

o) **Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) **Impairment of tangible and intangible assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be Impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previous assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical Cost.

q) **Accounting for amalgamation**

The company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The company accounts for all amalgamations in the nature of merger using the pooling of interest method. The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company is adjusted in reserves.

r) **Cash flow statement**

The Cash Flow Statement is prepared by the "Indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows from operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Share Capital

	31 March 2016	31 March 2015
Authorized shares		
1,50,00,000 (31 March 2015: 1,50,00,000) equity shares of ₹ 10 each	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
Issued, subscribed and fully paid-up shares		
1,28,72,372 (31 March 2015: 1,28,72,372) equity shares of ₹ 10 each	12,87,23,720	12,87,23,720
Total	12,87,23,720	12,87,23,720

a. Reconciliation of the equity shares outstanding at the beginning of the reporting period

	31 March 2016		31 March 2015	
	Nos	₹	Nos	₹
At the beginning of the period	1,28,72,372	12,87,23,720	1,11,11,388	11,11,13,880
Issued during the period	-	-	17,60,984	1,76,09,840
Outstanding at the end of the period	1,28,72,372	12,87,23,720	1,28,72,372	12,87,23,720

b. Terms/Rights attached to Equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting period : Nil (31 March 2015 : Nil)

d. Details of shareholders holding more than 5% shares in the company

	31 March 2016		31 March 2015	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of ₹ 10 each fully paid				
Micro Labs Limited	13,10,836	10.18	13,10,836	10.18
Shailesh Siroya	12,70,759	9.87	12,70,759	9.87
Anita Siroya	10,18,540	7.91	10,18,540	7.91

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Shares reserved for issue under options

During the financial year 2014-15, 13,00,000 preferential share warrants convertible into equivalent number of equity shares of ₹ 10/- each at a premium of ₹ 52 per share, had been issued to the under mentioned strategic investors by the company on 18 August 2014, from whom 25% of the issue price amounting to ₹ 2,01,50,000 has been received in advance entitling the warrant holder to apply for an equivalent number of equity shares on payment of balance 75% of the issue price within 18 months from the date of allotment of warrants. As on 31 March 2016 all the warrants are outstanding and equivalent number of equity share are reserved for issue against the same. Balance amount outstanding against these warrants amounts to ₹ 6,04,50,000.

Name of the allottees	No of warrants	Amount Received	Amount Receivable
Mr Vipul Kamat	4,00,000	62,00,000	1,86,00,000
Mr Naresh D P	3,00,000	46,50,000	1,39,50,000
Mr Jitendra Tej Raj Lunia	3,00,000	46,50,000	1,39,50,000
Ms, Asha Tapidas Dodhia	3,00,000	46,50,000	1,39,50,000
Total	13,00,000	2,01,50,000	6,04,50,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. Reserves and surplus	31 March 2016	31 March 2015
Capital reserves		
Balance as at beginning of the reporting period	44,05,725	44,05,725
Add: Additions during the year	-	-
Closing balance	44,05,725	44,05,725
Securities premium account		
Balance as at beginning of the reporting period	17,31,66,099	15,37,95,275
Add: Additions on account of issue of shares reserved for preferential share warrants	-	1,93,70,824
Closing balance	17,31,66,099	17,31,66,099
General reserve		
Balance as at beginning of the reporting period	2,45,15,000	2,45,15,000
Add: amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	2,45,15,000	2,45,15,000
Surplus/(deficit) in the statement of profit and loss		
Balance as at beginning of the reporting period	20,50,12,522	18,93,01,716
Less: short provision of equity dividend & tax on equity dividend for FY 2013-14	-	(20,60,264)
Less: Net block of assets written off as per revised useful life specified Schedule II of the Companies Act 2013 (net of deferred tax)	-	(70,10,983)
Add: Profit for the year	2,80,60,191	4,02,28,142
Less: Appropriations		
Proposed final equity dividend (Amount per share ` 1 (31 March 2015 ` 1)	(1,41,72,372)	(1,28,72,372)
Tax on proposed equity dividend	(28,85,161)	(25,73,717)
Surplus in the statement of profit and loss	21,60,15,180	20,50,12,522
Total	41,81,02,004	40,70,99,346

5. Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term Loans				
- From banks				
Exim Bank (secured)	3,60,00,000	4,80,00,000	1,20,00,000	1,20,00,000
Corporation Bank (secured)	6,73,11,586	75,00,000	11,88,414	-
Kotak Mahindra Bank (unsecured)	48,40,559	34,03,362	53,47,920	47,09,795
- From financial institutions				
Tata Capital Limited (unsecured)	10,57,299	5,81,166	28,50,775	31,70,497
Magma Fincorp Limited (unsecured)	10,43,125	13,40,020	41,53,152	30,86,048
Magma Fincorp Limited (unsecured)	-	-	13,40,020	-
Bajaj Finance Limited (unsecured)	4,43,42,971	-	70,39,212	17,73,034
Other Loans and Advances				
- Vehicle loan (secured)	47,70,909	56,18,716	31,97,715	22,91,453
	15,93,66,449	6,64,43,264	3,71,17,208	2,70,30,827
The above amount includes				
Secured borrowings	10,80,82,495	6,11,18,716	1,63,86,129	1,42,91,453
Unsecured borrowings	5,12,83,954	53,24,548	2,07,31,079	1,27,39,374
Amount disclosed under the head "other current liabilities" - refer note 11	-	-	(3,71,17,208)	(2,70,30,827)
Total	15,93,66,449	6,64,43,264	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

- a. Term loan obtained from EXIM Bank of Rs 6.00 Crores towards expansion of research & development centre at Bengaluru and expenditure pertaining to R&D activities, is secured by pari passu first charge on the entire moveable fixed assets of the company by way of hypothecation and pari passu first charge by way of equitable mortgage on all immovable fixed assets of the company, both present and future, more particularly unit 1, unit 2, unit 3 & Unit 4 of the company and personal guarantee of managing director. The loan is repayable in 20 equal quarterly instalment of Rs 0.30 Crore each, starting from April 2015 and 16 instalments are outstanding on 31 March 2016 and carries interest @ Exim bank LTMLR plus 250 basis points, which is currently @ 12.70%.
- b. Term loan obtained from Corporation Bank of ₹ 6.97 crores (against sanctioned amount of ₹ 23.45 Crores) towards upgradation and expansion of the manufacturing facilities at unit 1, 2 & 4, is secured by Mortgage on paripasu first charge with Exim bank, the industrial property of unit 1, 2 & 4 and Hypothecation paripasu first charge basis with Exim bank, entire movable fixed assets of the company, both present and future, belonging to unit 1, unit 2 & 4 of the company. The loan is repayable in 104 instalments starting from April 2017 and carries a rate of interest of LTMLR plus 5.6% i.e., 15.85%
- c. The vehicle loans are secured by hypothecation of vehicles taken on loan.

6. Deferred tax liability (net)**Deferred tax assets**

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

Others

Gross deferred tax assets**Deferred tax liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting

Gross deferred tax liability**Net deferred tax liability**

	31 March 2016	31 March 2015
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	91,86,200	71,64,479
Others	9,13,054	9,13,054
Gross deferred tax assets	1,00,99,254	80,77,533
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	7,96,76,426	8,09,35,333
Gross deferred tax liability	7,96,76,426	8,09,35,333
Net deferred tax liability	6,95,77,172	7,28,57,800

7. Other Long term liabilities

Others

Deposit received from customers

Total

	31 March 2016	31 March 2015
Deposit received from customers	89,59,483	74,59,483
Total	89,59,483	74,59,483

8. Provisions**Provision for employee benefits**

Provision for gratuity (refer note 30)

Provision for leave benefits (refer note 30)

Other provisions

Provision for income tax (net of advance tax)

Proposed equity dividend

Provision for tax on proposed dividend

Provision for wealth tax

Total

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for gratuity (refer note 30)	1,88,54,738	1,33,01,819	7,33,463	14,94,517
Provision for leave benefits (refer note 30)	34,34,449	32,16,627	7,55,162	1,21,174
	2,22,89,187	1,65,18,446	14,88,625	16,15,691
Provision for income tax (net of advance tax)	-	-	38,52,052	12,00,598
Proposed equity dividend	-	-	1,41,72,372	1,28,72,372
Provision for tax on proposed dividend	-	-	28,85,161	25,73,717
Provision for wealth tax	-	-	-	19,661
	-	-	2,09,09,585	1,66,66,348
Total	2,22,89,187	1,65,18,446	2,23,98,210	1,82,82,039



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9. Short-term borrowings

	31 March 2016	31 March 2015
From Banks		
- Cash credit (secured)	22,35,88,991	19,82,74,912
- Packing credit (secured)	10,33,76,121	6,47,57,318
- Bills discounted (secured)	6,77,35,858	6,27,83,859
- Buyers credit (secured)	10,62,14,174	7,55,62,765
Total	50,09,15,144	40,13,78,854
The above amount includes		
Secured borrowings	50,09,15,144	40,13,78,854
Unsecured borrowings	-	-

Short term borrowings from banks obtained under a Consortium arrangement with pari passu charge is secured by hypothecation of stock and book debts and second charge on all movable fixed assets. Cash credit is repayable on demand and carries interest rate @ 11.45% p.a to 13.65% p.a.

10. Trade payables

	31 March 2016	31 March 2015
Trade payables		
"- Due to micro enterprises and small enterprises (Refer Note 32)"	-	1,119
- Dues to creditors other than micro enterprises and small enterprises*	46,74,66,154	38,48,63,967
Total	46,74,66,154	38,48,65,086

* Refer note no 34 for details of dues to related parties

11. Other current liabilities

	31 March 2016	31 March 2015
Current maturities of long-term borrowings (note 5)	3,71,17,208	2,70,30,828
Creditors for capital goods	1,35,19,219	70,38,896
Interest accrued but not due on borrowings	11,88,414	2,45,903
Investor education and protection fund will be credited by following amounts		
Unpaid dividend	8,00,611	7,54,364
Advances from customers	2,78,28,140	4,91,95,492
Book overdraft on account of issue of cheques	61,62,002	43,88,711
Statutory liabilities	79,12,741	64,33,518
Other payables	2,08,44,349	2,26,23,301
Total	11,53,72,684	11,77,11,012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016



12. Tangible assets

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at beginning of the reporting period	Additions	Disposals	As at end of the reporting period	Upto last year	For the year	Disposals	Total	As at end of the reporting period	As at beginning of the reporting period
Tangible Assets										
Freehold Land	57,87,483	4,65,41,237	-	5,23,28,720	-	1,46,988	-	1,46,988	5,21,81,732	57,87,483
Leasehold Land	1,31,93,840	-	-	1,31,93,840	8,81,892	-	-	8,81,892	1,23,11,948	1,23,11,948
Building	23,07,51,862	47,78,118	-	23,55,29,980	6,21,90,481	74,03,161	-	6,95,93,642	16,59,36,338	16,85,61,381
Plant & Machinery	21,05,41,778	2,20,37,955	-	23,25,79,733	9,10,00,954	1,41,14,986	-	10,51,15,940	12,74,63,793	11,95,40,824
Utilities	26,68,06,645	1,02,81,026	-	27,70,87,671	12,98,64,876	1,99,61,273	-	14,98,26,149	12,72,61,522	13,69,41,769
Furniture and Fixtures	1,81,40,178	10,26,075	-	1,91,66,253	1,40,95,621	15,22,557	-	1,56,18,178	35,48,075	40,44,557
Office equipments	2,64,95,779	31,83,848	-	2,96,79,627	1,75,50,880	16,75,931	-	1,92,26,811	1,04,52,816	89,44,899
Vehicles	3,14,50,241	30,58,419	8,77,992	3,36,30,668	1,72,03,786	31,06,605	8,34,092	1,94,76,299	1,41,54,370	1,42,46,455
Total	80,31,67,806	9,09,06,678	8,77,992	89,31,96,492	33,27,88,490	4,79,31,501	8,34,092	37,98,85,999	51,33,10,593	47,03,79,315
31 March 2015	77,26,05,155	3,12,19,936	6,57,285	80,31,67,806	26,94,74,395	6,37,84,894	4,70,799	33,27,88,490	47,03,79,315	50,31,30,760

1. Depreciation for the year includes: depreciation amounting to ` 30,974 (Previous Year ` 11,448) on assets used for research and development. During the year company incurred ` Nil (Previous Year ` 4,28,944) towards capital expenditure for Research and Development

2. The leasehold land is being amortised over the initial period of lease.

13. Intangible assets

Particulars	Gross carrying value				Amortization				Net carrying value	
	As at beginning of the reporting period	Additions	Disposals	As at end of the reporting period	Upto last year	For the year	Disposals	Total	As at end of the reporting period	As at beginning of the reporting period
Softwares	5,45,346	-	-	5,45,346	1,26,273	1,10,977	-	2,37,250	3,08,096	4,19,073
R & D Expenses	14,46,05,112	1,93,74,485	-	16,39,79,597	9,63,59,458	2,16,99,423,20	-	11,80,58,881	4,59,20,716	4,82,45,654
Market Development Expenditure	1,16,90,472	-	1,16,90,472	-	1,16,90,472	-	1,16,90,472	-	-	-
Total	15,68,40,930	1,93,74,485	1,16,90,472	16,45,24,943	10,81,76,203	2,18,10,401	1,16,90,472	11,82,96,131	4,62,28,812	4,86,64,727
31 March 2015	14,02,04,551	1,66,36,379	-	15,68,40,930	9,15,47,930	1,66,28,273	-	10,81,76,203	4,86,64,727	4,86,56,621



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. Non current investments	31 March 2016	31 March 2015		
Trade investments (valued at cost unless stated otherwise)				
Investment in equity instruments - Quoted				
10,000 (PY 10,000) Equity shares of ` 10 each fully paid in Lamina Foundries Limited (At Cost Less Provision for other than temporary diminution of ` 3,71,850)	-	-		
73,600 (PY 73,600) Equity shares of ` 10 each fully paid in Sri Jayalakshmi Autospin Limited (At Cost Less Provision for other than temporary diminution of ` 7,36,000)	-	-		
Investment in equity instruments - Unquoted				
4,000 (31 March 2015: 4,000) shares of ` 25 each fully paid in The saraswat cooperative Bank Limited	1,00,000	1,00,000		
5,000 (31 March 2015: 5,000) shares of ` 10 each fully paid in The Shamrao vithal Co-operative Bank Limited	50,000	50,000		
Investments in Subsidiary Companies				
10,00,000 (31 March 2015: 10,00,000) shares of ` 10 each fully paid in Lifezen Healthcare Private Limited	1,00,00,000	1,00,00,000		
80,000 (31 March 2015: Nil) shares of ` 10 each fully paid in Bal Research Foundation	8,00,000	-		
80,000 (31 March 2015: 80,000) shares of ` 10 each fully paid in Balance Clinics LLP	8,00,000	8,00,000		
Total	1,17,50,000	1,09,50,000		
Aggregate amount of Quoted investments	11,07,850	11,07,850		
Aggregate amount of unquoted investments	1,17,50,000	1,09,50,000		
Aggregate provision for diminution in value of investment	11,07,850	11,07,850		
Details of Investments in LLP				
<u>Name of the Partners and share in profit</u>				
Bal Pharma Limited	80%	80%		
Shailesh Siroya	20%	20%		
Total Capital of the Firm	1,00,00,000	1,00,00,000		
15. Loans and advances	Non-current	Current		
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured considered good	4,25,50,783	2,37,57,888	-	-
Security deposit				
Unsecured considered good	2,25,25,027	1,39,81,918	-	62,22,054
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,04,85,220	1,66,44,008
Other loans and advances				
MAT Credit entitlement	-	1,44,05,931	-	-
Prepaid Expenses	-	1,18,524	1,14,45,065	1,14,81,468
Loans/advances to employees	-	-	6,94,577	19,71,337
Balance with statutory/government authorities	1,00,87,253	17,59,638	16,27,74,048	14,91,14,865
Loans and Advances to Subsidiaries	-	-	1,52,07,920	54,89,503
Others	-	16,725	20,71,342	5,85,125
	1,00,87,253	1,63,00,818	19,21,92,952	16,86,42,299
Total	7,51,63,063	5,40,40,624	21,26,78,171	19,15,08,361

Loans and advances includes loans and advances due by directors or other officers, etc.: ` Nil (31 March 2015: ` Nil)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Other assets

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good unless stated otherwise				
Non current bank balance (note no 19)	31,93,633	29,32,783	-	-
	31,93,633	29,32,783	-	-
Others				
Insurance claims	-	-	6,23,587	6,23,590
Interest accrued on deposits	-	3,62,010	21,28,459	13,70,167
	-	3,62,010	27,52,046	19,93,757
Total	31,93,633	32,94,793	27,52,046	19,93,757

17. Inventories (valued at lower of cost and net realizable value)

	31 March 2016	31 March 2015
Raw materials (Includes in transit Nil (31 March 2015: 2,000,010)	16,52,75,463	11,78,53,690
Packing material	5,00,99,452	4,17,50,948
Work-in progress	8,64,05,577	6,20,06,425
Finished goods	11,29,20,025	13,35,46,771
Stores and spares	14,14,860	25,59,321
Total	41,61,15,377	35,77,17,155

18. Trade receivables

	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,96,25,466	5,31,57,890
Other receivables		
Unsecured, considered good	46,86,13,141	39,67,17,676
Total	56,82,38,607	44,98,75,566

19. Cash and cash equivalents

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash on hand	-	-	3,71,652	3,80,436
Balance with bank				
On current Account	-	-	1,34,06,123	2,03,47,068
On EEFC account	-	-	5,720	5,091
On unpaid dividend account	-	-	8,00,703	7,54,364
Deposits with original maturity of less than 3 months	-	-	21,34,403	-
	-	-	1,67,18,601	2,14,86,959
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	51,57,809	95,91,895
Deposits with original maturity for more than 12 months*	31,93,634	29,32,783	2,27,58,938	1,43,00,717
	31,93,634	29,32,783	2,79,16,747	2,38,92,612
Amount disclosed under other non current assets (note no 16)	(31,93,634)	(29,32,783)	-	-
Total	-	-	4,46,35,348	4,53,79,571

* Includes deposits held as margin money against Letters of Credit and Bank Guarantees



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
20. Revenue from operations		
Sale of products		
- Finished goods	1,83,61,68,554	1,75,73,17,048
- Traded goods	14,55,58,522	10,24,49,370
Sale of services	15,63,146	1,98,500
other operating revenue		
- Scrap sales	24,02,240	22,94,424
- Export benefits	3,21,28,217	4,31,25,370
- Provisions / creditors no longer payable written back	-	8,52,606
- Bad debts recovered		4,57,342
- Others	4,19,166	-
Total	2,01,82,39,845	1,90,66,94,660
Details of products sold		
- Finished goods sold		
Tablets	77,90,64,802	78,64,30,132
Capsules	6,06,69,128	7,59,56,598
Liquids	9,93,43,530	11,01,39,945
Ointments	2,50,82,531	3,00,95,941
EED	13,65,274	22,59,226
Bulk drugs	87,06,43,290	75,24,35,206
	1,83,61,68,554	1,75,73,17,048
- Traded goods sold		
Tablets	3,70,22,515	2,82,11,348
Capsules	6,58,29,539	4,62,09,944
Liquids	4,27,06,469	2,80,28,078
	14,55,58,522	10,24,49,370
Details of services rendered		
- Testing services	64,400	1,98,500
- Job work	14,98,746	-
	15,63,146	1,98,500
21. Other Income		
Interest Income		
Bank deposits	27,22,606	24,89,771
Others	24,43,616	4,34,796
Exchange differences (Net)	96,38,904	58,96,309
Government Grants and subsidies	-	30,11,277
Profit on sale of asset	1,56,100	1,15,672
Total	1,49,61,226	1,19,47,825



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. Cost of materials consumed

	31 March 2016	31 March 2015
Raw materials		
Opening Stock	11,78,53,690	11,25,12,685
Add: Purchases	91,71,53,523	84,72,83,821
Less: Closing stock	16,52,75,463	11,78,53,690
	86,97,31,750	84,19,42,816
Packing Materials		
Opening Stock	4,17,50,948	3,79,46,330
Add: Purchases	11,53,98,633	12,30,33,131
Less: Closing stock	5,00,99,452	4,17,50,948
	10,70,50,129	11,92,28,513
Total	97,67,81,879	96,11,71,329
Details of raw material consumed		
Powder	76,56,88,739	75,21,67,114
Liquids	7,96,60,138	7,86,06,790
Capsule	2,43,82,873	1,11,68,912
	86,97,31,750	84,19,42,816
Details of inventory of raw material		
Powder	13,42,27,010	9,11,51,628
Liquids	2,85,48,540	2,41,12,722
Capsule	24,99,913	25,89,340
	16,52,75,463	11,78,53,690
23. Purchase of traded goods	31 March 2016	31 March 2015
Tablets	2,77,92,807	1,95,99,125
Capsules	1,65,23,228	1,89,88,048
Liquids	2,95,50,493	2,37,01,406
Total	7,38,66,528	6,22,88,579



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

24. (Increase)/decrease in Inventories of finished goods and work in progress	31 March 2016	31 March 2015	(Increase)/decrease
Inventories at the end of the year			
Work-in-progress	8,64,05,577	6,20,06,425	(2,43,99,152)
Finished goods	11,29,20,025	13,35,46,771	2,06,26,745
	19,93,25,602	19,55,53,196	(37,72,407)
Inventories at the beginning of the year			
Work-in-progress	6,20,06,425	5,27,02,816	(93,03,609)
Finished goods	13,35,46,771	11,13,81,996	(2,21,64,774)
	19,55,53,196	16,40,84,812	(3,14,68,384)
Total (increase)/decrease	(37,72,406)	(3,14,68,384)	-
		31 March 2016	31 March 2015
Details of inventory			
<u>Work-in-progress</u>			
Tablets		1,69,32,758	1,25,18,301
Capsules		59,34,278	36,58,331
Liquids		3,34,557	49,77,229
EED		30,122	38,745
Bulk drugs		6,31,73,862	4,08,13,819
		8,64,05,577	6,20,06,425
<u>Finished goods</u>			
Tablets		8,38,98,098	10,09,74,300
Capsules		1,83,86,075	1,86,13,902
Liquids		66,65,661	76,11,866
Ointments		34,04,557	35,45,465
EED		2,115	58,976
Bulk drugs		5,63,519	27,42,262
		11,29,20,025	13,35,46,771
25. Employee Benefit Expense	31 March 2016	31 March 2015	
Salaries, wages and bonus	30,97,88,342	28,18,20,336	
Contribution to provident and other fund	1,71,26,993	1,17,87,170	
Gratuity expense (refer note 30)	65,13,025	59,45,566	
Leave benefit expense (refer note 30)	10,91,541	10,91,163	
Staff welfare expense	2,21,99,276	1,89,79,377	
Total	35,67,19,177	31,96,23,612	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

26. Other Expenses	31 March 2016	31 March 2015
Consumption of stores and spares	1,00,19,744	1,20,97,523
Power and fuel	4,34,91,100	4,24,57,098
Water charges	18,44,425	17,98,275
Laboratory and Testing	1,29,55,024	1,19,53,170
Sub-contracting expenses	3,19,03,934	2,77,56,937
Repairs & Maintenance:		
Plant and machinery	1,73,86,905	1,37,91,728
Building	17,00,689	27,28,765
Others	1,30,38,872	1,72,38,804
Excise duty on Finished goods inventory	(1,26,627)	20,76,967
Seminar, Conference & Exhibition Expenses	34,96,757	72,82,628
Freight and forwarding charges	5,15,35,766	5,13,09,620
Commission on Sales	1,01,24,382	72,23,838
Breakages & Expired Goods	1,84,74,717	1,60,30,113
Advertisement and selling Expenses	4,34,95,002	4,42,73,116
Traveling and conveyance expenses	6,68,72,455	6,25,20,484
Rates & Taxes	1,10,43,181	58,78,541
Communication Costs	76,61,894	75,46,556
Legal & Professional charges	1,06,30,281	95,26,586
Printing & Stationery	39,44,121	34,84,971
Subscription & Membership	18,27,247	6,26,421
Insurance	40,56,729	33,64,076
Rent	1,38,83,483	1,34,05,711
Directors Sitting fees	18,000	22,247
Registration fees	79,58,681	35,05,614
Liquidated damages	26,34,456	13,15,129
Donation	2,57,631	5,93,160
Electricity Charges	12,10,930	11,77,179
Balances/Bad debts/Advances written off	18,44,269	45,98,424
Payment to Auditors		
'As auditor		
'Audit fee	6,00,000	5,50,000
Tax audit fee	50,000	50,000
Limited Review Report	20,000	20,000
In other capacity		
Other services (certification fees)	1,00,000	1,09,635
Reimbursement of expenses	50,000	50,000
Security charges	43,52,893	42,80,074
Vehicle operation and maintenance	28,80,681	29,50,528
Others	3,41,729	8,29,185
Total	40,15,79,350	38,44,23,103



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

27. Finance costs	31 March 2016	31 March 2015
Bank charges	1,12,07,793	1,33,14,843
Interest		
- Banks	4,70,58,746	4,88,68,870
- Delayed payment of taxes	41,898	8,35,320
- Others	64,57,526	21,42,732
Total	6,47,65,963	6,51,61,765

28. Depreciation and amortization expenses	31 March 2016	31 March 2015
Depreciation of tangible assets (refer not no. 12)	4,79,31,501	5,34,06,707
Amortization of intangible assets (refer not no. 13)	2,18,10,401	1,66,28,273
Total	6,97,41,902	7,00,34,980

29. Calculation of Earnings Per Share (EPS) – Basic and Diluted:

Sl. No.	Particulars	31 March 2016	31 March 2015
1	Opening no. of shares	1,28,72,372	1,11,11,388
2	Total shares outstanding	1,28,72,372	1,28,72,372
3	Weighted average number of shares	1,28,72,372	1,28,00,003
4	Net profit attributable to equity share holders	2,80,60,192	4,02,28,142
5	Basic EPS	2.18	3.14
	Diluted		
6	Weighted average number of shares (including preferential share warrant dilution)	1,28,72,372	1,29,54,432
7	Diluted EPS	2.18	3.11

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****30. Gratuity and leave benefits plan:**

The following table sets out the status of the plan as required under AS 15 (revised)

Amount in `

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Change in defined benefit obligation				
Opening defined benefit obligation	1,48,65,292	95,87,632	33,37,801	23,98,621
Interest cost	11,83,707	8,32,575	2,67,024	2,09,037
Current service cost	14,70,200	20,12,324	2,53,839	11,92,876
Benefits paid	-17,21,160	-6,73,600	-2,39,731	-1,51,983
Actuarial losses/(gain)	38,59,119	31,06,361	5,70,678	-3,10,750
Closing defined benefit obligation	1,96,57,158	1,48,65,292	41,89,611	33,37,801
Change in plan assets				
Plan assets at the beginning of the year at fair value	68,957	63,263	-	-
Expected return on plan assets (estimated)	-	5,100	-	-
Contribution to fund	-	6,73,000	-	-
Benefits settled	-	-6,73,000	-	-
Actuarial gain/(loss) on plan assets	-	594	-	-
Plan assets at the end of the year at fair value	68,957	68,957	-	-
Reconciliation of present value of the obligation and fair value of plan assets				
Fair value of plan assets at the end of the year	68,957	68,957	-	-
Present value of defined benefit obligation at the end of the year	1,96,57,158	1,48,65,292	41,89,611	33,37,801
Asset/(liability) recognized in the balance sheet	(1,95,88,201)	(1,47,96,335)	(41,89,611)	(33,37,801)
Cost for the period				
Current service cost	14,70,200	20,12,324	2,53,839	11,92,876
Interest cost	11,83,707	8,32,575	2,67,024	2,09,037
Expected return on plan assets	-	(5,100)	-	-
Net actuarial (gain)/loss recognized for the year	38,59,119	31,05,767	5,70,678	(3,10,750)
Expense/(income) recognized in the statement of profit and loss	65,13,025	59,45,566	10,91,541	10,91,163
Movement in the liability recognized in balance sheet				
Opening liability	1,47,96,335	95,24,369	33,37,801	23,98,621
Expense/(income) recognized for the period as above	65,13,026	59,45,566	10,91,541	10,91,163
Contribution/Benefits paid	(17,21,160)	(6,73,600)	(2,39,731)	(1,51,983)
Closing liability	1,95,88,201	1,47,96,335	41,89,611	33,37,801
Assumptions at the valuation date				
Discount factor	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	6.00%	5.50%	6.00%	5.50%
Rate of return (expected) on plan assets	0.00%	9.00%	0.00%	0.00%
Retirement age	58	58	58	58

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Experience history information for the current and previous four years is as follows:

Gratuity					Amount in `
Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation at the end of the period	1,96,57,158	1,47,96,335	95,87,632	77,12,866	77,81,687
Plan assets at the end of the period	68,957	68,957	63,263	2,42,007	16,80,810
Funded status – surplus/(deficit)	(1,95,88,201)	(1,47,27,378)	(95,24,369)	(74,70,859)	(61,00,877)
Experience adjustments in plan liabilities	38,59,119	31,06,361	1,58,482	(1,76,491)	(65,46,360)
Experience adjustments in plan assets	-	594	8,060	(76,900)	370

Leave Encashment					Amount in `
Particulars	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation at the end of the period	41,89,611	33,37,801	23,98,621	17,85,852	21,31,248
Plan assets at the end of the period	Nil	Nil	Nil	Nil	Nil
Funded status – surplus/(deficit)	(41,89,611)	(33,37,801)	(23,98,621)	(17,85,852)	(21,31,248)
Experience adjustments in plan liabilities	5,70,678	(3,10,750)	(4,86,297)	(12,19,505)	(14,18,378)
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil

31. Export benefits:

The Company has accounted an amount of ` 3,21,28,216 (31 March 2015: ` 4,31,25,370) being the net amount of credit under various export incentive schemes as announced under Foreign Trade Policy. The same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2016 is ` 5,30,33,065 (31 March 2015: ` 4,55,85,361) and the same is reflected under short-term loans and advances.

32. Based on the information available with the company, principal amount due to micro and small enterprises is ` Nil (31 March 2015: ` 1,119). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is ` Nil (31 March 2015: ` Nil).

33. Expenditure on research and development:

An amount of ` 1,93,74,485/- (31 March 2015: ` 1,66,32,682) has been incurred during the year on research and development of new products and processes in the R & D centre. Amount written off during the year on account of the above was ` 2,16,99,423 (31 March 2015: ` 1,65,60,061). The balance on this account as on 31 March 2016: ` 4,59,20,716 (31 March 2015: ` 4,82,45,654).

The details of expenditure incurred during the year is as under: -

			Amount in `	
Capital Expenditure	31 March 2016	31 March 2015		
Laboratory Equipment	-	4,82,889		
Total capital expenditure (a)	-	4,82,889		
Revenue Expenditure	31 March 2016	31 March 2015		
Raw material consumed	8,39,989	13,753		
Power and fuel	34,33,075	33,74,743		
Water charges	2,92,164	2,75,258		
Laboratory and testing	48,07,778	49,25,556		
Employee benefit expense	93,71,078	72,53,456		
Others	6,30,401	3,07,027		
Total revenue expenditure (b)	1,93,74,485	1,61,49,793		
Total Expenditure (a + b)	1,93,74,485	1,66,32,682		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Amount in `

34. Related party disclosures:

- Name of related parties and related party relationship**

Related parties where control/significant interest exist or with whom transactions have taken place during the year:

Nature of relationship	Name of the related party
Significant interest entities	Micro Labs Limited
Enterprise owned by the Managing Director of the company	1. Desa Marketing International 2. Siroya Ventures
Enterprise over which the Managing Director of the Company exercises joint control with other partners	1. Siroya Constructions 2. Siroya Wellness
Enterprise over which the Managing Director of the Company exercises joint control with other directors	1. Siroya Properties & Holdings Private Limited 2. Legend Siroya Infrastructure Private Limited 3. Sanjay Gems Private Limited 4. Siroya Developers Private Limited
Subsidiaries	1. Lifezen Healthcare Private Limited 2. Balance Research Foundation 3. Balance Clinics LLP
Key Management Personnel	Shailesh D Siroya (Managing Director) Dr. S Prasanna (Whole Time Director) Shrenik D Siroya (Non –Executive Director)

- Particulars of Related party transactions**

Amount in `

Particulars	31 March 2016	31 March 2015
Sales to		
Significant interest entities		
- Micro Labs Limited	1,23,55,813	2,67,86,242
Subsidiaries		
- Balance Clinics LLP	-	1,20,064
- Lifezen Healthcare Private Limited	4,34,225	-
Total	1,27,90,038	2,69,06,306
Commission Paid to		
Enterprise owned by the Managing Director of the Company		
- Desa Marketing International	44,41,796	1,02,29,413
Expenses incurred on behalf of		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	9,23,214	18,55,815
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Limited	1,40,00,895	5,81,334
Total	1,49,24,109	24,37,149
Expenses reimbursed by		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	9,61,194	16,87,680
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Limited	16,23,941	5,81,974
Total	25,85,135	22,69,654



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Amount in `

Particulars	31 March 2016	31 March 2015
Loans and Advances given to		
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Limited	1,23,76,954	2,03,00,000
Subsidiaries		
- Lifezen Healthcare Private Limited	70,30,594	308,086
- Balance Clinics LLP	26,85,425	4,980,228
- Bal Research Foundation	2,400	-
Total	2,20,95,373	25,588,314

Rent Paid to		
- Managing Director	12,00,000	12,00,000

Interest received from		
- Lifezen Healthcare Private Limited	10,27,738	2,307
- Balance Clinics LLP	10,98,985	1,84,241
- Bal Research Foundation	1,736	-
Total	21,28,459	1,86,548

Investment in Subsidiaries		
- Lifezen Healthcare Private Limited	-	1,00,00,000
- Balance Clinics LLP	-	8,00,000
- Bal Research Foundation	8,00,000	-
Total	8,00,000	1,08,00,000

Managerial Remuneration to *		
Key Managerial Personnel		
Shailesh D Siroya	78,00,000	72,00,000
Dr. S Prasanna	30,00,000	30,00,000
Total	1,08,00,000	1,02,00,000

*Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

The Company has the following amounts due from / to related parties

Amount in `

Particulars	31 March 2016	31 March 2015
Dues from Subsidiaries		
Lifezen Healthcare Private limited (Included in Loans and Advances)	83,68,726	3,10,394
Lifezen Healthcare Private limited (Included in Trade Receivables)	4,34,225	-
Balance Clinics LLP (Included in Loans and Advances)	89,48,879	49,80,228
Bal Research Foundation (Included in Loans and Advances)	18,776	-
Total	1,77,70,606	52,90,622
Dues from enterprise over which the Managing Director of the Company exercises joint control with other partners		
Siroya wellness (Included in Trade receivables)	30,74,622	30,74,622
Siroya Constructions (Included in Loans and Advances)	1,30,205	1,68,135
Siroya wellness (Included in Loans and Advances)	5,70,225	5,70,225
Total	37,75,052	38,12,982



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Particulars	31 March 2016	31 March 2015
Dues from Significant Interest entities		
Micro Labs (Included in Trade receivable)	37,71,025	1,28,36,912
Dues from enterprise over which the Managing Director of the Company exercises joint control with other directors		
Siroya Properties & Holdings Private Limited (Included in Loans and Advances)	3,26,76,314	2,03,00,000
Dues to enterprise owned by the Managing Director of the company		
Desa Marketing International (Included in Current Liabilities)	56,46,891	1,02,46,071
Dues to Key Managerial Personnel		
Shailesh D Siroya (Included in Other current liabilities)	17,10,000	6,30,000

35. Disclosure relating Loans or Advances given by the Company as per requirements of section 186(4) of the Companies Act, 2013 as on 31 March 2016.

Particulars	Loan Amount `	Rate of Interest (Per annum)	Purpose	Maturity Period
Lifezen Healthcare Private Limited	83,68,726	14%	Business Purpose	Within 1 year
Balance Clinics LLP	89,48,879	14%	Business Purpose	Within 1 year
Bal Research Foundation	18,776	14%	Business Purpose	Within 1 year

36. The company has provided for ` 1,15,787 (31 March 2015: ` 2,42,414) being excise duty on finished goods lying at various manufacturing units at the end of reporting period

37. Contingent liabilities not provided for:

- Letter of credit ` 1,20,647,169 (31 March 2015: ` 1,03,179,442)
- Estimated value of contracts remaining to be executed on capital account and not provided for ` 5,390,814 (31 March 2015: ` 28,332,935)
- Claims against company not acknowledged as debts comprises:

Nature	Amount in `	
	31 March 2016	31 March 2015
Excise & Customs	1,62,88,001	2,45,14,120
Service Tax	85,88,511	1,08,36,228
Sales Tax	-	17,88,034
Income Tax	9,63,682	89,50,439
Total	(*) 2,58,40,194	(*) 4,60,88,821

(*) Pre - deposit under protest ` 100,000 (Previous year ` 6,43,729)

- The company is also involved in other lawsuits, claims, investigations and proceedings including patent and commercial matters, which arise in the ordinary course of business, however, there are no such matters pending that the company expects to be material in relation to its business.
38. The company has given counter guarantees to bank against guarantees issued by them on behalf of the company ` 53,117,678/- (31 March 2015: ` 31,441,990).

39. Value of imports calculated on CIF basis:

Particulars	Amount in `	
	31 March 2016	31 March 2015
Raw Materials	48,60,64,338	41,12,76,917
Capital goods (Including spares and components)	21,21,403	27,31,221
Total	48,81,85,741	41,40,08,138



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

40. A) Expenditure in foreign currency:

Particulars	Amount in `	
	31 March 2016	31 March 2015
Traveling expenditure	35,13,768	21,30,469
Registration fee	24,92,482	29,35,967
Commission on export sales	21,39,838	7,97,010
Sales promotion	53,35,216	1,24,89,327
Consultancy charges	-	-
Total	1,34,81,304	1,83,52,773

B) Earnings in foreign currency:

Particulars	Amount in `	
	31 March 2016	31 March 2015
FOB value of exports	109,40,72,710	117,13,18,960

41. Details of consumption of imported and indigenous raw materials, components and spare parts:

Particulars	Amount in `			
	31 March 2016		31 March 2015	
	Value in `	% of total consumption	Value in `	% of total consumption
Raw material				
Imported	47,00,85,281	54.05	42,38,16,188	50.34
Indigenous	39,96,46,469	45.95	41,81,26,628	49.66
Total	86,97,31,750		84,19,42,816	100.00
Stores and spares				
Imported	-----	-----	-----	-----
Indigenous	1,00,19,744	100.00	1,20,97,523	100.00
Total	1,00,19,744	100.00	1,20,97,523	100.00

42. Segment information

The company is primarily engaged in a single business segment of manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients and is managed as ONE entity, for its various activities and is governed by a similar set of risks and returns.

Geographical segments

In the view of the management, the Indian and export markets represent geographical segments.

Sales by market

The following is the distribution of the company's sales by geographical market:

Geographical segments	Amount in `	
	31 March 2016	31 March 2015
India	82,59,77,122	64,44,49,052
Other than India	115,57,49,955	121,53,17,366
Total	198,17,27,077	185,97,66,418

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Assets and additions to fixed assets by geographical area:

The following table shows the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located.

Particulars	31 March 2016		31 March 2015	
	India	Others*	India	Others*
Carrying amount of segment assets	1,62,08,42,706	31,24,77,501	1,38,80,96,324	25,33,92,726
Additions to fixed assets	9,09,06,678	-	3,17,06,522	-

* Others represent receivables from debtors located outside India.

43. Unclaimed dividends on equity shares

Year	Amount in `
2008-09	1,72,169
2012-13	1,66,082
2013-14	2,26,473
2014-15	2,35,886
Total	8,00,611

Unpaid dividend amounting to ` 1,87,786 pertaining to FY 2007-08 was transferred to Investor Education and Protection Fund during the current reporting period.

44. Balances of sundry debtors, sundry creditors, loans and advances, receivables and payables are subject to confirmation/reconciliation, if any
45. In the opinion of the board of director's adequate provision has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value stated in the balance sheet.
46. The company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, residential, guest houses, etc.) These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rentals payable is charged as rent under note 26.
47. The company has reclassified previous year figures to conform to current year's classification.

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration number- 002491S

For and on behalf of **Board of Directors of Bal Pharma Limited**

T D Jain

Partner

Membership No. 012034

Sanjay Kumar Agarwal

Chief Financial Officer &
Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bengaluru

25 May 2016



TO THE MEMBERS OF BAL PHARMA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BAL PHARMA LIMITED**, ("the Holding Company") and its subsidiaries (collectively referred to as "the Group") comprising of the Consolidated Balance Sheet as at **31 March 2016**, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of one subsidiary being Balance Clinics LLP, whose financial statements reflect total assets of ₹ 35,44,549 as at 31 March, 2016 and total revenue of ₹ 12,96,210 for the year ended on that date, as considered in consolidated financial statements.
- (b) Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure-A**' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



- (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'.
- (g) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The consolidated financial statements disclose the impact, of pending litigations as at 31 March 2016, on its financial position in its consolidated financial statements – Refer Note 37 to the financial statements;
 - ii) The Group has not entered any long-term contracts including derivative contracts, requiring provision under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company.

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants
Firm registration no: 002491S

T D JAIN

Partner
M. No.: 012034

Bengaluru
25 May 2016

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

(The annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Bal Pharma Limited on the consolidated financial statements for the year ended 31 March 2016)

- i. In respect of its fixed assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us by the management, the Company has a policy of physically verifying fixed assets in a phased manner over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that there were no material discrepancies noticed on such verification.
 - (c) The title deeds of all the immovable properties are held in the name of the company.
- ii. As explained to us, the inventories have been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such physical verification between physical stock and book records were not material and have been adequately dealt with in the books of account.
- iii. The Company has granted unsecured loans to companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
 - (a) We are unable to comment as to whether the terms and conditions of the loans granted to the companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Act, are not prejudicial to the holding company's interest as there has been no stipulation with respect to the same.
 - (b) We are unable to comment on the repayment of loans granted to companies and Limited Liability Partnerships covered in the register maintained under Section 189 of the Act, as there has been no stipulation with respect to the repayment of such loans or the payment of interest.
 - (c) We are also unable to ascertain the overdue amount as there has been no stipulation with respect to the repayment of such loans or the payment of interest.
- iv. In respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposit to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.
- vi. We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under 148(1) of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



vii. According to the information and explanations given to us:

- (a) The Company has generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) On the basis of our examination of the documents and records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of a any dispute, except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates	Amount involved* (₹)
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	Commissioner of Central Excise	Nov 2007 to March 2012	85,88,511
The Central Excise Act, 1944	Central Excise Duty and Penalty	Commissioner of Central Excise	January to October 2010	2,88,356
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	Jan to Oct 2010	24,34,816
The Central Excise Act, 1944	Central Excise Penalty	CESTAT	Nov 2007 to July 2011	85,01,823
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	July 2011 to December 2011	1,79,119
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	Jan to Feb 2012	3,28,671
The Central Excise Act, 1944	Central Excise Duty and Penalty	CESTAT	March 2012 to Jan 2013	13,50,844
The Central Excise Act, 1944	Central Excise Duty and Penalty	Assistant Commissioner of Central Excise	December 2008	1,79,184
The Central Excise Act, 1944	Central Excise Duty and Penalty	Additional Commissioner of Central Excise	FY 2010-11, 2011-12 & 2012-13	21,82,891
The Central Excise Act, 1944	Central Excise Duty and Penalty	Assistant Commissioner of Central Excise	FY 2013-14 & 2014-15	7,42,297
Income Tax Act, 1961	Income tax	Honorable High court of Karnataka	FY 2005-06	9,63,682

* Net of amounts paid under protest or otherwise. Amount as per demand order including interest wherever quantified.

- viii. Based on our audit procedures, information and explanations given to us, in our opinion the Company has not defaulted in repayment of dues to financial institutions and banks.

- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the company during the year have been applied for the purposes for which they were obtained. Further, the company has not raised any money by way of public issue/follow on offer.

- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the company and no fraud on the company by its officers/employees has been noticed or reported during the course of our audit.

- xi. The Managerial Remuneration has been paid in accordance with the requisite approvals mandated by section 197 read with Schedule V of the Companies Act.

- xii. The Holding company is not a Nidhi Company and therefore clause 3(xii) of the Order is not applicable to the company.

- xiii. All transactions with the related parties are in compliance with Section 188 and 177 (where applicable) of Companies Act, 2013 and the details thereof have been disclosed in the Consolidated

Financial Statements as required by the Accounting standards and Companies Act, 2013.

- xiv. The Holding Company has not made any preferential allotment/private placements of shares during the year and therefore clause 3(xiv) of the Order is not applicable to the Company.

- xv. The Holding Company has not entered into any non-cash transactions with directors or persons connected with him and therefore clause 3(xv) of the Order is not applicable.

- xvi. The Holding company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration no: 002491S

T D JAIN

Partner

M. No.: 012034

Bengaluru

25 May 2016



'Annexure – B' to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of BAL PHARMA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BAL PHARMA LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration no: 002491S

T D JAIN

Partner

M. No.: 012034

Bengaluru

25 May 2016



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

Particulars	Note no	31 March 2016	31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	12,87,23,720	12,87,23,720
Reserves and surplus	4	40,01,46,226	40,31,49,875
Money received against share warrants	3	2,01,50,000	2,01,50,000
		54,90,19,946	55,20,23,595
Minority Interest		(17,95,012)	(3,48,233)
Non- current liabilities			
Long-term borrowings	5	34,95,66,449	6,64,43,264
Deferred tax liabilities (Net)	6	6,97,84,118	7,29,47,860
Other long term liabilities	7	89,59,483	74,59,483
Long-term provisions	8	2,28,46,153	1,65,18,446
		45,11,56,203	16,33,69,053
Current liabilities			
Short- term borrowings	9	50,09,15,143	40,13,78,854
Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	10	-	1,119
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10	46,85,11,239	38,53,48,161
Other current liabilities	11	12,00,97,223	11,85,73,809
Short- term provisions	8	2,23,98,210	1,82,82,039
		1,11,19,21,815	92,35,83,982
Total		2,11,03,02,952	1,63,86,28,397
ASSETS			
Non- current assets			
Fixed assets			
Tangible assets	12	51,60,27,379	47,32,34,508
Intangible assets	13	4,62,88,274	4,87,31,207
Capital work in progress		3,92,54,557	76,85,180
Non- current investments	14	1,50,000	1,50,000
Long term loans and advances	15	7,54,10,563	5,42,88,127
Other non-current assets	16	31,93,633	32,94,793
		68,03,24,406	58,73,83,815
Current assets			
Inventories	17	41,75,41,612	35,81,51,543
Trade receivables	18	56,94,34,511	44,98,48,581
Cash and cash equivalents	19	4,63,43,593	5,49,44,302
Short-term loans and advances	15	39,59,95,183	18,63,06,403
Other current assets	16	6,63,647	19,93,753
		1,42,99,78,546	1,05,12,44,582
Total		2,11,03,02,952	1,63,86,28,397

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**Chartered Accountants
Firm registration number- 002491SFor and on behalf of **Board of Directors of Bal Pharma Limited****T D Jain**
Partner
Membership No. 012034**Sanjay Kumar Agarwal**
Chief Financial Officer &
Company Secretary**Dr. S. Prasanna**
Director**Shailesh Siroya**
Managing DirectorBengaluru
25 May 2016



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2016

Particulars	Note no	31 March 2016	31 March 2015
Income			
Revenue from operations (gross)	20	2,02,48,41,255	1,90,69,68,344
Less: excise duty		4,16,75,166	3,53,95,064
Revenue from operations (net)		1,98,31,66,089	1,87,15,73,280
Other income	21	1,28,32,767	1,17,40,806
Total Income - (i)		1,99,59,98,856	1,88,33,14,086
Expenses			
Cost of materials consumed	22	97,67,81,879	96,11,71,329
Purchase of traded goods	23	7,57,74,811	6,27,68,992
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(47,47,919)	(3,19,02,772)
Employees benefits expenses	25	37,30,12,171	32,24,27,130
Other expenses	26	41,38,16,083	38,60,48,142
Total Expense - (ii)		1,83,46,37,025	1,70,05,12,821
Earnings before interest, tax, depreciation and amortization - EBITDA - (i-ii)		16,13,61,831	18,28,01,265
Finance costs	27	6,47,77,274	6,51,63,609
Depreciation and amortization expenses	28	7,00,90,039	7,02,32,865
Profit/(loss) before tax - (iii)		2,64,94,518	4,74,04,791
Tax expenses			
Current tax		1,23,56,060	1,04,77,641
MAT credit (entitlement)/utilised		70,39,469	76,50,182
Net Current Tax		1,93,95,529	1,81,27,823
(Excess)/Short provision for tax of earlier years		76,68,422	(1,96,332)
Deferred Tax		(31,63,744)	(60,57,138)
Total tax expense - (iv)		2,39,00,207	1,18,74,354
Profit/(loss) for the year before Minority Interest (iii-iv)		25,94,311	3,55,30,437
Add/ (less): Share of Profit/ (loss) transferred to Minority Interest		(1,14,59,573)	(7,48,233)
Profit attributable to owners of the Company		1,40,53,884	3,62,78,670
Earning per equity share: Nominal value per share: ₹ 10 (31 March 2015: ₹ 10)			
Basic		1.09	2.83
Diluted		1.09	2.80

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**
Chartered Accountants
Firm registration number- 002491S

For and on behalf of Board of Directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

Sanjay Kumar Agarwal
Chief Financial Officer &
Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bengaluru
25 May 2016



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

Particulars	31 March 2016	31 March 2015
Cash flows from operating activities:		
Profit before tax	2,64,94,518	4,74,04,790
Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortisation	7,00,90,039	7,02,32,865
- Proposed dividend & tax on dividend	(1,70,57,533)	(1,54,46,089)
- (Gain)/Loss on sale of fixed assets	(1,56,100)	(1,15,672)
- Finance cost	6,47,77,274	6,51,63,609
- Interest income	(30,37,763)	(29,24,567)
Operating profit/(loss) before working capital changes	14,11,10,435	16,43,14,936
Add/(Less): Working capital changes		
- Decrease/(Increase) in inventories	(5,93,90,069)	(4,10,09,751)
- Decrease/(Increase) in trade receivables	(11,95,85,930)	50,33,113
- Decrease/(Increase) in loans and advances	(23,08,11,216)	(5,33,32,006)
- Decrease/(Increase) in other assets	14,31,266	(17,72,411)
- Increase/(Decrease) in trade payables	8,31,61,959	5,00,40,186
- Increase/(Decrease) in other liabilities	(82,51,381)	2,10,95,582
- Increase/(Decrease) in provisions	68,24,446	1,40,11,645
Cash generated from/(used in) operations	(18,55,10,490)	15,83,81,296
Direct taxes paid	80,19,661	1,30,54,333
Net cash flow from/(used in) operating activities (A)	(19,35,30,151)	14,53,26,963
Cash flows from investing activities:		
Purchase of fixed assets including intangible assets and capital work-in-progress	(14,20,53,255)	(5,62,01,587)
Proceeds from sale of fixed assets	2,00,000	3,02,158
Interest income	30,37,763	29,24,567
Net cash flow from/(used in) investing activities (B)	(13,88,15,493)	(5,29,74,862)
Cash flows from financing activities:		
Money received on issue of share warrant	-	2,01,50,000
Money received on conversion of share warrant	-	1,96,16,734
Money received on conversion of share warrant	98,00,000	-
Money Received on Issue of Debentures	19,02,00,000	-
Long term borrowings	13,99,75,597	1,60,19,000
Repayment of long-term borrowings	(3,57,77,617)	(1,74,91,156)
Repayment of short-term borrowings	9,95,36,288	(2,61,20,346)
Dividend paid (including dividend distribution tax)	(1,52,12,058)	(1,50,60,030)
Finance cost	(6,47,77,274)	(6,51,63,609)
Net cash flow from/(used in) financing activities (C)	32,37,44,935	(6,80,49,407)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(86,00,709)	2,43,02,694
Cash and cash equivalents at the beginning of the year	5,49,44,302	3,02,41,608
Cash and cash equivalents at the end of the year	4,63,43,593	5,45,44,302
Components of cash and cash equivalents		
Cash in hand	4,11,263	4,18,409
Balance with banks - on current accounts	1,80,15,584	3,06,33,281
Balance with banks - on deposit accounts	2,79,16,747	2,38,92,612
Total Cash and cash equivalents	4,63,43,593	5,49,44,302

Summary of significant accounting policies

2.1

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**
Chartered Accountants
Firm registration number- 002491S

For and on behalf of Board of Directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

Sanjay Kumar Agarwal
Chief Financial Officer &
Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bengaluru
25 May 2016



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2.1. Notes forming part of Significant Accounting Policies

a) **Basis of Preparation of Consolidated Financial Statements**

The Consolidated financial statements ("CFS") of Bal Pharma Limited and its subsidiaries ('the group' or the Company) have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. The Company has prepared these financial statements to comply in all material respects with the Companies (Accounting Standards) Rules, 2006, (as amended) which continue to apply as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognized accounting practices and policies generally accepted in India. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

b) **Principles of Consolidation**

The consolidated financial statements are prepared in accordance with 'AS-21' "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and other relevant Accounting standards applicable as per Companies (Accounts) Rules, 2014.

The Consolidated Financial Statements relate to Bal Pharma Limited ("the Company") and its Subsidiary Companies ("the Group"). The consolidated Financial Statements of the Company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and resulting unrealized profits or losses in full. Unrealized losses resulting from intra group transactions have also been eliminated except to the extent that recoverable value of related assets lower than their cost to the group.

The Excess/ deficit of cost to the parent Company of its investment in the subsidiaries over its portion of equity at the respective dates on which investments in such entities were made is recognized in the financial statements as Good will/ Capital Reserve.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

c) **USE OF ESTIMATES**

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenditure for the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d) **REVENUE RECOGNITION**

Revenue from domestic sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from export sales is recognized when the significant risks and rewards of ownership of products are transferred to the customer, which is based upon the terms of the applicable contract.

Revenue from product sales is stated inclusive of Excise Duty and exclusive of returns, sales tax and applicable trade discounts and allowances. Service income is recognized as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved.

Service income is recognized as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved.

Dividend income is recognized when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.

Export entitlements under the Focus Marketing incentive scheme and other incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

e) **TANGIBLE FIXED ASSETS**

Tangible fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use and all pre-operative expenses till the commencement of commercial production are capitalized.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

f) **INTANGIBLE FIXED ASSETS**

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

g) **DEPRECIATION**

The Company adopted depreciation on straight line basis. Pursuant to the enactment of Companies act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/ Amortized over the revised/ remaining useful lives after considering residual value of 5% of cost of the asset. The written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted net of tax, in the opening balance of Reserves and Surplus.

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Intangible assets are amortized as under:

<u>Intangible assets</u>	<u>Estimated Useful Life</u>
Computer Softwares	6 Years

h) **VALUATION OF INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The methods of determining cost of various categories of inventories are as follows:

Raw materials	First in-first-out (FIFO)
Stores and spares	First in-first-out (FIFO)
Work-in-process and finished goods (manufactured)	FIFO and including an appropriate share of production overheads
Finished goods (traded)	Actual cost of purchase

i) **RETIREMENT BENEFITS**

A. Gratuity

In accordance with Indian laws, Bal Pharma Limited provide for gratuity, a defined benefit retirement plan covering all eligible employees of the Company. In accordance with the payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and tenure of employment and vesting occurs upon completion of five years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

Provision for gratuity & compensated absences is made on the basis of actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions payable to the recognised provident fund, which is defined contribution scheme, are charged to the profit and loss.

B. Short Term Employees Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. These benefits include leave travel allowance, bonus/performance incentives.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

j) INVESTMENTS

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

k) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year-end rates. The resultant exchange differences are recognized in the profit and loss account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

l) EXPENDITURE ON RESEARCH AND DEVELOPMENT

In accordance with the Accounting Standard 26 on Intangible Assets, the Management has recognized Revenue Expenditure, direct as well as allocated, on R & D projects for development of new products and processes as Intangible Assets, since it is of the opinion that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. These assets shall be amortized over a period of ten years starting from the year of commercial production. However, Revenue Expenditure on projects, which have become unsuccessful are charged off as an expense in the year in which they are abandoned. Capital expenditure incurred on research and development is capitalized as fixed assets and depreciated in accordance with the depreciation policy of the company.

m) LEASES

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired on or after April 01, 2001 are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

n) INCOME TAX EXPENSE

Income tax expense comprises current tax and deferred tax charge or credit.

A. Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit Entitlement". The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

B. Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

o) **EARNINGS PER SHARE**

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

p) **EMPLOYEE STOCK OPTION SCHEMES**

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the employee stock option schemes, over the exercise price is treated as employee compensation and amortized over the vesting period.

q) **PROVISIONS AND CONTINGENT LIABILITIES**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

r) **IMPAIRMENT OF ASSETS**

The Company assesses at each balance sheet date whether there is any indication that an asset may be Impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previous assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical Cost.

s) **CONSOLIDATED CASHFLOW STATEMENT**

The consolidated cash flow statement is prepared by the "Indirect method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows from operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Consolidated Cash Flow Statement consist of cash on hand and demand deposits with banks.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3. Share Capital

	31 March 2016	31 March 2015
Authorized shares		
1,50,00,000 (31 March 2015: 1,50,00,000) equity shares of ₹ 10 each	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
Issued, subscribed and fully paid-up shares		
1,28,72,372 (31 March 2015: 1,28,72,372) equity shares of ₹ 10 each	12,87,23,720	12,87,23,720
Total	12,87,23,720	12,87,23,720

a. Reconciliation of the equity shares outstanding at the beginning of the reporting period

	31 March 2016		31 March 2015	
	Nos		Nos	
At the beginning of the period	1,28,72,372	12,87,23,720	1,11,11,388	11,11,13,880
Allotted during the period	-	-	17,60,984	1,76,09,840
Outstanding at the end of the period	1,28,72,372	12,87,23,720	1,28,72,372	12,87,23,720

b. Terms/Rights attached to Equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting period : Nil (31 March 2015 : Nil)

d. Details of shareholders holding more than 5% shares in the company

Equity shares of ₹ 10 each fully paid	31 March 2016		31 March 2015	
	Nos	% holding in the class	Nos	% holding in the class
Micro Labs Limited	13,10,836	10.18	13,10,836	10.18
Shailesh Siroya	12,70,759	9.87	12,70,759	9.87
Anita Siroya	10,18,540	7.91	10,18,540	7.91

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Shares reserved for issue under options

During the year 13,00,000 preferential share warrants convertible into equivalent number of equity shares of ₹ 10/- each at a premium of ₹ 52 per share, had been issued to the under mentioned strategic investors by the company on 18 August 2014, from whom 25% of the issue price amounting to ₹ 2,01,50,000 has been received in advance entitling the warrant holder to apply for an equivalent number of equity shares on payment of balance 75% of the issue price within 18 months from the date of allotment of warrants. As on 31 March 2016 all the warrants are outstanding and equivalent number of equity share are reserved for issue against the same. Balance amount outstanding against these warrants amounts to ₹ 6,04,50,000.

Name of the allottees (Strategic Investors)	No of warrants	Amount Received	Amount Receivable
Mr Vipul Kumat	4,00,000	62,00,000	1,86,00,000
Mr Naresh D P	3,00,000	46,50,000	1,39,50,000
Mr Jitendra Tej Raj Lunia	3,00,000	46,50,000	1,39,50,000
Ms, Asha Tapidas Dodhia	3,00,000	46,50,000	1,39,50,000
Total	13,00,000	2,01,50,000	6,04,50,000



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. Reserves and surplus	31 March 2016	31 March 2015		
Capital reserves				
Balance as at beginning of the reporting period	44,05,725	44,05,725		
Add: Additions during the year				
Closing balance	44,05,725	44,05,725		
Securities premium account				
Balance as at beginning of the reporting period	17,31,66,099	153795275		
Add: Additions on account of issue of shares reserved for preferential share warrants	-	1,93,70,824		
Closing balance	17,31,66,099	17,31,66,099		
General reserve				
Balance as at beginning of the reporting period	2,45,15,000	2,45,15,000		
Add: amount transferred from surplus balance in the statement of profit and loss	-	-		
Closing Balance	2,45,15,000	2,45,15,000		
Surplus/(deficit) in the statement of profit and loss				
Balance as at beginning of the reporting period	20,10,63,051	18,93,01,716		
Less: short provision of equity dividend & tax on equity dividend	-	(20,60,264)		
Less: Net block of assets written off as per revised useful life specified Sch II of the Companies Act 2013 (Net of deferred tax)	-	(70,10,983)		
Add: Profit for the year	1,40,53,884	3,62,78,671		
Less: Appropriations				
Proposed final equity dividend (Amount per share ` 1 (31 March 2015 ` 1)	(1,41,72,372)	(1,28,72,372)		
Tax on proposed equity dividend.	(28,85,161)	(25,73,717)		
Surplus in the statement of profit and loss	19,80,59,402	20,10,63,051		
Total	40,01,46,226	40,31,49,875		
5. Long-term borrowings				
	Non-current portion	Current maturities		
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Debentures				
Zero Coupon Debenture (Unsecured) (Fully convertible at par)	19,02,00,000	-	-	-
Term Loans				
- From banks				
Exim Bank (Secured)	3,60,00,000	4,80,00,000	1,20,00,000	1,20,00,000
Corporation Bank (Secured)	6,73,11,586	75,00,000	11,88,414	-
Kotak Mahindra Bank (unsecured)	48,40,559	5,93,970	53,47,920	21,28,800
Kotak Mahindra Bank (unsecured)	-	28,09,392	-	25,80,995
- From financial institutions				
Tata Capital Limited (unsecured)	10,57,299	5,81,166	28,50,775	31,70,497
Magma Fincorp Limited (Unsecured)	10,43,125	-	41,53,152	13,39,350
Magma Fincorp Limited (Unsecured)	-	13,40,020	13,40,020	17,46,698
Bajaj Finance Limited (Unsecured)	4,43,42,971	-	70,39,212	17,73,034
Other Loans and Advances				
- Vehicle loan (secured)	47,70,909	56,18,716	31,97,715	22,91,453
	34,95,66,449	6,64,43,264	3,71,17,208	2,70,30,827
The above amount includes				
Secured borrowings	10,80,82,495	6,11,18,716	1,63,86,129	1,42,91,453
Unsecured borrowings	5,12,83,954	53,24,548	2,07,31,079	1,27,39,374
Amount disclosed under the head "other current liabilities" - refer note 11	-	-	(3,71,17,208)	(2,70,30,827)
Total	15,93,66,449	6,64,43,264	3,71,17,208	2,70,30,827

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

- a. Term loan obtained from EXIM Bank of ₹ 6.00 Crores towards expansion of research & development centre at Bengaluru and expenditure pertaining to R&D activities, is secured by pari passu first charge on the entire moveable fixed assets of the company by way of hypothecation and pari passu first charge by way of equitable mortgage on all immovable fixed assets of the company, both present and future, more particularly unit 1, unit 2, unit 3 & Unit 4 of the company and personal guarantee of managing director. The loan is repayable in 20 equal quarterly instalment of ₹ 0.30 Crore each, starting from April 2015 and carries interest @ Exim bank LTMLR plus 250 basis points, which is currently @ 12.70%.
- b. During the year the company was sanctioned a term loan of ₹ 23.45 Crores by Corporation Bank towards up gradation and expansion of the manufacturing facilities at unit 1, 2 & 4. The loan is secured by Mortgage on paripasu first charge with Exim bank of the industrial property at unit 1, 2 & 4 and Hypothecation on pari passu first charge basis with Exim bank the entire movable fixed assets of the company, both present and future, belonging to unit 1, unit 2 & 4 of the company. The loan is repayable in 80 instalments after a moratorium period of 24 months and carries interest @ 14%. An amount of ₹ 10.00 crores was availed as at 31 March 2016 against the said sanction.
- c. The vehicle loans are secured by hypothecation of vehicles taken on loan.

6. Deferred tax liability (net)

	31 March 2016	31 March 2015
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	91,86,200	71,64,479
Others	9,13,054	9,13,054
Gross deferred tax assets	1,00,99,254	80,77,533
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	7,98,83,371	8,10,25,393
Gross deferred tax liability	7,98,83,370	8,10,25,393
Net deferred tax liability	6,97,84,118	7,29,47,860

7. Other Long term liabilities

	31 March 2016	31 March 2015
Deposit received from customers	89,59,483	74,59,483
Total	89,59,483	74,59,483

8. Provisions

	Long - term		Short - term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (refer note 31)	1,94,11,704	1,33,01,819	7,33,463	14,94,517
Provision for leave benefits (refer note 31)	34,34,449	32,16,627	7,55,162	1,21,174
	2,28,46,153	1,65,18,446	14,88,625	16,15,691
Other provisions				
Provision for income tax (net of advance tax)			38,52,052	12,00,598
Proposed equity dividend			1,41,72,372	1,28,72,372
Provision for tax on proposed dividend			28,85,161	25,73,717
Provision for wealth tax			-	19,661
	-	-	2,09,09,585	1,66,66,348
Total	2,28,46,153	1,65,18,446	2,23,98,210	1,82,82,039



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9. Short-term borrowings

	31 March 2016	31 March 2015
From Banks		
- Cash credit (secured)	22,35,88,991	19,82,74,912
- Packing credit (secured)	10,33,76,121	6,47,57,318
- Bills discounted (secured)	6,77,35,858	6,27,83,859
- Buyers credit (secured)	10,62,14,173	7,55,62,765
Total	50,09,15,143	40,13,78,854
The above amount includes		
Secured borrowings	50,09,15,143	40,13,78,854
Unsecured borrowings	-	-

Short term borrowings from banks obtained under a Consortium arrangement with pari passu charge is secured by hypothecation of stock and book debts and second charge on all movable fixed assets. Cash credit is repayable on demand and carries interest rate @ 12.75% p.a to 13.95% p.a.

10. Trade payables

	31 March 2016	31 March 2015
Trade payables		
- Due to micro enterprises and small enterprises (Refer Note 33)	-	1,119
- Dues to creditors other than micro enterprises and small enterprises*	46,85,11,239	38,53,48,161
Total	46,85,11,239	38,53,49,280

* Refer note no 35 for details of dues to related parties

11. Other current liabilities

	31 March 2016	31 March 2015
Current maturities of long-term borrowings (note 5)	3,71,17,208	2,70,30,827
Creditors for capital goods	1,35,19,219	70,38,896
Interest accrued but not due on borrowings	11,88,416	2,45,903
Investor education and protection fund will be credited by following amounts		
Unpaid dividend	8,00,611	7,54,364
Advances from customers	2,78,28,140	4,91,95,492
Book overdraft on account of issue of cheques	61,62,002	43,88,711
Statutory liabilities	87,15,962	65,01,727
Other payables	2,47,65,665	2,34,17,889
Total	12,00,97,223	11,85,73,809

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016



Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at beginning of the reporting period	Additions	Disposals	As at end of the reporting period	Upto last year	For the year	Disposals	Total	As at end of the reporting period ³	As at beginning of the reporting period ²
Tangible Assets										
Freehold Land	57,87,483	4,65,41,237		5,23,28,720	-	1,46,988		1,46,988	5,21,81,732	57,87,483
Leasehold Land	1,31,93,840			1,31,93,840	8,81,892	-		8,81,892	1,23,11,948	1,23,11,948
Building	23,07,51,862	47,78,118		23,55,29,980	6,21,90,481	74,03,161		6,95,93,642	16,59,36,338	16,85,61,381
Plant & Machinery	21,22,27,268	2,20,46,527		23,42,73,795	9,10,68,846	1,42,92,383		10,53,61,229	12,89,12,566	11,95,40,824
Utilities	26,68,06,645	1,02,81,026		27,70,87,671	12,98,64,876	1,99,61,273		14,98,26,149	12,72,61,522	13,85,59,367
Furniture and Fixtures	1,91,39,085	10,50,120		2,01,89,205	1,41,61,347	16,19,342		1,57,80,689	44,08,516	40,67,780
Office equipments	2,68,60,956	33,53,946		3,02,14,902	1,76,11,645	17,42,869		1,93,54,514	1,08,60,388	92,49,311
Vehicles	3,14,50,241	30,58,419	8,77,992	3,36,30,668	1,72,03,786	31,06,605	8,34,092	1,94,76,299	1,41,54,370	1,51,56,413
Total	80,62,17,380	9,11,09,393	8,77,992	89,64,48,781	33,29,82,873	4,82,72,621	8,34,092	38,04,21,402	51,60,27,379	47,32,34,508
31 March 2015	77,26,05,155	3,42,69,510	6,57,285	80,62,17,380	26,94,74,394	6,39,79,277	4,70,799	33,29,82,872	47,32,34,508	50,31,30,760

1. Depreciation for the year includes: Depreciation amounting to ` 30,974 (Previous Year ` 11,448) on assets used for research and Development. During the year company incurred ` Nil (Previous Year ` 428,944) towards capital expenditure for Research and Development

2. The leasehold land is being amortised over the initial period of lease.

Particulars	Gross carrying value				Amortization				Net carrying value	
	As at beginning of the reporting period	Additions	Disposals	As at end of the reporting period	Upto last year	For the year	Disposals	Total	As at end of the reporting period	As at beginning of the reporting period
Intangible assets										
Softwares	6,15,328	-		6,15,328	1,29,775	1,17,995	-	2,47,770	3,67,558	4,85,553
R & D Expenses	14,46,05,112	1,93,74,485		16,39,79,597	9,63,59,458	2,16,99,423		11,80,58,881	4,59,20,716	4,82,45,654
Total	14,52,20,440	1,93,74,485	-	16,45,94,925	9,64,89,233	2,18,17,418	-	11,83,06,651	4,62,88,274	4,87,31,207
31 March 2015	12,85,14,079	1,67,06,361	-	1,42,20,440	7,98,57,458	1,66,31,775	-	9,64,89,233	4,87,31,207	4,86,56,621



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. Non current investments			31 March 2016	31 March 2015
Trade Investments (Valued at cost unless stated otherwise)				
Investment in equity instruments - Quoted				
10,000 (PY 10,000) Equity shares of ` 10 each fully paid in Lamina Foundries Limited (At Cost Less Provision for other than temporary diminution of ` 3,71,850)			-	-
73,600 (PY 73,600) Equity shares of ` 10 each fully paid in Sri Jayalakshmi Autospin Limited (At Cost Less Provision for other than temporary diminution of ` 7,36,000)			-	-
Investment in equity instruments - Unquoted				
4,000 (31 March 2015: 4,000) shares of ` 25 each fully paid in The saraswat cooperative Bank Limited			1,00,000	1,00,000
5,000 (31 March 2015: 5,000) shares of ` 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.			50,000	50,000
Total			1,50,000	1,50,000
15. Loans and advances				
	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured considered good	4,25,50,783	2,37,57,888	-	-
Security deposit				
Unsecured considered good	2,27,72,527	1,42,29,420	-	62,62,052
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,04,85,220	1,66,44,008
Other loans and advances				
MAT Credit entitlement	-	1,44,05,932	-	-
Prepaid Expenses	-	1,18,524	1,14,63,953	1,14,81,468
Loans/advances to employees	-	-	8,18,064	21,59,669
Balance with statutory/government authorities	1,00,87,253	17,59,638	16,28,23,349	14,91,59,438
Others	-	16,725	20,04,04,597	5,99,768
Total	1,00,87,253	1,63,00,819	37,55,09,962	16,34,00,343
Total	7,54,10,563	5,42,88,127	39,59,95,183	18,63,06,403

Loans and advances includes loans and advances due by directors or other officers, etc.: ` Nil (31 March 2015: ` Nil)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. Other assets

	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good				
unless stated otherwise	-			
Non current bank balance (note no 19)	31,93,633	29,32,783	-	-
	31,93,633	29,32,783		
Others				
Insurance claims	-	-	6,63,647	6,23,587
Interest accrued on deposits	-	3,62,010	-	13,70,166
	-	3,62,010	6,63,647	19,93,753
Total	31,93,633	32,94,793	6,63,647	19,93,753

17. Inventories (valued at lower of cost and net realizable value)

	31 March 2016	31 March 2015
Raw materials (Includes in transit ` Nil (31 March 2015: ` 20,00,010)	16,52,75,463	11,78,53,690
Packing material	5,00,99,452	4,17,50,948
Work-in progress	8,64,05,577	6,20,06,425
Finished goods	11,43,46,260	13,39,81,159
Stores and spares	14,14,860	25,59,321
Total	41,75,41,612	35,81,51,543

18. Trade receivables

	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,96,25,470	5,31,57,890
Other receivables		
Unsecured, considered good	46,98,09,041	39,66,90,691
Total	56,94,34,511	44,98,48,581

19. Cash and cash equivalents

	Non - current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash on hand	-	-	4,11,263	4,18,409
Balance with Bank				
On current Account	-	-	1,50,74,756	2,98,73,826
On EEFC account	-	-	5,720	5,091
On unpaid dividend account	-	-	8,00,703	7,54,364
Deposits with original maturity of less than 3 months	-	-	21,34,403	-
			1,84,26,846	3,10,51,690
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	51,57,809	1,65,000
Deposits with original maturity for more than 12 months*	31,93,634	21,76,857	2,27,58,938	2,37,27,612
	31,93,634	21,76,857	2,79,16,747	2,38,92,612
Amount disclosed under other non current assets (note no 16)	(31,93,634)	(21,76,857)	-	-
Total	-	-	4,63,43,593	5,49,44,302

* Includes deposits held as margin money against Letters of Credit and Bank Guarantees



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
20. Revenue from operations		
Sale of products		
-Finished goods	1,83,56,88,238	1,75,72,05,981
-Traded goods	15,22,10,645	10,26,26,022
Sale of services	19,92,749	4,06,600
other operating revenue		-
-Scrap sales	24,02,240	22,94,424
-Export benefits	3,21,28,216	4,31,25,370
-Provisions/creditors no longer payable written back	-	8,52,606
-Others	4,19,166	4,57,342
Total	2,02,48,41,256	1,90,69,68,345
Details of products sold		
- <u>Finished goods sold</u>		
Tablets	77,90,64,802	78,63,19,065
Capsules	6,06,69,128	7,59,56,598
Liquids	9,93,43,530	11,01,39,945
Ointments	2,50,82,531	3,00,95,941
EED	13,65,274	22,59,226
Bulk drugs	87,06,43,290	75,24,35,206
	1,83,61,68,554	1,75,72,05,981
- Traded goods sold		
Tablets	3,70,22,515	2,82,11,349
Capsules	6,58,29,539	4,62,09,944
Liquids	4,84,91,984	2,80,28,078
Medicines	8,66,607	1,76,651
	15,22,10,645	10,26,26,022
Details of services rendered		
- Testing service	64,400	1,98,500
- Job Work	14,98,746	-
- Clinical items - Treatment	4,29,603	2,08,100
	19,92,749	4,06,600
21. Other Income		
Interest Income		
Bank deposits	27,22,606	24,89,771
Others	3,15,157	4,34,796
Exchange differences (Net)	96,38,904	58,96,309
Government Grants and subsidies	-	30,11,277
Profit on sale of asset	1,56,100	1,15,672
Total	1,28,32,767	1,17,40,806



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
22. Cost of materials consumed		
Raw materials		
Opening Stock	11,78,53,690	11,25,12,685
Add: Purchases	91,71,53,523	84,72,83,821
Less: Closing stock	16,52,75,463	11,78,53,690
	86,97,31,750	84,19,42,816
Packing Materials		
Opening Stock	4,17,50,948	3,79,46,330
Add: Purchases	11,53,98,633	12,30,33,131
Less: Closing stock	5,00,99,452	4,17,50,948
	10,70,50,129	11,92,28,513
Total	97,67,81,879	96,11,71,329
Details of raw material consumed		
Powder	76,56,88,739	75,21,67,113
Liquids	7,96,60,138	7,86,06,790
Capsule	2,43,82,873	1,11,68,913
	86,97,31,750	84,19,42,816
Details of inventory of raw material		
Powder	13,42,27,010	9,11,51,628
Liquids	2,85,48,540	2,41,12,722
Capsule	24,99,913	25,89,340
	16,52,75,463	11,78,53,690
23. Purchase of traded goods	31 March 2016	31 March 2015
Tablets	2,73,12,491	1,94,88,058
Capsules	1,65,23,228	1,89,88,048
Liquids	3,12,07,403	2,37,01,406
Medicines	7,31,689	5,91,480
Total	7,57,74,811	6,27,68,992
24. (Increase)/decrease in Inventories of finished goods and work in progress	31 March 2016	31 March 2015
Inventories at the end of the year		
Work-in-progress	8,64,05,577	6,20,06,425
Finished goods	11,43,46,260	13,39,81,159
	20,07,51,837	19,59,87,584
Inventories at the beginning of the year		
Work-in-progress	6,20,06,425	5,27,02,816
Finished goods	13,39,97,493	11,13,81,996
	19,60,03,918	16,40,84,812
Total (increase)/decrease	(47,47,919)	(3,19,02,772)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
Details of inventory		
<u>Work-in-progress</u>		
Tablets	1,69,32,758	1,25,18,301
Capsules	59,34,278	36,58,331
Liquids	3,34,557	49,77,229
Ointments	-	-
EED	30,122	38,745
Bulk drugs	6,31,73,862	4,08,13,819
	8,64,05,577	6,20,06,425
<u>Finished goods</u>		
Tablets	8,38,98,098	10,09,57,966
Capsules	1,83,86,075	1,86,13,901
Liquids	75,88,161	76,11,866
Ointments	34,04,557	35,45,465
EED	2,115	58,976
Bulk drugs	5,63,519	27,42,262
Medicines	5,03,735	4,50,722
	11,43,46,260	13,39,81,159
25. Employee Benefit Expense	31 March 2016	31 March 2015
Salaries, wages and bonus	32,45,19,012	28,44,10,214
Contribution to provident and other fund	1,75,17,810	1,17,93,290
Gratuity expense (refer note 31)	70,69,992	59,45,567
Leave benefit expense (refer note 31)	10,91,541	10,91,163
Staff welfare expense	2,28,13,816	1,90,18,423
Total	37,30,12,171	32,24,27,130
26. Other Expenses	31 March 2016	31 March 2015
Consumption of stores and spares	1,00,25,441	1,21,09,357
Power and fuel	4,34,91,100	4,24,57,098
Water charges	18,44,425	17,98,275
Laboratory and Testing	1,29,55,024	1,17,52,478
Clinical Items - Treatment	55,037	1,22,905
Testing & Diagnostic Expenses	1,16,790	77,787
Sub-contracting expenses	3,19,03,934	2,77,56,937
Repairs & Maintenance:		
Plant and machinery	1,73,86,905	1,37,91,728
Building	17,17,685	27,28,765
Others	1,39,38,688	1,73,22,306
Excise duty on Finished goods inventory	(1,26,627)	20,76,967
Seminar, Conference & Exhibition Expenses	34,96,757	72,82,628



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
Freight and forwarding charges	5,15,35,766	5,13,09,620
Commission on Sales	1,10,86,242	72,23,838
Breakages & Expired Goods	1,84,74,717	1,60,30,113
Advertisement and selling Expenses	5,07,28,865	4,45,55,146
Traveling and conveyance expenses	6,76,17,721	6,25,31,251
Rates & Taxes	1,11,44,321	61,75,556
Communication Costs	77,30,872	75,65,616
Legal & Professional charges	1,20,67,066	96,68,246
Printing & Stationery	41,10,377	35,62,261
Subscription & Membership	18,34,747	6,26,421
Postage & Courier Charges	3,240	-
Insurance	40,74,961	33,64,076
Rent	1,41,98,483	1,37,05,711
Directors Sitting fees	18,000	22,247
Registration fees	79,58,681	35,05,614
Liquidated damages	26,34,456	13,15,129
Donation	2,57,631	5,93,160
Commission	-	-
Electricity Charges	12,45,997	11,77,179
Balances/Bad debts/Advances written off	18,44,269	45,98,424
Payment to Auditors		
As auditor		
Audit fee	6,20,000	5,75,000
- Tax audit fee	50,000	50,000
- Limited Review Report	20,000	20,000
In other capacity	-	-
- Other services (certification fees)	1,00,000	1,09,635
- Reimbursement of expenses	50,000	50,000
Security charges	43,52,893	42,80,074
Vehicle operation and maintenance	28,98,989	29,50,528
Others	3,52,629	12,06,066
Total	41,38,16,082	38,60,48,144
27. Finance costs	31 March 2016	31 March 2015
Bank charges	1,12,13,120	1,33,16,570
Interest		
- Banks	4,70,60,054	4,63,87,588
- Delayed payment of taxes	46,574	8,35,320
- Others	64,57,526	46,24,132
Total	6,47,77,274	6,51,63,610
28. Depreciation and amortization expenses	31 March 2016	31 March 2015
Depreciation of tangible assets (refer note no. 12)	4,82,72,621	5,36,01,090
Amortization of intangible assets (refer note no. 13)	2,18,17,418	1,66,31,775
Total	7,00,90,039	7,02,32,865



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

29. Calculation of Earning per share (EPS) – Basic and Diluted:

Sl. No.	Particulars	31 March 2016	31 March 2015
1	Opening no. of shares	1,28,72,372	1,11,11,388
2	Total shares outstanding	1,28,72,372	1,28,72,372
3	Weighted average number of shares	1,28,72,372	1,28,00,003
4	Net profit attributable to equity share holders	1,40,53,266	3,62,78,670
5	Basic EPS	1.09	2.83
	Diluted		
6	Weighted average number of shares (including preferential share warrant dilution)	1,28,72,372	1,29,54,432
7	Diluted EPS	1.09	2.80

30. Details of subsidiaries of the Group are as under:

Sl. No.	Name of the Body Corporate	Country of Incorporation	% of Voting Power held on 31st March 2016 (Directly)
1	Lifezen Healthcare Private Limited	India	50.00
2	Balance Clinics LLP	India	80.00
3	Bal Research Foundation	India	80.00

30.1 The financial statements of the subsidiaries used in consolidation are for the period from 1 April 2015 to 31 March 2016.

31. Gratuity and leave benefits plan:

The following table sets out the status of the plan as required under AS 15 (revised)

Amount in `

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Change in defined benefit obligation				
Opening defined benefit obligation	1,48,65,292	95,87,632	33,37,801	23,98,621
Interest cost	11,83,707	8,32,575	2,67,024	2,09,037
Current service cost	15,55,235	20,12,324	2,53,839	11,92,876
Benefits paid	(17,21,160)	(6,73,600)	(2,39,731)	(1,51,983)
Actuarial losses/(gain)	43,31,050	31,06,361	5,70,678	(3,10,750)
Closing defined benefit obligation	20,214,124	1,48,65,292	41,89,611	33,37,801
Change in plan assets				
Plan assets at the beginning of the year at fair value	68,957	63,263	-	-
Expected return on plan assets (estimated)	-	5,100	-	-
Contribution to fund	-	6,73,000	-	-
Benefits settled	-	(6,73,000)	-	-
Actuarial gain/(loss) on plan assets	-	594	-	-
Plan assets at the end of the year at fair value	68,957	68,957	-	-
Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Reconciliation of present value of the obligation and fair value of plan assets				
Fair value of plan assets at the end of the year	68,957	68,957	-	-
Present value of defined benefit obligation at the end of the year	2,02,14,124	1,48,65,292	41,89,611	33,37,801
Asset/(liability) recognized in the balance sheet	(2,01,45,167)	(1,47,96,335)	(41,89,611)	(33,37,801)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Cost for the period				
Current service cost	15,55,235	20,12,324	2,53,839	11,92,876
Interest cost	11,83,707	8,32,575	2,67,024	2,09,037
Expected return on plan assets	-	(5,100)	-	-
Net actuarial (gain)/loss recognized for the year	43,31,050	31,05,767	5,70,678	(3,10,750)
Expense/(income) recognized in the statement of profit and loss	70,69,992	59,45,566	10,91,541	10,91,163

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Movement in the liability recognized in balance sheet				
Opening liability	1,47,96,335	95,24,369	33,37,801	23,98,621
Expense/(income) recognized for the period as above	70,69,992	59,45,566	10,91,541	10,91,163
Contribution/Benefits paid	(17,21,160)	(6,73,600)	(2,39,731)	(1,51,983)
Closing liability	2,01,45,167	1,47,96,335	41,89,611	33,37,801

Assumptions at the valuation date				
Discount factor	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	6.00%	5.50%	6.00%	5.50%
Rate of return (expected) on plan assets	9.00%	9.00%	0.00%	0.00%
Retirement age	58	58	58	58

Experience history information for the current and previous four years is as follows:

Particulars	Amount in `				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Gratuity					
Defined benefit obligation at the end of the period	2,01,45,167	1,47,96,335	95,87,632	77,12,866	77,81,687
Plan assets at the end of the period	68,957	68,957	63,263	2,42,007	16,80,810
Funded status – surplus/(deficit)	(2,00,76,210)	(1,47,27,378)	(95,24,369)	(74,70,859)	(61,00,877)
Experience adjustments in plan liabilities	43,31,050	31,06,361	1,58,482	(1,76,491)	(65,46,360)
Experience adjustments in plan assets	-	594	8,060	(76,900)	370

Particulars	Amount in `				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Leave Encashment					
Defined benefit obligation at the end of the period	41,89,611	33,37,801	23,98,621	17,85,852	21,31,248
Plan assets at the end of the period	Nil	Nil	Nil	Nil	Nil
Funded status – surplus/(deficit)	(41,89,611)	(33,37,801)	(23,98,621)	(17,85,852)	(21,31,248)
Experience adjustments in plan liabilities	5,70,678	(3,10,750)	(4,86,297)	(12,19,505)	(14,18,378)
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil

32. Export benefits:

The Company has accounted an amount of ` 3,21,28,216 (31 March 2015: ` 4,31,25,370) being the net amount of credit under various export incentive schemes as announced under Foreign Trade Policy. The same will be either received in cash or utilized for off-setting customs duty on future imports. The accumulated amount outstanding on this account as on 31 March 2016 is ` 5,30,33,065 (31 March 2015: ` 4,55,85,361) and the same is reflected under short-term loans and advances.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

33. Based on the information available with the company, principal amount due to micro and small enterprises is ` Nil (31 March 2015: ` 1,119). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is ` Nil (31 March 2015: ` Nil).

34. Expenditure on research and development:

An amount of ` 1,93,74,485/- (31 March 2015: ` 1,66,32,682) has been incurred during the year on research and development of new products and processes in the R & D centre. Amount written off during the year on account of the above was ` 2,16,99,423 (31 March 2015: ` 1,65,60,061). The balance on this account as on 31 March 2016: ` 4,59,20,716 (31 March 2015: ` 4,82,45,654).

The details of expenditure incurred during the year is as under:-

	Amount in `	
	31 March 2016	31 March 2015
Capital Expenditure		
Laboratory Equipment	-	4,82,889
Utilities	-	-
Total capital expenditure (a)	-	4,82,889
Revenue Expenditure		
	31 March 2016	31 March 2015
Raw material consumed	8,39,989	13,753
Power and fuel	34,33,075	33,74,743
Water charges	2,92,164	2,75,258
Laboratory and testing	48,07,778	49,25,556
Employee benefit expense	93,71,078	72,53,456
Others	6,30,401	3,07,027
Total revenue expenditure (b)	1,93,74,485	1,61,49,793
Grand Total (a+b)	1,93,74,485	1,66,32,682

35. Related party disclosures:

- Name of related parties and related party relationship**

Related parties where control/significant interest exist or with whom transactions have taken place during the year:

Nature of relationship	Name of the related party
Significant interest entities	Micro Labs Limited
Enterprise owned by the Managing Director of the company	1. Desa Marketing International 2. Siroya Ventures
Enterprise over which the Managing Director of the Company exercises joint control with other partners	1. Siroya Constructions 2. Siroya Wellness
Enterprise over which the Managing Director of the Company exercises joint control with other directors	1. Siroya Properties & Holdings Private Ltd 2. Legend Siroya Infrastructure Private Ltd 3. Sanjay Gems Private Limited 4. Siroya Developers Private Limited
Subsidiaries	1. Lifezen Healthcare Private Limited 2. Balance Research Foundation 3. Balance Clinics LLP
Key Management Personnel	Shailesh D Siroya (Managing Director) Dr. S Prasanna (Whole Time Director) Shrenik D Siroya (Non –Executive Director)

- Particulars of Related party transactions**

The following is a summary of significant related party transactions



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Amount in `

Particulars	31 March 2016	31 March 2015
Sales to		
Significant interest entities		
- Micro Labs Limited	1,23,55,813	2,67,86,242
Total	1,23,55,813	2,67,86,242
Commission Paid to		
Enterprise owned by the Managing Director of the Company		
- Desa Marketing International	44,41,796	1,02,29,413
Expenses incurred on behalf of		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	9,23,214	18,55,815
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	1,40,00,895	5,81,334
Total	1,49,24,109	24,37,149
Expenses reimbursed by		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	9,61,194	16,87,680
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	16,23,941	5,81,974
Total	25,85,135	22,69,654
Loans and Advances given to		
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	1,23,76,954	2,03,00,000
Total	1,23,76,954	2,03,00,000
Rent Paid to		
- Managing Director	12,00,000	12,00,000
Managerial Remuneration to *		
Key Managerial Personnel		
Shailesh D Siroya	78,00,000	72,00,000
Dr. S Prasanna	30,00,000	30,00,000
Total	1,08,00,000	1,02,00,000

* **Note** : The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

The Company has the following amounts due from / to related parties

Amount in `

Particulars	31 March 2016	31 March 2015
Dues from enterprise over which the Managing Director of the Company exercises joint control with other partners		
Siroya wellness (Included in Trade receivables)	30,74,622	30,74,622
Siroya Constructions (Included in Loans and Advances)	1,30,205	1,68,135
Siroya wellness (Included in Loans and Advances)	5,70,225	5,70,225
Total	37,75,052	38,12,982
Dues from Significant Interest entities		
Micro Labs (Included in Trade receivable)	37,71,025	12,836,912
Dues from enterprise over which the Managing Director of the Company exercises joint control with other directors		
Siroya Properties & Holdings Private Ltd (Included in Loans and Advances)	3,26,76,314	2,03,00,000
Dues to enterprise owned by the Managing Director of the company		
Desa Marketing International (Included in Current Liabilities)	56,46,891	10,246,071
Dues to Key Managerial Personnel		
Shailesh D Siroya (Included in Other current liabilities)	17,10,000	6,30,000

36. The company has provided for ` 1,15,787 (31 March 2015: ` 2,42,414) being excise duty on finished goods lying at various manufacturing units at the end of reporting period.

37. **Contingent liabilities not provided for:**

- Letter of credit ` 12,06,47,169 (31 March 2015: ` 10,31,79,442)
- Estimated value of contracts remaining to be executed on capital account and not provided for ` 53,90,815 (31 March 2015: ` 2,83,32,935)
- Claims against company not acknowledged as debts comprises:

Amount in `

Nature	31 March 2016	31 March 2015
Excise & Customs	1,62,88,001	2,45,14,120
Service Tax	85,88,511	1,08,36,228
Sales Tax	-	17,88,034
Income Tax	9,63,682	89,50,439
Total	(*) 2,58,40,194	(*) 4,60,88,821

(*) Pre - deposit under protest ` 1,00,000 (Previous year ` 6,43,729)

- The company is also involved in other lawsuits, claims, investigations and proceedings including patent and commercial matters, which arise in the ordinary course of business, however, there are no such matters pending that the company expects to be material in relation to its business.

38. The company has given counter guarantees to bank against guarantees issued by them on behalf of the company ` 5,31,17,678/- (31 March 2015: ` 3,14,41,990).

39. **Value of imports calculated on CIF basis:**

Amount in `

Particulars	31 March 2016	31 March 2015
Raw materials	48,60,64,338	41,12,76,917
Capital goods (Including spares and components)	21,21,403	27,31,221
Total	48,81,85,741	41,40,08,138



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

40. A) Expenditure in foreign currency:

Particulars	Amount in `	
	31 March 2016	31 March 2015
Traveling expenditure	35,13,768	21,30,469
Registration fee	24,92,482	29,35,967
Commission on export sales	21,39,838	7,97,010
Sales promotion	53,35,216	1,24,89,327
Total	1,34,81,304	1,83,52,773

B) Earnings in foreign currency:

Particulars	Amount in `	
	31 March 2016	31 March 2015
FOB value of exports	109,40,72,710	117,13,18,960

41. Details of consumption of imported and indigenous raw materials, components and spare parts:

Particulars	Amount in `			
	31 March 2016		31 March 2015	
	Value in `	% of total consumption	Value in `	% of total consumption
Raw material				
Imported	47,00,85,281	54.05	42,38,16,188	50.34
Indigenous	39,96,46,469	45.95	41,81,26,628	49.66
Total	86,97,31,750		84,19,42,816	100.00
Stores and spares				
Imported	-----	-----	-----	-----
Indigenous	1,00,19,744	100.00	1,20,97,523	100.00
Total	1,00,19,744	100.00	1,20,97,523	100.00

42. Segment information

The company is primarily engaged in a single business segment of manufacturing and marketing of pharmaceutical formulations and active pharmaceutical ingredients and is managed as ONE entity, for its various activities and is governed by a similar set of risks and returns.

Geographical segments

In the view of the management, the Indian and export markets represent geographical segments.

Sales by market

The following is the distribution of the company's sales by geographical market:

Geographical segments	Amount in `	
	31 March 2016	31 March 2015
India	83,21,48,928	64,44,49,052
Other than India	115,57,49,955	121,53,82,951
Total	1,98,78,98,883	1,85,98,32,003

Assets and additions to fixed assets by geographical area:

The following table shows the carrying amount of segment assets and additions to fixed assets by geographical area in which the assets are located.

Particulars	Amount in `			
	31 March 2016		31 March 2015	
	India	Others*	India	Others*
Carrying amount of segment assets	1,79,78,25,451	31,24,77,501	138,52,35,671	25,33,92,726
Additions to fixed assets	9,11,09,393	-----	3,42,69,510	-----

* Others represent receivables from debtors located outside India.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016****43. Unclaimed dividends on equity shares**

Year	Amount in `
2008-09	1,72,169
2012-13	1,66,083
2013-14	2,26,473
2014-15	2,35,886
Total	8,00,611

Unpaid dividend amounting ` 1,87,786/- pertaining to FY 2007-08 was transferred to Investor Education and Protection Fund during the current reporting period.

44. Balances of sundry debtors, sundry creditors, loans and advances, receivables and payables are subject to confirmation/reconciliation, if any
45. In the opinion of the board of director's adequate provision has been made in the accounts for all known liabilities and the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value stated in the balance sheet.
46. The company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns, residential, guest houses, etc.) These are cancelable operating leases and these lease agreements are normally renewed on expiry. The aggregate lease rentals payable is charged as rent under note 26.
47. Additional Information as required under Schedule III of the Companies Act, 2013 of enterprises consolidated as Subsidiary/ Associates.

Name of the enterprise	Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)	
	As % of consolidated net assets	Amount in `	As % of consolidated net assets	Amount in `
Parent				
Bal Pharma Limited	101.49	55,53,72,300	1081.60	2,80,60,191
Subsidiaries				
Indian				
Lifezen Healthcare Private Limited	(0.42)	(22,81,833)	(817.99)	(2,12,21,321)
Balance Clinics LLP	(1.25)	(68,47,425)	(162.92)	(42,26,566)
Bal Research Foundation	0.18	9,81,892	(0.69)	(17,995)
Total		54,72,24,934		25,94,311

48. The company has reclassified previous year figures to conform to current year's classification.

As per our report of even date

For **M/s T D JAIN AND D I SAKARIA**

Chartered Accountants

Firm registration number- 002491S

For and on behalf of **Board of Directors of Bal Pharma Limited**

T D Jain

Partner

Membership No. 012034

Sanjay Kumar Agarwal

Chief Financial Officer &

Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bengaluru

25 May 2016

FINANCIAL SUMMARY - LAST 10 YEARS AT A GLANCE

(Rs. in Lakhs)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
A. Sales and Earnings										
Turnover	20182.40	19066.95	18200.88	15024.67	14224.60	11664.84	10815.16	10655.43	9034.56	7618.17
Profit Before Tax	518.44	520.12	662.60	508.91	436.56	110.27	-90.62	405.57	420.30	315.92
Tax	237.83	117.84	155.37	80.56	60.87	63.04	52.26	106.28	134.59	114.23
Profit After Tax	280.60	402.28	507.23	428.35	375.69	47.23	-142.88	299.29	285.71	201.69
Retained Earnings (Non Cumulative)	138.88	273.56	377.23	6335.57	375.69	47.23	-142.88	207.30	163.50	110.03
B. Assets and Liabilities										
Tangible Fixed Assets (Net)	5525.65	4781.00	5055.90	4761.60	4766.55	4810.69	4975.08	5532.73	4592.82	3123.62
Intangible Assets (Net)	462.29	486.65	486.56	508.70	564.44	594.68	523.21	493.99	463.22	427.80
Investments	117.50	109.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	15.04
Net Current Assets*	1382.67	1242.00	834.50	35.29	4928.12	4634.01	4141.98	2990.81	3476.93	3775.59
Share Capital	1287.24	1287.24	1287.24	1111.14	1057.36	1057.36	1048.32	1048.32	1048.32	1044.62
Reserves & Deferred Tax Liability	5078.29	4800.00	4543.90	4107.50	3689.98	3278.83	3151.57	3253.88	2958.05	2758.08
C. Ratios										
Earnings Per Share Rs.	2.18	3.14	4.77	4.77	4.05	3.57	0.39	-1.36	2.85	2.74
Dividend Per Equity share %	10	10	10	10	7.5	-	-	-	7.5	10
Book Value Per Equity Share Rs.	44.05	43.19	45.04	45.04	42.20	37.88	34.82	29.40	36.33	33.54

* Note : Net Current Assets were reclassified from FY 2013-14 onwards to conform with revised schedule VI. Hence it is not comparable with figures of preceding years, which are as per old Schedule VI applicable at that time.

OUR MISSION

A full fledged global player catering to the needs of medical fraternity and pharmaceutical industry



Bal Unit - 1 Bangalore

- Plant commissioned in the year 1992
- WHO - GMP certified & ISO 9001:2000 approved
- Manufacture of finished dosage forms



Bal Unit - 2 Bangalore

- Plant commissioned in the year 1996
- Multi purpose API facility approved as per WHO-GMP guidelines
- Manufacture R&D lab approved Department of Science & Technology



Bal Unit - 3 with FFS Technology Pune

- Plant renovated as per WHO-GMP guidelines
- Engaged in SVP and LVP (Intravenous) by Form Fill & Seal technology



Bal Unit - 4 Uttranchal

- State - of art plant designed for regulated market in excise free zone
- Formulation Plant in 4 1/2 acres land, having a construction area of 88000 sq.ft.



Bal Unit - 5 Sangli

- Engaged in the manufacturing of intermediates
- Spread across 20.78 acres of land, with state of the art machinery and skilled man power



BAL PHARMA LIMITED

CIN# L85110KA1987PLC008368

Corporate Office: 5th Floor, Lakshmi Narayan Complex, 10/1, Palace Road, Bangalore - 560 052, India.

Ph : +91-80-4137 9500 Fax : +91-80-2235 4057 / 2235 4058

Email : secretarial@balpharma.com / info@balpharma.com / www.balpharma.com