

28TH ANNUAL REPORT 2014-15

Your Preferred
Partner in
**QUALITY
HEALTH
CARE**



Bal Pharma Limited

**Board of Directors**

Mr. Shailesh D. Siroya	- Managing Director
Mr. Shrenik 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 (From 13.8.2015)

Mr. Murali.V (Up to 9.7.2015)

Plant Locations**Unit 1 : Formulations**

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

Unit 2 : APIs

61/B, Bommasandra Industrial Area,
Hosur Road, Bangalore - 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

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 28th (Twenty Eighth) Annual General Meeting of the members of Bal Pharma Limited will be held on Tuesday, 22nd September, 2015 at 11.30 A.M at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements including audited Balance Sheet as at 31st March, 2015, and audited Statement of Profit and Loss for the financial year ended as on that date and the Board's Report and the Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr. Subbarao Prasanna, (DIN:00084602) who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint Auditors and to authorize the Board to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs T.D Jain and D I Sakaria, Chartered Accountants, having ICAI Firm Registration No. 0024915, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial years 2015-16 to 2017-18 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursalment of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company".

SPECIAL BUSINESS

5. **To consider and if thought fit to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 180 (1) (c) and all other applicable provisions if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money in any manner from time to time with or without securities and upon such terms and conditions as may deem fit not withstanding that monies already borrowed by the Company (apart from temporary loans if any obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid

up capital and free reserves of the Company, subject however to the condition that such borrowings at any point of time shall not exceed ` 250 Crores.

6. **To consider and if thought fit to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013, Mrs. Sarika Bhandari (DIN: 07140112), who was appointed as Additional Director of the Company by the Board of Directors, and who holds the office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. **To consider and if thought fit and to pass the following resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Sarika Bhandari (holding DIN 07140112), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 27th March, 2020."

8. **To ratify the remuneration fixed by the Board of Directors to Mr. M.R Krishna Murthy, Cost Auditor, appointed for the year 2015-16 and in this regard, 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 ending March 31, 2016 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 authorised 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 : Bangalore
Date : 13th August 2015

Shailesh D Siroya
Managing Director



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 him / her. 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 14.10.2015 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 2015 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 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 18th September, 2015 to 22nd September, 2015 (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 numbers 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 – 400011.
11. Members are requested to bring Annual Report 2014-15 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 2014-15 is being sent to all the Share holders, 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 2014.15 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 free of cost, upon making a request for the same.
13. Pursuant to 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 2007-08 to Investor Education and Protection Fund as stipulated under 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 2007-08 on wards 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. As regards to re-appointment of Mrs. Sarika Bhandarias independent Director, referred to in item No. 5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Name of the Director	Mrs. Sarika Bhandari
Date of Birth	21.01.1968
Date of Appointment	27.03.2015



Name of the Director	Mrs. Sarika Bhandari
Qualification	Bachelor of Engineering
Experience / Expertise	14 Years
Other Directorships	Nil
Other Committee Memberships in the Company	a) Audit Committee b) Nomination and Remuneration Committee c) Corporate Social Responsibility Committee
Number of shares held directly or indirectly	Nil

17. 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 28th 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 Participants(s)]:
- 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.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - Click on Shareholder - Login
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - 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.
 - Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - Select "EVEN" (E-Voting Event Number) of Bal Pharma Limited.
 - Now you are ready for e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - 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 Participants(s) or requesting physical copy]:

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

Other Instructions:

- 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.
- 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.
- 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).
- The e-voting period commences on 19th September, 2015 (9:00 am) and ends on 21st September, 2015 (5:00 pm). During this period, share holders' of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of 15.09.2015, 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.
- 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, 2015.
- If the share holder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede.
- 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.



- (vii) The Scrutinizer shall within a period not exceeding three (3) working days 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 favor or against, if any, forthwith to the Chairman of the Company.
- (viii) The Results shall be declared on or after the AGM of the Company. 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.
- (ix) Further, members may note the following:
- Remote e-voting shall not be allowed beyond the said date and time.
 - The Company is providing facility to vote on a poll to the members present at the meeting.
 - The members who have casted their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
 - A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the

facility of remote e-voting as well as voting in the General Meeting.

- 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.
- 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 : Bangalore
Date : 13th August, 2015

Shailesh D Siroya
Managing Director



Annexure to Notice

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

Item No. 5:

The members of the Company at their meeting held on 21st September, 2012 has passed an Ordinary Resolution under Section 297(1)(d) of the Companies Act, 1956 fixing the borrowing limits of the Company at ₹ 250 Crores.

As per the general circular # 04/2014 Dated 25th March, 2014 issued by Ministry of Corporate Affairs, resolution passed as per Section 297(1)(d) of Companies Act, 1956 will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013, for a period of 1 year from the date of notification of the said Section.

Accordingly, the Board proposes to place before its members said Special Resolution under Section 180 of the Companies Act, 2013, for their approval.

This Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 6:

Mrs. Sarika Bhandari was appointed as an Additional Director on the Board of the Company with effect from 27th March, 2015. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") she will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying his intention to propose her as a Director at the ensuing Annual General Meeting along with a deposit of ₹ 1,00,000/- (Rupees One Lakh only).

No Directors, KMPs or their relatives, except Mrs. Sarika Bhandari, to whom the Resolution relates to, is interested or concerned in the Resolution except to the extent of her or her relatives share holding, if any, in the Company.

This Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item no 7:

Mrs. Sarika Bhandari was inducted in to the Board of Bal Pharma Limited, as an Independent Director on 27th March, 2015. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mrs. Sarika Bhandari being eligible and seeking re-appointment is proposed to be appointed as an Independent Director for a term of 5 years with effect from 27th March 2015.

Brief resume of Mrs. Sarika Bhandari, nature of her expertise in specific functional areas and names of Companies In which she holds

Directorships and Memberships / Chairmanships of Board Committees, Share holding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

In the opinion of the Board and as per the consents / disclosures / intimations made by Mrs. Sarika Bhandari as per applicable provisions of the Act, Mrs. Sarika Bhandari fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as Independent Director of the Company. Copy of the draft letter of appointment of Mrs. Sarika Bhandari as Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company.

The Resolution seeks the approval of Members.

No Directors, KMPs or their relatives, except Mrs. Sarika Bhandari, to whom the Resolution relates to, is interested or concerned in the Resolution except to the extent of her or her relatives share holding, if any, in the Company.

This Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8:

The Board of Directors of the Company at its Meeting held on 29.05.2015 has appointed Mr. M.R Krishna Murthy, Cost Accountant as Cost auditor of the Company for the FY 2015.16 for conducting audit of cost records of the Company. As per the recommendation of the Audit Committee, the Board has fixed an consolidated remuneration of ₹ 40,000/- (Rupees Forty Thousand Only) to Mr. M.R Krishna Murthy for the FY 2015.16, which is exclusive of reasonable out of pocket expenses.

No directors KMPs or there relatives are interested or concerned in the resolution.

This Explanatory Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

By the order of the Board of Directors

Place : Bangalore
Date : 13th August, 2015

Shailesh D Siroya
Managing Director



To the Members,

Your Directors are pleased to present the Twenty Eighth (28th) Annual Report and the Company's audited financial statements for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

Following is the summary of the Company's consolidated financial performance during the year under review:

(` in Crores)

Particulars	FY 2014-15	FY 2013-14
1) Total Income from operations	190.67	182.01
2) Earnings before Interest , Tax , Depreciation & Amortisation	18.72	18.53
Less :		
Depreciation & Amortisation	7.00	4.74
Finance cost	6.52	7.16
Profit before taxation and prior period adjustments.	5.20	6.63
Less :		
3) Current Tax (Net)	1.79	1.55
4) Deferred Tax	(0.61)	0.01
5) Extra Ordinary / Non Recurring items	-	-
6) Prior year Adjustments	-	-
7) Net Profit	4.02	5.07
Add :		
8) Profit & loss account balance at the beginning of the year	18.93	15.16
9) Profit /(Loss) made available for appropriation	22.04	20.23
Less :		
10) Proposed Dividend on Equity Shares	1.28	1.11
11) Tax on Dividend	0.26	0.19
12) Surplus Carried to Balance sheet	20.50	18.93

Note : Previous year's figures 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/- each, thereby absorbing an amount of ` 1.28 Crores excluding Dividend Distribution Tax of ` 0.26 Crores. The balance amount of profit is retained as surplus

in the Statement of Profit and Loss, forming part of Reserves and Surplus.

3. SHARE CAPITAL:

The Company has allotted 17,60,984 Equity Shares of ` 10/- each for consideration of ` 21/- each on 16th April, 2014 up on conversion of warrants. With this allotment the paid up Equity Share capital of the Company has increased to ` 12,87,23,720/-.

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:

The Indian Pharma market is dominated majorly by branded generics which constitute nearly 70 to 80 per cent of the market share. Considered once to be a highly fragmented industry, consolidation has increasingly become an important feature of the Indian pharmaceutical market.

India continues to maintain its eminent global position in Pharma sector during 2014-15 by retaining its third position in terms of volume and thirteen positions in terms of value. The country also has a huge pool of scientists, pharmacists and engineers who have the potential to take the industry to the next level. Indian Pharma market continues to proliferate with increase in its population in the age bracket of 60+, growing awareness on health insurance and improvement in the standard of living of the Indian middle class.

The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. It has reduced approval time for new facilities to boost investments. Further, the government has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

Bal Pharma during the year under review has aimed at strengthening its presence both in terms of its manufacturing capabilities and market share. The Company has earmarked an budget of ` 31.27 Crores for the modernization and expansion of its manufacturing facilities located at Bangalore (Unit 1&2) and Pant Nagar, Uttarakhand (Unit 4). Modernization process is underway and expected to be completed by FY 2016.17. This will give a big boost to the Company's manufacturing capabilities, which helps in consolidating its position in Indian Pharma Industry.



The Company is also investing on strengthening its marketing and sales force, both in terms of adding to the head count and also by enhancing the parcapita output of its sales force by adopting & implementing attractive incentive policies.

The Company has floated Lifezen Healthcare Private Limited during the year as its subsidiary with an objective of marketing OTC (Over the Counter) branded products, which are high margin products. This Company is expected to be operating in a niche market segment with ample marketing and publicity support, so that several brands can be launched/built and in the process will contribute handsomely to the revenues of the Company.

The Companies venture into health care sector during the year through its subsidiary i.e. Balance Clinics LLP is also yielding encouraging results and consolidation of this business may happen in the next 3 to 4 years.

The Company has launched an exclusive research foundation i.e. Bal Research Foundation which is a nonprofit making Company incorporated as per the provisions of Section 8 of the Companies Act, 2013, with an objective for promoting research and development in the field of Allopathic, Ayurvedic, herbal formulations and API's (Active Pharma Ingredients).

5. BUSINESS OPERATIONS

(i) Turnover and Net profit:

During the financial year 2014-15, your Company has achieved a gross turnover of ` 190.67 Crores as against ` 182.01 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 2014-15 stands at ` 4.02 Crores as against the net profit of ` 5.07 Crores achieved in the previous financial year, 2013-14. The decline in profits is due to additional provision for depreciation of ` 1.73 Crores, which was resented as for Schedule II of Companies Act, 2013.

(ii) Formulations Business:

The formulations business of the Company has contributed a total revenue of ` 115.40 Crores, during the F.Y 14-15 as compared to 119.75 Crores, during the F.Y 13-14.

The turnover from export of formulations during the year under review stands at ` 73.51 Crores as against ` 72.24 Crores achieved during the previous financial year, thus registering a moderate growth of 2%.

In the domestic market, Branded formulations of the Company, consisting of mainly Diabetic, Gynecology and Cardiac drugs have contributed to a revenue of ` 22.49 Crores during the year under review as against ` 24.93 Crores achieved during the previous year.

(iii) Bulk Drug Business:

Bulk drug business continue to show its momentum in sales with a revenue of ` 75.26 Crores during the year under

review as compared to ` 62.25 Crores achieved during the previous financial year, thereby registering a healthy growth of 17%.

Exports sales of bulk drugs during the year under review stands at ` 48.02 Crores as against ` 35.42 Crores registered during the previous financial year.

Domestic sales of the bulk drugs have registered a revenue of ` 27.24 Crores as against the revenue of ` 26.75 Crores registered during the previous financial year.

(iv) Export Performance:

The overall exports of the Company during the year under review has increased to ` 121.53 Crores from ` 107.66 Crores achieved during the previous financial year, thus registering a growth of 12%.

Revenues from the export sales continue to consistently dominate the Company's overall turnover.

Your Company has won a prestigious award for its outstanding export performance during the year 2014-15 from Federation of Karnataka Chamber of Commerce and Industry (FKCCI). The Management wishes to attribute this honor to its employees, vendors, suppliers etc who are instrumental in achieving this award.

(v) Domestic Performance:

Revenue from sales to Govt. Institutional business registered a turnover of ` 3.92 crores during the year under review as against ` 2.88 crores achieved during the previous financial year. The Ayurvedic products division has contributed to a turnover of ` 4.31 crores, during the year under review as against ` 3.19 crores registered during the previous year. Over all domestic turnover is ` 64.64 crores as compared to ` 68.88 crores during previous year 13-14.

Diabetic and Cardiac drugs of the company continue to prove their prominence in the Indian markets.

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

There are 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.

7. RESEARCH & DEVELOPMENT

During the year under review, Bal Research Foundation was incorporated as per the provisions of Section 8 of the Companies Act, 2013, with the following main objectives:

- i. To initiate, carry out, execute, implement, aid and assist in research and study in Allopathic, Ayurvedic and Herbal formulations.
- ii. To initiate, conduct study and research in Active Pharmaceutical Ingredients (API's) and in other allied fields of scientific research.



- iii. To collaborate with the existing research institutions, labs, government departments and research departments in educational institutions for sharing of knowledge, skill, study materials, manpower and other intellectual properties.
- iv. To conduct seminars, lectures, classes and other training programmes in the field of Pharma research at the educational institutions, universities for developing the skilled manpower in research activities.
- v. To dedicate its resources either tangible or intangible, for study and research in Pharma and allied fields.

8. 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.

This Committee is chaired by Dr.GSR Subba Rao. Audit Committee has been discharging its duties under SEBI Guidelines read with the Listing Agreement. The said Committee is also functioning as Audit Committee under Section 177 of the Companies Act, 2013.

9. AUDITORS AND AUDITORS REPORT :

Statutory Auditors:

Messrs T.D Jain and D I Sakaria, Chartered accountants will hold the office of the statutory auditors till the conclusion of ensuing annual general meeting of the Company and are eligible for reappointment. The Company has received a certificate under Section 141 of the Companies Act, 2013 from them stating that their appointment would be within the limits specified therein.

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

Cost Auditors:

The Board has appointed Mr. MR Krishna Murthy, Cost Accountant as Cost auditor for conducting audit of cost records of the Company, for the financial year 2014-15.

Secretarial Auditors:

The Board has appointed Mr. Parameshwar G Bhat, Practising Company Secretary to conduct Secretarial Audit of the Company for the F.Y 2014-15. The Secretarial Audit Report for the F.Y. 2014-15 is annexed to this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Internal Auditors:

Messrs Abhishek Jain and Dheeraj Bafna, Chartered Accountants were appointed as Internal Auditors of the Company for the financial year 2014-15 and their Internal Audit Reports are 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.

Risk Management:

During the year under review, The management of the Company has constituted a Risk Assessment and Minimization Committee

with functional heads and the Company Secretary as its members. The Committee will submit its periodical report to the Board about the measures taken for mitigation of risk in the organization.

The Risk Management Policy devised by the Committee is available on our website i.e. www.balpharma.com.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has adequate system of internal controls with clearly defined authority limits. They ensure that the Company's assets are protected against loss from unauthorised 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 to the provisions of Section 134(5) of the Companies Act, 2013, your Directors wish to confirm with reference to Statement of Accounts for the financial year ended on 31st March, 2015:

- a) that in preparing the Annual Accounts, all the applicable Accounting Standards have been followed;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 & 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 '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 operating effectively.
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were 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 (5% of turn over or 25% of the net worth of the Company) as defined in the Listing Agreement.

Companies 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 companies listed below have become 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 the Companies Act, 2013 is provided as Annexure - A to the consolidated financial statement and hence not repeated here for the sake of brevity.

Sl. No.	Name of the Company/LLP	Nature of Business	% of stake as on 31.03.2015
01	Lifezen Healthcare Private Limited	Marketing of Over the counter (OTC) products.	98%
02	Bal Research Foundation.	Research and Development in Pharma & health care.	80%
03	Balance Clinics LLP.	Diabetic care	80%

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Dr. Subba Rao Prasanna, Whole Time Director of the Company retires by rotation and being eligible offer himself for reappointment.

The Board has appointed Mrs. Sarika Bhandari as an Additional and Independent Director of the Company on 27.03.2015 in compliance with the provisions of Section 149(1) of Companies Act, 2013 and Clause 49 II A of the Listing agreement. It is proposed to appoint her as regular Director and also as Independent Director of the Company for the tenure of 5 years, at the ensuing Annual General Meeting of the Company.

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 and Clause 49 of the Listing Agreement.

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 put up on the website of the Company i.e. www.balpharma.com

The Company has also devised a policy for Nomination and Remuneration of KMP's, Senior Managerial personnel and Directors of the Company in compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The said policy is available on the website of the Company.

15. VIGIL MECHANISAM:

The vigil mechanism of the Company, which also incorporates a whistle blower policy as per the Listing Agreement, 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 the Company's 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 which forms part of the Board's Report.

17. PARTICULARS OF EMPLOYEES:

Details of employees as per Section 197 of the Companies Act, 2013 and rule 5 (1) and (2) of the Companies (Appointment & remuneration of managerial personnel) Rules, 2014, is furnished as annexure to this report.

18. CORPORATE GOVERNANCE AND SHARE HOLDERS INFORMATION:

A detailed report on the Corporate Governance System and practices of the Company are given in a separate section in this Annual Report.

Outstanding Un-paid dividend amount for the financial year 2006-07 that is due for transfer to the Investor Education and Protection Fund has been duly transferred, during the year.

19. PARTICULARS OF LOANS 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. EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return of the Company for FY 2014-15 in Form MGT-9 is annexed to this report.

21. 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 Policy and the Board has approved the Policy for its implementation. The CSR policy may be accessed from the Company's website i.e. www.balpharma.com .

You Directors wish to place on record that during the year under review, due to inadequate time and avenues and this being the first year of this requirement, the Company could not spent any amount



under CSR activities as specified in Section 135 of Companies Act, 2013. But the Company continued its socially beneficial activities like conducting free health checkups, distribution of medicines for the flood affected victims of Uttarakhand etc.

22. 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 2014-2015:

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

23. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review 8 (Eight) Board Meetings were held on 28th May, 2014, 11th August, 2014, 20th October, 2014, 8th November, 2014, 12th January, 2015, 12th February, 2015, 20th March, 2015 and 27th March, 2015.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

Members are requested to refer to page no. 26 of this Annual Report for a report on Corporate Governance.

24. 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.

25. CEO & CFO CERTIFICATION:

The Board has acknowledged the Managing Director as the CEO of the Company and AVP Finance & Accounts as the CFO for the

purpose of compliance under the Listing Agreement. The CEO and CFO have certified to the Board, in terms of Clause 49 of the Listing Agreement that the financial statements present a true and fair view of the company's affairs and are in compliance with accounting standards.

26. 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.

27. MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY:

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

28. 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.

29. 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 Banks & 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

Bangalore
13th August 2015

Dr. S. Prasanna
Whole Time Director

Shailesh D Siroya
Managing Director



Annexures to Board's Report Annexre I

Form No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the 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 (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 31.03.2015 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 31.03.2015 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, 1992;
 - (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 (Buy back of Securities) Regulations, 1998;
- (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

I have further reviewed the systems and mechanism established by the Company for ensuring compliance under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and are categorized under the following major heads/groups:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation etc.;
3. Industrial (Development Regulation) Act, 1991;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts relating to Electricity, fire, petroleum, drugs, motor vehicles, explosives, Boilers, etc.;
9. Acts relating to protection of IPR;
10. Land revenue laws; and
11. Other local laws as applicable to various plants and offices.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (came into effect from 1st July, 2015; hence not applicable for the financial year ended 31.03.2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE) and National Stock Exchange (NSE).

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws were addressed suitably by the Management.

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

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.

As per the information received from the Secretarial team, 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: Bangalore
Date: 13th August 2015

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

**Annexure 2****2. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outflow:****Conservation of Energy**

Electricity	2014-15	2013-14
(a) Purchased Units		
Units (Kwhr)	5,175,156	4,210,274
Amount - (`)	26,056,638	24,955,353
Rate/Unit - (` P)	5.03	5.93
(b) Own Generation through Diesel generator		
Units (Through Diesel Generator) Kw/hr	204,059	194,117
Units per ltr of Diesel	2.99	3.28
Cost/unit (` P)	19.89	17.05
(c) Total Units purchased/generated (Kw/hr)	5,379,215	4,404,391

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards * (if any)	2014-15	2013-14
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:-

Research and Development (R & D)	
a) Specific areas in which R&D is carried out by the company.	In the year 2014-15, in addition to the research work already in progress on products of therapeutic significance in the Research and Development department, investigative and developmental work was also taken up on a few other projects. The new products on which work was initiated belonged to the category of, <ul style="list-style-type: none"> . chelating agents for metals . antidyskinetics, and . skeletal muscle relaxants
b) Benefits derived as a result of the above R&D.	Active ingredients belonging to the above therapeutic segments that were taken up for investigation were of the kind that they were relatively new for our country. This opened up opportunities for the personnel in the R&D and its analytical services section to learn and apply new techniques and approaches in an effort to accomplish the synthetic targets. State of the art analytical tools were put into use in the deduction and elucidation of structural features of the products being developed. <p>When these drugs being developed in the R&D reach production levels, commercial interest for these is bound to grow among consumers for their novelty and ready availability.</p>
c) Future plans	On standardization of the synthetic processes for the new molecules under study at the R&D level, scale up operations are being planned to study the feasibility and robustness of the developed process. On completion of the pilot plant studies, commercial production will be taken up in the manufacturing plant. The commercially produced drugs are destined to meet national and international demand.

d) Expenditure on R&D during the financial year ended 31-03-2015:	
i) Capital	Nil
ii) Recurring	16,632,682
iii) Total	16,632,682
iv) Total R&D expenditure as a percentage of total turnover	0.88%

3. Technology Adaptation and Innovation:

(i) Efforts in brief made towards technology absorption, adaptation and innovation.	Consistent efforts are being put in the Research and Development department to develop novel, economic and adaptable technologies in producing active pharmaceutical ingredients of interest. At present, the entire product range under manufacture in the bulk drug manufacturing plant to cater to the national and international markets is an adaptation of the processes that were developed in-house. That the transfer of technology from the lab to the plant and its absorption has been wholesome is borne by the ready acceptance of the commercially produced drug products in the highly quality conscious international market. Many novel and highly efficient processes have been developed in the R&D laboratory to bring about some intricate chemical reactions and such innovative approaches have found application in the manufacturing processes.
	There has been no import of any technology. The technology being adapted is what has been developed in-house by the Company.
(ii) Benefits derived as a result of the above efforts e.g. Product Improvement, cost reduction, product development, import substitution etc.	The technology developed in the R&D in-house for the chemical processes involved in manufacturing active pharmaceutical ingredients, is backed by very good analytical procedures for tests on purity and homogeneity. As a result, there has been ready acceptance of our products in the market and the demand for them has been on the upswing. The end users are provided with adequate information on the characteristics of the product, the analytical techniques involved in testing, the stability characteristics of the drug etc. with the result that there is a sustained and growing clientele for the products we produce. <p>The emphasis in the R&D department is that, during the development stage, indigenous processes are to be developed at all stages of manufacture. This reduces dependence on importing of materials, thus aiding in saving of foreign exchange.</p>

4. Foreign Exchange Earnings and Outgo:-

	2014-15 (in `)	2013-14 (in `)
Total Foreign Exchange Earnings	1,171,318,960	1,030,465,795
Total Foreign Exchange Outflow	432,360,941	400,784,207
(a) Towards purchase Raw Materials	411,276,917	379,152,018
(b) Towards purchase Capital Goods	2,737,221	6,610,340
(c) Towards Other Foreign currency payments		
(i) Travelling Expenses	2,130,469	3,336,012
(ii) Export Promotion Expenses	12,489,327	7,131,157
(iii) Commission of export sales	797,010	2,873,889
(iv) Registration fees	2,935,967	6,756,392



Annexure 3

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

[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, Bangalore-560099
 vi) **Whether Listed Company**: YES
 vii) **Name, Address and contact details of Registrar and Transfer Agent, If any:**
 TSR Darashaw Limited
 6-10, Haji Moosa Patrawala Industrial Estate
 20 Dr.E.Moses Road, Mahalaxmi,
 Mumbai-400011
 Phone No91-22-66568484
 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 stated:-

Sl No	Name and description of main products / services	NIC code of the product/ Service	% to total turnover of the Company
1	Manufacture of pharmaceuticals and medical chemicals	2423	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and Address of the Company	CIN/LLP #	Holding/ Subsidiary / Associate	% of share holding	Applicable section
1	Bal Research Foundation	U73100KA2014NPL076995	Subsidiary	80%	Section 2(87)
2	Lifezen Healthcare Private limited	U24230KA2014PTC077114	Subsidiary	98%	Section 2(87)
3	Balance Clinics LLP	AAC-3012	Subsidiary	80%	Section 2(87)

IV SHARE HOLDING 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 01.04.2014				No. of Shares held at the end of the year i.e 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
1	Indian									
(a)	Individuals / Hindu Undivided Family	4,003,279	0	4,003,279	36.03	4,319,779	0	4,319,779	33.56	-2.47
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	1,310,836	0	1,310,836	11.80	1,310,836	0	1,310,836	10.18	-1.61
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0		0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0		0.00	0.00
	Sub-Total (A) (1)	5,314,115	0	5,314,115	47.83	5,630,615	0	5,630,615	43.74	-4.08



Category Code	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No. of Shares held at the end of the year i.e 31.03.2015				% 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)	655,187	0	655,187	5.90	655,187	0	655,187	5.09	-0.81
(b)	Bodies Corporate	0	0	0	0.00	0	0		0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0		0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0		0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0		0.00	0.00
	Sub-Total (A) (2)	655,187	0	655,187	5.90	655,187	0	655,187	5.09	-0.81
	Total Shareholding of Promoter and Promoter Group (A)	5,969,302	0	5,969,302	53.72	6,285,802	0	6,285,802	48.83	-4.89
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	200	200	0.00	0	200	200	0.00	-0.00
(b)	Financial Institutions / Banks	0	1,800	1,800	0.02	4,583	1,800	6,383	0.05	0.03
(c)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	0	2,000	2,000	0.02	4,583	2,000	6,583	0.05	0.03
(2)	Non-Institutions									
(a)	Bodies Corporate	480,759	6,058	486,817	4.38	730,126	6,058	736,184	5.72	1.34
(b)	Individuals -	0		0						
i	Individual shareholders holding nominal share capital upto ` 1 lakh	2,465,700	283,550	2,749,250	24.74	2,601,394	274,634	2,876,028	22.34	-2.40
ii	Individual shareholders holding nominal share capital in excess of ` 1 lakh	1,904,019	0	1,904,019	17.14	2,967,775	0	2,967,775	23.06	5.92
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B) (2)	4,850,478	289,608	5,140,086	46.26	6,299,295	280,692	6,579,987	51.12	4.86
	Total Public Shareholding (B) = (B)(1)+(B)(2)	4,850,478	291,608	5,142,086	46.28	6,303,878	282,692	6,586,570	51.17	4.89
	TOTAL (A)+(B)	10,819,780	291,608	11,111,388	100.00	12,589,680	282,692	12,872,372	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	10,819,780	291,608	11,111,388	100.00	12,589,680	282,692	12,872,372	100.00	0.00

Total number of shares have increased by 17,60,984 due to allotment of shares to the promoter and strategic investor on conversion of warrants.



ii. Shareholding of Promoters

Sl. No.	Share holder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in share-holding 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	1,310,836	11.80	0.00	1,310,836	10.18	0.00	-1.61
2	Shailesh Siroya	670,759	6.04	0.00	1,270,759	9.87	0.00	3.84
3	Anita Siroya	1,018,540	9.17	0.00	1,018,540	7.91	0.00	-1.25
4	Anand Surana	525,686	4.73	0.00	525,686	4.08	0.00	-0.65
5	Chandraprakash Dheerajmal Siroya	486,420	4.38	0.00	486,420	3.78	0.00	-0.60
6	Dilip Surana	474,994	4.27	0.00	474,994	3.69	0.00	-0.58
7	Shrenik D Siroya	374,700	3.37	0.00	374,700	2.91	0.00	-0.46
8	Archana Surana	284,996	2.56	0.00	284,996	2.21	0.00	-0.35
9	Monica Surana	179,909	1.62	0.00	179,909	1.40	0.00	-0.22
10	Dilip Surana (HUF)	169,995	1.53	0.00	169,995	1.32	0.00	-0.21
11	Anita Chandraprakash Siroya	122,687	1.10	0.00	122,687	0.95	0.00	-0.15
12	Jivi Dheerajmal Siroya	46,080	0.41	0.00	46,080	0.36	0.00	-0.06
13	Subbarao Prasanna	20,200	0.18	0.00	20,200	0.16	0.00	-0.02
14	Hasumati Pravin Siroya	283,500	2.55	0.00	0	0.00	0.00	-2.55
	TOTAL	59,69,302	53.72	0	62,85,802	48.83	0	-2.34

- Ms Hasumati Pravin Siroya exited from the Promoter Group as on 02.04.2015
- There is dilution in the total percentage of shareholding of Promoter and Promoter Group, due to increase in paidup capital.

iii) Change in Promoters' Shareholding

Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.1	AABCM2131N	IN30113526485552	Micro Labs Limited	01-Apr-2014	At the beginning of the year	1,310,836	11.80	1,310,836	10.18
1.1				31-Mar-2015	At the end of the year	0	0.00	1,310,836	10.18
1	Total for AAB-CM2131N				Pan Total :	1,310,836	11.80	1,310,836	10.18
2.1	AWIPS5665B	I203070000120987	Shailesh Siroya	01-Apr-2014	At the beginning of the year	18,559	0.17	18,559	0.14
2.1				31-Mar-2015	At the end of the year	0	0.00	18,559	0.14
2.2		IN30113513221436	Shailesh Siroya	01-Apr-2014	At the beginning of the year	652,200	5.87	652,200	5.07



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
2.2				23-May-2014	Increase	600,000	4.66	1,252,200	9.73
2.2				31-Mar-2015	At the end of the year	0	0.00	1,252,200	9.73
2	Total for AWIPS5665B				Pan Total :	670,759	6.04	1,270,759	9.87
3.1	AWIPS5664A	IN30113526063894	Anita Siroya	01-Apr-2014	At the beginning of the year	1,018,540	9.17	1,018,540	7.91
3.1				31-Mar-2015	At the end of the year	0	0.00	1,018,540	7.91
3	Total for AWIPS 5664A				Pan Total :	1,018,540	9.17	1,018,540	7.91
4.1	AMGPS5511A	IN30113526370324	Anand Surana	01-Apr-2014	At the beginning of the year	525,686	4.73	525,686	4.08
4.1				31-Mar-2015	At the end of the year	0	0.00	525,686	4.08
4	Total for AMGPS5511A				Pan Total :	525,686	4.73	525,686	4.08
5.1	AAOPS8235P	IN30133017391550	Chandra-prakash Dheerajmal Siroya	01-Apr-2014	At the beginning of the year	486,420	4.38	486,420	3.78
5.1				31-Mar-2015	At the end of the year	0	0.00	486,420	3.78
5	Total for AAOPS8235P				Pan Total :	486,420	4.38	486,420	3.78
6.1	AFKPS0253G	IN30113526370359	Dilip Surana	01-Apr-2014	At the beginning of the year	474,994	4.27	474,994	3.69
6.1				31-Mar-2015	At the end of the year	0	0.00	474,994	3.69
6	Total for AFKPS 0253G				Pan Total :	474,994	4.27	474,994	3.69
7.1	AABPS5177K	IN30088813877781	Shrenik D Siroya	01-Apr-2014	At the beginning of the year	374,700	3.37	374,700	2.91
7.1				31-Mar-2015	At the end of the year	0	0.00	374,700	2.91
7	Total for AABP S5177K				Pan Total :	374,700	3.37	374,700	2.91
8.1	AJSPS3067N	IN30113526370333	Archana Surana	01-Apr-2014	At the beginning of the year	284,996	2.56	284,996	2.21
8.1				31-Mar-2015	At the end of the year	0	0.00	284,996	2.21
8	Total for AJSPS 3067N				Pan Total :	284,996	2.56	284,996	2.21
9.1	AFKPS0254B	IN30113526370367	Monica Surana	01-Apr-2014	At the beginning of the year	179,909	1.62	179,909	1.40
9.1				31-Mar-2015	At the end of the year	0	0.00	179,909	1.40
9	Total for AFKPS0254B				Pan Total :	179,909	1.62	179,909	1.40



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cummulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
10.1	AABHD0248N	IN30113526862064	Dilip Surana (HUF)	01-Apr-2014	At the beginning of the year	169,995	1.53	169,995	1.32
10.1				31-Mar-2015	At the end of the year	0	0.00	169,995	1.32
10	Total for AAHD0 248N				Pan Total :	169,995	1.53	169,995	1.32
11.1	AAOPS8180P	IN30133017265214	Anita Chandraprakash Siroya	01-Apr-2014	At the beginning of the year	122,687	1.10	122,687	0.95
11.1				31-Mar-2015	At the end of the year	0	0.00	122,687	0.95
11	Total for AAOPS8180P				Pan Total :	122,687	1.10	122,687	0.95
12.1	AAOPS8181N	IN30112716551332	Jivi Dheeraj-mal Siroya	01-Apr-2014	At the beginning of the year	46,080	0.41	46,080	0.36
12.1				31-Mar-2015	At the end of the year	0	0.00	46,080	0.36
12	Total for AAOPS 8181N				Pan Total :	46,080	0.41	46,080	0.36
13.1	ABLPP7396j	IN30115122926417	Subbarao Prasanna	01-Apr-2014	At the beginning of the year	20,200	0.18	20,200	0.16
13.1				31-Mar-2015	At the end of the year	0	0.00	20,200	0.16
13	Total for ABLPP 7396j				Pan Total :	20,200	0.18	20,200	0.16
14.1	AANPS8 896D	IN30112715748794	Hasumati Pravin Siroya	01-Apr-2014	At the beginning of the year	283,500	2.55	0	0.00
14.1				31-Mar-2015	At the end of the year	0	0.00	0	0.00
14	Total for AANP S8896D				Pan Total :	283,500	2.55	0	0.00

(iv) Shareholding of top 10 Shareholders (Other than Director, Promoter and Holders of ADRs and GDRs)

Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cummulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.1	AANPS8896D	IN30112715748794	Hasumati Pravin Siroya	01-Apr-2014	At the beginning of the year	283,500	2.55	283,500	2.20
1.1				14-Nov-2014	Decrease	-20,000	-0.16	263,500	2.05
1.1				31-Dec-2014	Decrease	-10,000	-0.08	253,500	1.97
1.1				09-Jan-2015	Decrease	-10,000	-0.08	243,500	1.89
1.1				20-Mar-2015	Decrease	-10,000	-0.08	233,500	1.81
1.1				31-Mar-2015	At the end of the year	0	0.00	233,500	1.81
1	Total for AANPS8896D				Pan Total :	283,500	2.55	233,500	1.81



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
2.1	ABEPS6489C	IN30001110606068	Harsha Sanjay Siroya	01-Apr-2014	At the beginning of the year	282,453	2.54	282,453	2.19
2.1				30-Jun-2014	Decrease	-8,100	-0.06	274,353	2.13
2.1				04-Jul-2014	Decrease	-1,500	-0.01	272,853	2.12
2.1				11-Jul-2014	Decrease	-11,000	-0.09	261,853	2.03
2.1				08-Aug-2014	Decrease	-2,000	-0.02	259,853	2.02
2.1				15-Aug-2014	Decrease	-2,203	-0.02	257,650	2.00
2.1				22-Aug-2014	Increase	2,000	0.02	259,650	2.02
2.1				15-Sep-2014	Increase	998	0.01	260,648	2.02
2.1				07-Nov-2014	Decrease	-10,000	-0.08	250,648	1.95
2.1				12-Dec-2014	Decrease	-3,791	-0.03	246,857	1.92
2.1				19-Dec-2014	Decrease	-2,302	-0.02	244,555	1.90
2.1				09-Jan-2015	Decrease	-376	-0.00	244,179	1.90
2.1				20-Feb-2015	Decrease	-1,000	-0.01	243,179	1.89
2.1				06-Mar-2015	Decrease	-855	-0.01	242,324	1.88
2.1				31-Mar-2015	At the end of the year	0	0.00	242,324	1.88
2	Total for ABEPS6489C				Pan Total :	282,453	2.54	242,324	1.88
3.1	AAHPM4819Q	I201060000045207	Gautam Chand Mehta	01-Apr-2014	At the beginning of the year	254,466	2.29	254,466	1.98
3.1				31-Oct-2014	Decrease	-4,466	-0.03	250,000	1.94
3.1				31-Mar-2015	At the end of the year	0	0.00	250,000	1.94
3	Total for AAHPM4819Q				Pan Total :	254,466	2.29	250,000	1.94
4.1	AQUPK1493R	IN30048419544333	Chetan Fakirchand Karani	01-Apr-2014	At the beginning of year	0	0.00	0	0.00
4.1				28-Nov-2014	Increase	242,000	1.88	242,000	1.88
4.1				23-Jan-2015	Increase	4,000	0.03	246,000	1.91
4.1				13-Feb-2015	Increase	4,000	0.03	250,000	1.94
4.1				31-Mar-2015	At the end of the year	0	0.00	250,000	1.94
4.2		IN30324510043501	Chetan Fakirchand Karani	01-Apr-2014	At the beginning of the year	242,000	1.88	242,000	1.88
4.2				28-Nov-2014	Decrease	-242,000	-1.88	0	0.00
4.2				31-Mar-2015	At the end of year	0	0.00	0	0.00
4.3		IN30324510053072	Chetan Fakirchand Karani	01-Apr-2014	At the beginning of the year	8,000	0.06	8,000	0.06
4.3				28-Nov-2014	Decrease	-8,000	-0.06	0	0.00
4.3				31-Mar-2015	At the end of year	0	0.00	0	0.00
4	Total for AQUPK1493R				Pan Total :	250,000	2.25	250,000	1.94
5.1	AAACK6940Q	IN30113526635516	Kaunshya Investments Private Limited	01-Apr-2014	At the beginning of the year	179,000	1.61	179,000	1.39
5.1				31-Mar-2015	At the end of the year	0	0.00	179,000	1.39
5	Total for AAACK6940Q				Pan Total :	179,000	1.61	179,000	1.39
6.1	AHQPJ7073H	1201060000121404	Rajesh Ghodilal Jain	01-Apr-2014	At the beginning of the year	158,180	1.42	158,180	1.23
6.1				15-Aug-2014	Decrease	-100,000	-0.78	58,180	0.45
6.1				31-Mar-2015	At the end of the year	0	0.00	58,180	0.45
6	Total for AHQPJ7073H				Pan Total :	158,180	1.42	58,180	0.45



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cummulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
7.1	AAMPM2571L	IN30036020806265	Kiran Mardia	01-Apr-2014	At the beginning of the year	100,000	0.90	100,000	0.78
7.1				31-Mar-2015	At the end of the year	0	0.00	100,000	0.78
7	Total for AAMPM 2571L				Pan Total :	100,000	0.90	100,000	0.78
8.1	ABHPS3643P	IN30112715748583	Lalita Ashok Siroya	01-Apr-2014	At the beginning of the year	62,620	0.56	62,620	0.49
8.1				31-Mar-2015	At the end of the year	0	0.00	62,620	0.49
8	Total for ABHPS3643P				Pan Total :	62,620	0.56	62,620	0.49
9.1	AFEPJ2441P	IN30047642842570	Ankit Jain	01-Apr-2014	At the beginning of the year	48,444	0.44	48,444	0.38
9.1				18-Jul-2014	Decrease	-7,000	-0.05	41,444	0.32
9.1				25-Jul-2014	Decrease	-8,000	-0.06	33,444	0.26
9.1				01-Aug-2014	Decrease	-4,000	-0.03	29,444	0.23
9.1				08-Aug-2014	Decrease	-11,000	-0.09	18,444	0.14
9.1				12-Sep-2014	Decrease	-3,000	-0.02	15,444	0.12
9.1				15-Sep-2014	Decrease	-1,000	-0.01	14,444	0.11
9.1				30-Sep-2014	Decrease	-1,000	-0.01	13,444	0.10
9.1				17-Oct-2014	Decrease	-2,000	-0.02	11,444	0.09
9.1				24-Oct-2014	Decrease	-1,500	-0.01	9,944	0.08
9.1				31-Oct-2014	Decrease	-1,000	-0.01	8,944	0.07
9.1				07-Nov-2014	Decrease	-1,000	-0.01	7,944	0.06
9.1				14-Nov-2014	Decrease	-500	-0.00	7,444	0.06
9.1				28-Nov-2014	Decrease	-500	-0.00	6,944	0.05
9.1				31-Mar-2015	At the end of the year	0	0.00	6,944	0.05
9	Total for AFEPJ2441P				Pan Total :	48,444	0.44	6,944	0.05
10.1	ADVPM2713J	IN30127630218829	Saifuddin Fakhruddin Miyajiwala	01-Apr-2014	At the beginning of the year	50,000	0.45	50,000	0.39
10.1				31-Mar-2015	At the end of the year	0	0.00	50,000	0.39
10	Total for ADVPM2713J				Pan Total :	50,000	0.45	50,000	0.39
11.1	AKLPM2043A	1201060000168255	Ram Keshav Murthy	01-Apr-2014	At the beginning of the year	3,000	0.03	3,000	0.02
11.1				23-May-2014	Increase	581,000	4.51	584,000	4.54
11.1				31-Mar-2015	At the end of the year	0	0.00	584,000	4.54
11	Total for AKLPM2043A				Pan Total :	3,000	0.03	584,000	4.54
12.1	AHAPJ4798F	1201060000121461	Prakash Chandra Jain	01-Apr-2014	At the beginning of the year	1,286	0.01	1,286	0.01
12.1				23-May-2014	Increase	579,984	4.51	581,270	4.52
12.1				31-Mar-2015	At the end of the year	0	0.00	581,270	4.52
12	Total for AHAPJ4798F				Pan Total :	1,286	0.01	581,270	4.52



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
13.1	AADCM0038N	IN30160410020285	Mindset Technologies Pvt. Ltd.	01-Apr-2014	At the beginning of the year	0	0.00	0	0.00
13.1				18-Jul-2014	Increase	99,530	0.77	99,530	0.77
13.1				18-Sep-2014	Decrease	-33,943	-0.26	65,587	0.51
13.1				19-Sep-2014	Decrease	-23,721	-0.18	41,866	0.33
13.1				30-Sep-2014	Decrease	-41,866	-0.33	0	0.00
				27-Mar-2015	Increase	100,000	0.78	100,000	0.78
13.1				31-Mar-2015	At the end of the year	0	0.00	0	0.00
13.2		IN30160411534868	Mindset Technologies Pvt. Ltd.	01-Apr-2014	At the beginning of year	0	0.00	0	0.00
13.2				31-Mar-2015	At the end of the year	148,936	1.16	148,936	1.16
13	Total for AADCM0038N				Pan Total :	0	0.00	148,936	1.16
14.1	AAACG4267G	IN30096610000004	Globe Capital Market Ltd	01-Apr-2014	At the beginning of year	0	0.00	0	0.00
14.1				29-Aug-2014	Increase	165	0.00	165	0.00
14.1				05-Sep-2014	Decrease	-145	-0.00	20	0.00
14.1				17-Oct-2014	Decrease	-19	-0.00	1	0.00
14.1				02-Jan-2015	Increase	50	0.00	51	0.00
14.1				23-Jan-2015	Increase	39	0.00	90	0.00
14.1				13-Mar-2015	Decrease	-89	-0.00	1	0.00
				20-Mar-2015	Decrease		-0.00	0	0.00
14.1				31-Mar-2015	At the end of year		-0.00	0	0.00
14.2		IN30096610060240	Globe Capital Market Ltd	01-Apr-2014	At the beginning of the year	17	0.00	17	0.00
14.2				06-Jun-2014	Decrease		-0.00	16	0.00
14.2				11-Jul-2014	Increase	30	0.00	46	0.00
14.2				08-Aug-2014	Increase	1,065	0.01	1,111	0.01
14.2				22-Aug-2014	Decrease	-900	-0.01	211	0.00
14.2				29-Aug-2014	Decrease	-165	-0.00	46	0.00
14.2				05-Sep-2014	Increase	180	0.00	226	0.00
14.2				12-Sep-2014	Increase	800	0.01	1,026	0.01
14.2				30-Sep-2014	Decrease	-510	-0.00	516	0.00
14.2				17-Oct-2014	Increase	1	0.00	517	0.00
14.2				24-Oct-2014	Increase	501	0.00	1,018	0.01
14.2				31-Oct-2014	Decrease	-502	-0.00	516	0.00
14.2				07-Nov-2014	Increase	400	0.00	916	0.01
14.2				14-Nov-2014	Decrease	-200	-0.00	716	0.01
14.2				21-Nov-2014	Increase	232	0.00	948	0.01
14.2				28-Nov-2014	Increase	38,186	0.30	39,134	0.30
14.2				05-Dec-2014	Increase	2,530	0.02	41,664	0.32
14.2				12-Dec-2014	Increase	255	0.00	41,919	0.33
14.2				19-Dec-2014	Increase	56	0.00	41,975	0.33
14.2				31-Dec-2014	Decrease	-523	-0.00	41,452	0.32



Sl. No	PAN No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
14.2				02-Jan-2015	Decrease	-50	-0.00	41,402	0.32
14.2				23-Jan-2015	Decrease	-48	-0.00	41,354	0.32
14.2				30-Jan-2015	Increase	10,177	0.08	51,531	0.40
14.2				06-Feb-2015	Increase	2,003	0.02	53,534	0.42
14.2				13-Feb-2015	Increase	20,160	0.16	73,694	0.57
14.2				20-Feb-2015	Increase	15,004	0.12	88,698	0.69
14.2				27-Feb-2015	Increase	15,353	0.12	104,051	0.81
14.2				06-Mar-2015	Decrease		-0.00	104,050	0.81
14.2				13-Mar-2015	Increase	190	0.00	104,240	0.81
14.2				20-Mar-2015	Decrease	-200	-0.00	104,040	0.81
14.2				27-Mar-2015	Increase	105	0.00	104,145	0.81
14.2				31-Mar-2015	At the end of the year	4	0.00	104,149	0.81
14.3		IN30096610352538	Globe Capital Market Ltd	01-Apr-2014	At the beginning of year	0	0.00	0	0.00
14.3				06-Feb-2015	Increase	150	0.00	150	0.00
				13-Feb-2015	Decrease	-150	-0.00	0	0.00
14.3				31-Mar-2015	At the end of year	0	0.00	0	0.00
14	Total for AAACG4267G				Pan Total :	17	0.00	104,149	0.81

v) Shareholding of Directors and Key Managerial Personnel

Sl. no.	PAN	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year	
						No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	AWIPS5665B	I203070000120987	Mr. Shailesh D. Siroya	01/04/2014	At the beginning of the year	474,994	4.27	474,994	3.69
					Decrease	0	0.00	474,994	3.69
				31/03/2015	At the End of the year	474,994	4.27	474,994	3.69
2	ABLPP73965	IN30115122926417	Dr. S. Prasanna	01/04/2014	At the beginning of the year	20,200	0.18	20,200	0.16
					Decrease	0	0.00	20,200	0.16
				31/03/2015	At the End of the year	20,200	0.18	20,200	0.16
3	AABPS5177K	IN30088813877781	Mr. Shrenik Siroya	01/04/2014	At the beginning of the year	374,700	3.37	374,700	2.91
					Decrease	0	0.00	374,700	2.91
				31/03/2015	At the End of the year	374,700	3.37	374,700	2.91
4	ABPPS0413H	-	Dr. G. S. R. Subba Rao	01/04/2014	At the beginning of the year	0	0.00	0	0.00
					Not applicable	0	0.00	0	0.00
				31/03/2015	At the End of the year	0	0.00	0	0.00
5	AFKPS0248F	-	Mr. Pramod Kumar. S	01/04/2014	At the beginning of the year	0	0.00	0	0.00
					Not applicable	0	0.00	0	0.00
				31/03/2015	At the End of the year	0	0.00	0	0.00



Sl. no.	PAN	Folio/ Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the begin- ning of the year 01.04.2014		Cumulative Shareholding during the year	
						No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
6	AFZPP5687E	-	Mr. B. N. Pranesh	01/04/2014	At the beginning of the year	0	0.00	0	0.00
					Not applicable	0	0.00	0	0.00
				31/03/2015	At the End of the year	0	0.00	0	0.00
7	AAGPM2043P	-	Mr. V. Murali	01/04/2014	At the beginning of the year	0	0.00	0	0.00
					Not applicable	0	0.00	0	0.00
				31/03/2015	At the End of the year	0	0.00	0	0.00

V) INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	70808782	24137460	Nil	94946242
ii) Interest due but not paid				
iii) Interest accrued but not due	295493	269172		
Total (i + ii + iii)	71104275	24406632		
Change in indebtedness during the financial year				
• Addition	10019000	6000000	Nil	16019000
• Reduction	5417618	12073538		17491156
Net Change	15436618	18073538		
Indebtedness at the end of the financial year				
i) Principal Amount	75410164	18063922	Nil	93474086
ii) Interest due but not paid				
iii) Interest accrued but not due	37733	204912		
Total (i + ii + iii)	75447897	18268834		

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Director:

SI No	Particulars of Remuneration	Shailesh D Siroya	S.Prasanna	Total
		Managing Director	Whole-Time Director	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961.	7,200,000	3,000,000	10,200,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of Profit	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	7,200,000	3,000,000	10,200,000
	Ceiling as per the Central Government / Shareholders approval	7,200,000	3,000,000	10,200,000

**B. Remuneration to other directors:**

SI No	Particulars of Remuneration	G.S.R.Subbarao	Pramod Kumar S	Pranesh B N	Sarika Bhandari	Shrenik Siroya	Total
1	Independent Directors						
	· Fee for attending board and committee meetings	7,000	7,000	2,000	Nil	NA	16,000
	· Commission						
	· others	Nil	Nil	Nil	Nil	NA	Nil
		Nil	Nil	Nil	Nil	NA	Nil
	Total (1)	7,000	7,000	2,000	Nil	NA	16,000
2	Other Non-executive Directors						
	· Fee for attending Board Committee meetings					2,000	2,000
	· Commission						
	· Others, please specify					Nil	
						Nil	
	Total (2)					2,000	2,000
	Total (B)=(1+2)	7,000	7,000	2,000	Nil	2,000	18,000
	Total managerial Remuneration	7,000	7,000	2,000	Nil	2,000	18,000
	Overall ceiling as per the Act						3,500,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SI No	Particulars of Remuneration	CFO and Company Secretary	TOTAL
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	20,60,628	20,60,628
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of Profit	NIL	NIL
5	Others, please specify	NIL	NIL
	Total(A)	20,60,628	20,60,628

VII COMPOUNDING/PENALTIES/PUNISHMENT OF OFFENCES

There were no penalties/punishments/compounding of offenses for the year ended 31/03/2015



Annexure 4

4. Particulars of Employees:

Information as per Rule 5(1) & 5(2) 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.

REMUNERATION PAID TO WHOLE TIME DIRECTORS:

Name of the Director	Title	Remuneration paid during FY 14.15-Rs	Remuneration paid during FY 13.14-Rs	Stock Options	% of increase in remuneration	Ratio to the net profits of the company-2015
Shailesh Siroya	Managing Director	72,00,000	60,00,000	Nil	20%	18%
Dr.S.Prasanna	Whole Time Director	30,00,000	27,00,000	Nil	10%	7.45%

REMUNERATION PAID TO INDEPENDENT DIRECTORS:

Name of the Director	Title	Remuneration paid during FY 14.15-Rs	Remuneration paid during FY 13.14-Rs	Stock Options	% of increase in remuneration
Dr.G.S.R Subba Rao	Independent Director	7,000	7,000	Nil	Nil
Pramod Kumar.S	Independent Director	7,000	7,000	Nil	Nil

REMUNERATION PAID TO OTHER KEY MANAGERIAL PERSONNEL

Name of the Key Executives	Title	Remuneration paid during FY 14-15	Remuneration paid during FY 13.14	Stock Options	% of increase in remuneration	Ratio to the net profits of the Company 2015
Murali.V	AVP Finance & Company Secretary	2,060,628	17,57,347	Nil	11%	5%

REMUNERATION PAID TO THE MEDIAN EMPLOYEE'S OF THE COMPANY:

Remuneration paid during FY 14.15 -`	Remuneration paid during FY 13.14	Stock Options	% of increase in remuneration.	Ratio to the net profits of the company
126,159	117,000	Nil	7.25%	0.31%

The number of permanent employees on the rolls of the Company as on 31.03.2015 and 31.03.2014 are 1,450 and 1,428 respectively.

The market capitalization of the Company has increased by 60% to ` 86.11 Crores as on 31.03.2015 from ` 34.83 Crores as of March 2014. The price earnings ratio was ` 21/- as of March 2015 as compared to the PE ratio of ` 7/- as on 31.03.2014. Closing price of Companies equity shares on BSE & NSE as of 31st March 2015 was ` 66.90/- and ` 66.60/- respectively.

**REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2014-15****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 consists of 6 Directors, of which 3 Directors are Independent. The composition of the Board is in conformity with the provisions of Clause 49 of the listing agreement.

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

* Appointed as Director w.e.f. 27.03.2015.

All Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors are members of more than ten committees or Chairman of more than five committees in public limited 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 2014-15 under review, 8(Eight) Board meetings were held on 28.05.2014, 11.08.2014, 20.10.2014, 8.11.2014, 12.01.2015, 12.02.2015, 20.03.2015, 27.03.2015. Compositions of the Board, attendance of the members of the Board at the Board meetings and Annual General Meeting along with their Chairmanship/Membership of Committees during the financial year 2014-15, are as furnished below:

Sl. No.	Name of the Director	Category	Attendance at		Total number of Directorships in Boards of other Public Limited companies as on the date of report	Total Number of memberships in Committees of Public Limited companies on the date of this report	
			Board Meetings	Last AGM held on 28.05.2014		As Chairman	As Member
1.	Mr. Shailesh Siroya	Executive Director	8	YES	1	Nil	1
2.	Dr. S.Prasanna	Executive Director	8	YES	NIL	Nil	Nil
3.	Mr. Shrenik Siroya	Non-Executive and Non-Independent Director	2	NO	NIL	Nil	2
4.	Dr. G.S.R Subbarao	Independent Director	8	YES	NIL	2	Nil
5.	Mr. Pramod kumar.S	Independent Director	8	YES	1	Nil	1
6.	Mr. Pranesh BM *	Nominee Director	1	NA	NA	NA	NA
7.	Mrs. Sarika Bhandari **	Woman Director and Independent	NA	NA	NIL	Nil	Nil

* The Nomination of Mr. Pranesh B.N was withdrawn by EximBank and he ceased to be a Director w.e.f 23.06.2014.

** Mrs. Sarika Bhandari was appointed as Additional Director on Board w.e.f 27.03.2015, in compliance with Clause 49 II A of the Listing Agreement.

Notes:

- Other Directorships exclude foreign companies, private limited companies and alternate Directorships.
- Only memberships 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 members, 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 take informed decisions. Agenda papers and all the supporting information are circulated at least seven working days prior to the Board meeting among Board members.

Information placed before the Board

The following 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 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 nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment 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 substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labor 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.
- Sale 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 risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service 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' Grievance Committee (4) Corporate Social Responsibility Committee & (5) Banking Transaction 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 the Audit Committee covers all matters specified in Clause 49 of the Listing Agreement 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 the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the Company.
- Review of the compliances with legal and statutory requirements, the quarterly and annual financial statement and related party transactions and reports its finding to the Board.
- Recommendations of the appointment of 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 comprised of the following Directors for the year ended 31st March, 2015:

Sl. No.	Name of the Member	Category
1.	Dr. G.S.R. Subbarao, Chairman	Independent Director
2.	Mr. Pramod Kumar. S. Member	Independent Director
3.	Mr. Shrenik Siroya, Member	Non-executive Director

- As on 31st March 2015, the Committee comprised of two 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 Clause 49 of the listing agreement. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 30th September 2014.

The Audit Committee met 4 (four) times during the year on 28.05.2014, 11.08.2014, 8.11.2014 & 12.02.2015. The details are as follows:

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

4. NOMINATION AND REMUNERATION COMMITTEE:

Remuneration Committee' of the Company was reconstituted as 'Nomination and Remuneration Committee' w.e.f 11.08.2014 in compliance with the Clause 49 (iv) of the revised listing agreement that has come into force w.e.f 1.10.2014. The said committee also functions as 'Nomination and Remuneration Committee' as per the provisions of Section 178 of Companies Act, 2013.

4.1 Brief description of terms of reference:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members 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 Committee and Attendance of Members:

Sl. No.	Name of the Member	Category
1.	Dr. G.S.R Subbarao, Chairman	3
2.	Mr. Pramod Kumar S, Member	3
3.	Mr. Shrenik Siroya, Member	1
4.	Mr. Pranesh B N, Member*	1

* Nomination of Mr. Pranesh B N as Nominee Director was withdrawn by Exim Bank w.e.f 23.06.2014.

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 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 & Independent Directors, during the year 2014-15 are as under:

Sl. No.	Particulars	Mr. Shailesh Siroya	Dr. S. Prasanna	Mr. Shrenik Siroya	Dr. G.S.R. Subba Rao	Mr. Pramod Kumar.S	Mr. B.N Pranesh	Mrs. Sarika Bhandari
1	Salary and Perquisites	72,00,000	30,00,000	NA	NA	NA	NA	NA
2	Sitting Fees	NA	NA	2000	7,000	7,000	2000	NA
	TOTAL	72,00,000	30,00,000	2,000	7,000	7,000	2,000	NIL

Remuneration paid to the 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-à-vis the Company during the Financial Year ended 31st March, 2015.

- 4.7 Details of Equity Shares held by Non-Executive Directors as on 31.03.2015:

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. STAKEHOLDERS' GRIEVANCE COMMITTEE:

'Shareholders and Investors Grievances Committee' of the Company was reconstituted as 'Stakeholders' Grievance Committee' with effect from 11.08.2014.

- 5.1 The Committee consists of the following members of the Board.

Sl. No.	Director	Category
1	Dr. G S R Subbarao, 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. Murali.V (upto 9.7.2015)

Mr. Murali. V has resigned from his post with w.e.f. 9.7.2015 citing personal reasons and the Company has appointed Mr. Sanjay Kumar Agarwal as Company Secretary & Compliance Officer of the Company w.e.f. from 13.08.2015.

- 5.4 Investor Queries / Requests / Complaints handled:

Year	Outstanding as on 31.03.2014	Received during the FY	Resolved during the FY	Pending as on 31.03.2015
2014-15	NIL	46	46	NIL

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 Transaction 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 Account 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 12.02.2015 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had 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 are disseminated on the website of the Company (www.balpharma.com/pdf/Familiarization_program_for_Directors.pdf).

8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Location
2011-12	21.09.2012	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001.
2012-13	18.09.2013	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001.
2013-14	18.09.2014	11.00 AM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore-560001.

8.2 The Special Resolutions passed by the Company in its 25th, 26th and 27th AGM(s) held, are as under:

Date of AGM	AGM No.	Business Transacted by Special Resolution
21.09.2012	25 th	<ol style="list-style-type: none"> 1. Reclassification of preferential share capital into equity share capital, in the authorized share capital of the Company. 2. Consequential amendment in the MOA and AOA of the Company. 3. Approval for the preferential issue of convertible warrants to the promoters and strategic investors. 4. Approval for enhancing the borrowing powers of the Company as per Section 293(1)(d) of the Companies Act, 1956. 5. Approval for enhancing the remuneration payable to Mr. Shailesh Siroya, Managing Director, subject to the approval of the central government.
18.09.2013	26 th	<ol style="list-style-type: none"> 1. Reappointment of Dr. Subba Rao Prasanna as the Whole-time Director of the Company.
18.09.2014	27 th	<ol style="list-style-type: none"> 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 in to contract or Arrangement with Messrs Desa Marketing International. 5. Approval of Bal Pharma Limited Employees Stock Option Plan, 2014. 6. Approval for the Preferential issue of convertible warrants to Strategic Investors.

8.3 e-Voting:

The Company has entered into a tripartite agreement with National Securities depository Ltd, Mumbai (NSDL) and T.S.R Darashaw Private Limited, Mumbai (R&T agents) for providing e-voting facility to shareholders, as specified in Section 108 the Companies Act, 2013 and 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 2014-15.

9. SUBSIDIARY COMPANIES:

During the year under review, Lifezen Healthcare Private Limited, Bal Research Foundation and Balance Clinics LLP have become subsidiaries of the Company.

**10. WHISTLE BLOWER POLICY:**

The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. As per the requirements of revised Clause 49 of the Listing Agreement, the Company has issued a circular informing the employees about their right to access Audit Committee for the purpose of bringing to the Committee's notice unethical or improper practices 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 discriminatory practices.

11. DISCLOSURES:**11.1 Related Party Transactions:**

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests 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 the details 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.

12. MEANS OF COMMUNICATIONS:

- The Un-Audited quarterly results of the Company are published in newspapers such as Financial Express, Bangalore & Mumbai editions and Sanjevani news papers. The financial results are uploaded on our website on periodic intervals for the benefit of our share holders.
- The financial results and other information about the Company was disseminated to the Stock Exchanges for its updation on their respective websites.
- Pursuant to the listing agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS within the time frame prescribed in this regard.
- 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 likelihood 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	19th May, 1987
CIN	L85110KA1987PLC008368
Date and time of the 28th Annual General meeting.	22nd September, 2015 at 11.30 a.m
Venue	Bharatiya Vidya Bhavan, Race Course Road, Bangalore - 560001.
Book Closure Date	18.09.2015 to 22.09.2015 (both days inclusive)
Financial Year	1st April, 2014 to 31st March, 2015

**b) Financial Calendar 2015-16 (tentative):**

Financial reporting for the first quarter ended on 30-06-2015.	13th August, 2015
Financial reporting for the second quarter ended on 30-09-2015.	12th November, 2015
Financial reporting for the third quarter ended 31-12-2015.	12th February, 2016
Financial reporting for the quarter & year ended on 31-03-2016.	28th May, 2016

c) Particulars of Dividend for the year ended 31.03.2015:

Date of Declaration	22.09.2015
Rate of Dividend	10%
Book Closure Date	18.09.2015 to 22.09.2015 (both days inclusive)
Date of payment of dividend	On or before 14.10.2015
Amount of dividend paid	₹ 1,28,72,372/-
Share Capital	₹ 12,87,23,720/-

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 Ltd, during FY 2014-15 are as under:

Month	Month's High Price `	Month's Low Price `	Total volume of shares traded
April, 2014	35.35	31.40	1,21,668
May, 2014	34.85	29.40	1,50,697
June, 2014	50.15	29.95	5,12,408
July, 2014	63.60	52.65	18,53,146
August, 2014	76.65	52.60	18,22,034
September, 2014	75.10	60.95	13,55,893
October, 2014	84.70	66.82	25,79,511
November, 2014	100.35	79.15	32,00,847
December, 2014	85.35	68.50	5,38,158
January, 2015	74.85	66.40	3,67,637
February, 2015	66.65	56.15	2,30,422
March, 2015	70.50	52.25	8,91,228

Monthly high and low quotations as well as the volume of shares traded at Bombay Stock Exchange Ltd, during FY 2014-15 are as under:

Month	Month's High Price `	Month's Low Price `	Total volume of shares traded
April, 2014	36.00	30.55	1,279
May, 2014	35.00	29.20	1,491
June, 2014	50.40	29.05	3,671
July, 2014	68.75	52.90	12,133
August, 2014	77.75	51.35	15,863
September, 2014	78.90	59.40	7,181
October, 2014	92.75	65.10	20,604
November, 2014	103.80	78.10	25,864
December, 2014	87.75	66.60	4,548
January, 2015	77.25	61.05	4,589
February, 2015	68.00	55.50	3,076
March, 2015	74.00	50.00	12,756



f) Distribution of Shareholding as on 31.03.2015:

Range Start	Range End	Total Shares	Percentage of Capital	Total Number of shareholders	% of total Security holders
1	5,000	10,53,610	8.19	7,394	85.34
5,001	10,000	5,20,451	4.04	631	7.28
10,001	20,000	5,05,113	3.92	322	3.72
20,001	30,000	2,67,965	2.08	106	1.22
30,001	40,000	2,30,398	1.78	65	0.75
40,001	50,000	1,59,725	1.24	33	0.38
50,001	1,00,000	3,70,612	2.88	52	0.60
1,00,001	9,99,99,99,999	97,64,498	75.86	61	0.70
Total		1,28,72,372	100.00	8,664	100.00

g) Categories of Shareholders as 31.03.2015:

SI No	Category	No of Shareholders	No of shares held	% of shareholding
1	FII	0	0	0.00
2	Non Resident	83	1852251	14.39
3	Other Banks	3	6383	0.05
4	Mutual Fund	1	200	0.00
5	Body Corporate	277	736184	5.72
6	Promoters, Directors & Relatives	14	6285802	48.83
7	Indian Public	8286	3991552	31.01
	GRAND TOTAL	8664	12872372	100%

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

Name of the Depository	Number of share holders	Number of shares held	% to total capital
NSDL	4746	97,48,024	75.73
CDSL	2291	28,41,656	22.08
Physical	1627	2,82,692	2.20
Total	8664	1,28,72,372	100%

i) Share Transfer System:

The Company's shares are listed and traded on the Stock Exchanges in compulsory Demat mode. Shares in physical form which are lodged for transfer at the Investor Service Center of our R&T agent are processed and credit of shares has 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 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 Stakeholders relationship Committee whose terms of reference include approving physical transfer of shares meets as and when required.



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

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. The Unclaimed dividend as on April 30th, 2015 is as follows:

Year	Amount in `
2007-08	1,87,786.00
2008-09	1,72,169.25
2012-13	1,66,157.25
2013-14	2,28,051.00
Total	7,54,163.50

- Shareholders are advised by the Company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, 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 DPs to avoid any possibility of 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 Registrars 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 DPs.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account and name and 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, 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical and in electronic form with the depositories. 1,25,89,680 equity shares representing 97.8% of the paid up equity capital have been dematerialized as on 31st March,2015.

m) Address for Correspondence:

Compliance Officer

Bal Pharma Limited,

Corporate Office:

5th Floor, 'Lakshmi Narayan Complex',

10/1, Palace Road, Bangalore – 560052

Tel: 080 - 41379538 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, Bangalore – 560 001, Tel: 080-25580019/25320321, Fax: 080-25580019, Email: tsrdlbg@tsrdarashaw.com.
- ii. TSR Darashaw Limited, Bungalow No: I 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 UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

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, 2015.

Place: Bangalore
Date: 29th May 2015

Shailesh D Siroya
Managing Director



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

We, Shailesh Siroya, Chairman and Managing Director and Mr.Murali.V , AVP finance and Company Secretary of Bal Pharma Limited, certify that:

1. We have reviewed the financial statements 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 our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative 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 internal control. The internal auditor works with all levels of management and statutory auditors and reports 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 : Bangalore
Date : 29th May, 2015

Sd/-
Chairman and Managing Director

Sd/-
Chief Financial Officer

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To
The Members of
Bal Pharma Limited
Bangalore

I have examined the compliance of the conditions of Corporate Governance by Bal Pharma Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE).

The compliance of the conditions of Corporate Governance is the responsibility of the Company's 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 above mentioned Listing Agreement.

I state that in respect of investors' grievances received during the year ended 31st March, 2015, No investor grievances are pending against the Company as on 31st March, 2015, as per the records maintained by the Company and presented to the Stakeholders' Grievance Committee.

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 : Bangalore
Date : 29th May, 2015

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 M/s **BAL PHARMA LIMITED**, which comprise the balance sheet as at **31 March 2015**, the statement of profit and loss and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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.

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 31 March 2015, 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, 2015 ("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 further 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 purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as 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, statement of profit and loss and 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 statement 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 2015 and taken on record by Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of section 164(2) of the Act.



- (f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014;
- i. The Company has disclosed the impact, if any, of pending litigations as at 31 March 2015, on its financial position in its financial statements – Refer Note 36 to the financial statements;
 - ii. The Company has not entered into 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 Company.

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

Chartered Accountants

Firm registration no: 002491S

T D JAIN

Partner

M. No.: 012034

Bangalore

29 May 2015

Annexure to the Independent Auditor's Report

(The annexure referred to in paragraph I 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 2015)

- 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 was no material discrepancies noticed on such verification.
- ii. In respect of its inventories
 - (a) As explained to us, the inventories were physically verified by the Management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and 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. (a) The company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the act').
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii) (b) of the order is not applicable to the company in respect of repayment of the principle amount.
 - (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposit from public. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under 148(1) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. According to the information and explanation given to us:
 - (a) The company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid material statutory dues as at 31 March 2015, which were in arrears 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 amounts in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute except as enumerated herein below which are pending before respective authorities as mentioned there against:

Name of the Statute	Nature of dues	*Amount in	Period to which Amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	1,08,36,228	Nov 2007 to July 2011	Commissioner of Central Excise (Appeals), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,69,03,646	Nov 2007 to July 2011	Commissioner of Central Excise (Appeals), Bangalore
The Central Excise Act, 1944	Central Excise Penalty	24,91,506	Apr 2005 to Nov 2009	Customs Excise Service Tax Appellate Tribunal, Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	8,38,598	May 2000 to Nov 2001	Customs Excise Service Tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Central Excise Duty and Penalty	12,09,387	Jul 2012 to Jan 2013	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,16,694	Mar-12	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	3,16,719	Jan-12	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,24,679	Jul 2011 to Nov 2011	Commissioner of Central Excise (Appeal), Bangalore
The Maharashtra Value Added Tax, 2002	Central Sales Tax and Penalty	7,78,314	FY 2004-2005	The Deputy Commissioner (Appeals), Pune
The Kerala General Sales Tax Act, 1963	Local Sales Tax	4,95,991	FY 2002 - 03	The Deputy Commissioner (Appeals), Ernakulam
The Central Excise Act, 1944	Central Excise Duty and Penalty	21,82,891	FY 2010-11 to 2012-13	Commissioner of Central Excise, Bangalore
Income Tax Act, 1961	Income tax	89,50,439	FY 2003-04 to 2007-08	High Court of Karnataka

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

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the current and in the immediately preceding financial year.
- ix. 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. The Company does not have any outstanding debentures during the year.
- x. In our opinion and according to the information and the explanations given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
- xi. 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.

- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

T D JAIN
Partner
M. No.: 012034

Bangalore
29 May 2015



BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Note no	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	128,723,720	111,113,880
Reserves and surplus	4	407,099,346	372,017,716
Money received against share warrants	3	20,150,000	17,363,930
		555,973,066	500,495,526
Non-current liabilities			
Long-term borrowings	5	66,443,264	79,700,728
Deferred tax liabilities (Net)	6	72,857,800	82,372,201
Other long term liabilities	7	7,459,483	6,559,483
Long-term provisions	8	16,518,446	10,597,580
		163,278,993	179,229,992
Current liabilities			
Short- term borrowings	9	401,378,854	427,499,199
Trade payables	10	384,865,086	335,309,094
Other current liabilities	11	117,711,012	86,592,919
Short- term provisions	8	18,282,039	18,313,868
		922,236,991	867,715,080
Total		1,641,489,050	1,547,440,598
ASSETS			
Non- current assets			
Fixed assets			
Tangible assets	12	470,379,315	503,130,760
Intangible assets	13	48,664,727	48,656,621
Capital work in progress		7,685,181	2,459,464
Non- current investments	14	10,950,000	150,000
Long term loans and advances	15	54,040,624	39,642,776
Other non-current assets	16	3,294,793	2,235,741
		595,014,640	596,275,362
Current assets			
Inventories	17	357,717,155	317,141,793
Trade receivables	18	449,875,566	454,881,693
Cash and cash equivalents	19	45,379,571	30,241,608
Short-term loans and advances	15	191,508,361	147,619,748
Other current assets	16	1,993,757	1,280,394
		1,046,474,410	951,165,236
Total		1,641,489,050	1,547,440,598

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 directors of Bal Pharma Limited

T D Jain

Partner

Membership No. 012034

V. Murali

AVP - Finance & Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bangalore

29 May 2015



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Note no	2014 - 15	2013 - 14
Income			
Revenue from operations (gross)	20	1,906,694,660	1,820,088,817
Less: excise duty		35,395,064	31,368,147
Revenue from operations (net)		1,871,299,596	1,788,720,670
Other income	21	11,947,825	6,462,269
Total Income - (i)		1,883,247,421	1,795,182,939
Expenses			
Cost of materials consumed	22	961,171,329	891,184,166
Purchase of traded goods	23	62,288,579	51,540,643
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(31,468,384)	9,593,538
Employees benefits expenses	25	319,623,613	281,235,967
Other expenses	26	384,423,103	376,397,013
Total Expense - (ii)		1,696,038,240	1,609,951,327
Earnings before interest, tax, depreciation and amortization - EBITDA - (i-ii)		187,209,181	185,231,612
Finance costs	27	65,161,765	71,574,940
Depreciation and amortization expenses	28	70,034,980	47,396,694
Profit/(loss) before tax - (iii)		52,012,436	66,259,978
Tax expenses			
Current tax		10,477,641	13,370,431
MAT credit (entitlement)/utilised		7,650,183	1,828,646
Net Current Tax		18,127,824	15,199,077
(Excess)/Short provision for tax of earlier years		(196,332)	337,276
Deferred Tax		(6,147,198)	638
Total tax expense - (iv)		11,784,294	15,536,991
Profit/(loss) for the year (iii-iv)		40,228,142	50,722,987
Earning per equity share: Nominal value per share: ` 10 (31 March 2014: ` 10)			
Basic		3.14	4.77
Diluted		3.11	4.60

Summary of significant accounting policies (refer note 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- 0024915

For and on behalf of directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

V. Murali
AVP - Finance & Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bangalore
29 May 2015



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	31 March 2015	31 March 2014
Cash flows from operating activities:		
Profit before tax	52,012,436	66,259,978
Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortisation	70,034,980	47,396,694
- Proposed Dividend & Tax on Dividend	(15,446,089)	(12,999,768)
- (Gain)/Loss on sale of fixed assets	(115,672)	-
- Finance cost	65,161,765	71,574,940
- Interest income	(2,924,567)	(1,624,087)
Operating profit/(loss) before working capital changes	168,722,853	170,607,757
Add/(Less): Working capital changes		
- Decrease/(Increase) in inventories	(40,575,362)	19,728,518
- Decrease/(Increase) in trade receivables	5,006,127	(20,491,209)
- Decrease/(Increase) in loans and advances	(58,286,462)	(37,845,704)
- Decrease/(Increase) in other assets	(1,772,415)	1,666,664
- Increase/(Decrease) in trade payables	49,555,992	14,744,758
- Increase/(Decrease) in other liabilities	20,232,786	(16,774,551)
- Increase/(Decrease) in provisions	14,011,645	13,052,250
Cash generated from/(used in) operations	156,895,164	144,688,483
Direct taxes paid	13,054,333	11,555,880
Net cash flow from/(used in) operating activities (A)	143,840,831	133,132,603
Cash flows from investing activities:		
Purchase of fixed assets including intangible assets and capital work-in-progress	(53,082,032)	(74,612,930)
Proceeds from sale of fixed assets	302,158	-
Interest income	2,924,567	1,624,087
Investment in subsidiaries	(10,800,000)	-
Net cash flow from/(used in) investing activities (B)	(60,655,307)	(72,988,843)
Cash flows from financing activities:		
Receipts against issue of share warrants	20,150,000	16,588,534
Money received on conversion of share warrant	19,616,734	-
Receipts of long term borrowings	16,019,000	80,836,832
Repayment of long - term borrowings	(17,491,156)	(75,712,069)
Repayment of short - term borrowings	(26,120,345)	(16,097,559)
Dividend paid (including dividend distribution tax)	(15,060,030)	(9,277,959)
Finance cost	(65,161,764)	(71,574,940)
Net Cash Flow from/(used in) financing activities (C)	(68,047,561)	(75,237,161)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,137,963	(15,093,401)
Cash and cash equivalents at the beginning of the year	30,241,608	45,335,009
Cash and cash equivalents at the end of the year	45,379,571	30,241,608
Components of cash and cash equivalents		
Cash in hand	380,436	202,246
Balance with banks - on current accounts	21,106,523	4,418,123
Balance with banks - on deposit accounts	23,892,612	25,621,239
Total Cash and cash equivalents	45,379,571	30,241,608

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 directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

V. Murali
AVP - Finance & Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bangalore
29 May 2015



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 recognised 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 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 2015

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 1st 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 2015

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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).

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 2015

3. Share Capital

	31 March 2015	31 March 2014
Authorized shares		
15,000,000 (31 March 2014: 15,000,000) equity shares of ₹ 10 each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, subscribed and fully paid-up shares		
12,872,372 (31 March 2014: 11,111,388) equity shares of ₹ 10 each	128,723,720	111,113,880
Total	128,723,720	111,113,880

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

	31 March 2015		31 March 2014	
	Nos		Nos	
At the beginning of the period	11,111,388	111,113,880	10,573,624	105,736,240
Allotted during the period	1,760,984	17,609,840	537,764	5,377,640
Outstanding at the end of the period	12,872,372	128,723,720	11,111,388	111,113,880

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 2014 : Nil)
- d. The company had issued total 90,400 shares (31 March 2014: 90,400) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.
- e. Details of shareholders holding more than 5% shares in the company

	31 March 2015		31 March 2014	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of ₹ 10 each fully paid				
Micro Labs Limited	1,310,836	10.18	1,310,836	11.80
Shailesh Siroya	1,270,759	9.87	670,759	6.04
Anita Siroya	1,018,540	7.91	1,018,540	9.17

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.

f. Shares reserved for issue under options

- i. During the FY 2012-13, 2,298,748 preferential share warrants convertible into equivalent number of equity shares of ₹ 10/- each at a premium of ₹ 11 per share, had been issued to the promoters/strategic investors by the company on 19 October 2012. During the year, the preferential share warrants outstanding as at 1 April 2014 got converted in to equivalent number of equity shares.
- ii. During the year 1,300,000 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 ₹ 20,150,000 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 2015 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 ₹ 60,450,000.

Name of the allottees (Strategic Investors)	No of warrants
Mr Vipul Kumat	400,000
Mr Naresh D P	300,000
Mr Jitendra Tej Raj Lunia	300,000
Ms Asha Tapidas Dodhia	300,000
Total	1,300,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. Reserves and surplus	31 March 2015	31 March 2014		
Capital reserves				
Balance as at beginning of the reporting period	4,405,725	4,405,725		
Add: Additions during the year	-	-		
Closing balance	4,405,725	4,405,725		
Securities premium account				
Balance as at beginning of the reporting period	153,795,275	147,879,870		
Add: Additions on account of issue of shares reserved for preferential share warrants	19,370,824	5,915,405		
Closing balance	173,166,099	153,795,275		
General reserve				
Balance as at beginning of the reporting period	24,515,000	24,515,000		
Add: amount transferred from surplus balance in the statement of profit and loss	-	-		
Closing Balance	24,515,000	24,515,000		
Surplus/(deficit) in the statement of profit and loss				
Balance as at beginning of the reporting period	189,301,716	151,578,497		
Less: short provision of equity dividend & tax on equity dividend for FY 2013-14	(2,060,264)	-		
Less: Net block of assets written off as per revised useful life specified in Sch II of the Companies Act 2013 (net of deferred tax) (refer note 38)	(7,010,983)	-		
Add: Profit for the year	40,228,142	50,722,987		
Less: Appropriations				
Proposed final equity dividend (Amount per share ` 1 (31 March 2014 ` 1)	(12,872,372)	(11,111,388)		
Tax on proposed equity dividend.	(2,573,717)	(1,888,380)		
Surplus in the statement of profit and loss	205,012,522	189,301,716		
Total	407,099,346	372,017,716		
5. Long-term borrowings				
	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term Loans				
- From banks				
Exim Bank (secured)	48,000,000	60,000,000	12,000,000	-
Corporation Bank (secured)	7,500,000	-	-	-
Kotak Mahindra Bank (unsecured)	3,403,362	7,529,447	4,709,795	3,939,150
- From financial institutions				
Tata Capital Limited (unsecured)	581,166	-	3,170,497	1,737,680
Kotak Mahindra Prime Limited (secured)	-	-	-	3,133,196
Magma Fincorp Limited (unsecured)	1,340,020	4,426,070	3,086,048	3,099,345
Bajaj Finance Limited (unsecured)	-	1,948,654	1,773,035	1,457,114
Other Loans and Advances				
- Vehicle loan (secured)	5,618,716	5,796,557	2,291,454	1,879,034
	66,443,264	79,700,728	27,030,829	15,245,519
The above amount includes				
Secured borrowings	61,118,716	65,796,557	14,291,454	5,012,230
Unsecured borrowings	5,324,548	13,904,171	12,739,375	10,233,289
Amount disclosed under the head "other current liabilities"- refer note 11	-	-	(27,030,829)	(15,245,519)
Total	66,443,264	79,700,728	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

- a. Term loan obtained from EXIM Bank of ₹ 6.00 Crores towards expansion of research & development centre at Bangalore 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 installment 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 *pari passu* 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 of the entire moveable 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 installments after a moratorium period of 24 months and carries interest @ 14%. An amount of ₹ 0.75 crores was availed as at 31 March 2015 against the said sanction.
- 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

Others

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

	31 March 2015	31 March 2014
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	7,164,479	5,110,140
Others	913,054	1,225,166
Gross deferred tax assets	8,077,533	6,335,306
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	65,282,031	72,921,093
Others	15,653,302	15,786,414
Gross deferred tax liability	80,935,333	88,707,507
Net deferred tax liability	72,857,800	82,372,201

7. Other Long term liabilities

Deposit received from customers

Total

	31 March 2015	31 March 2014
Deposit received from customers	7,459,483	6,559,483
Total	7,459,483	6,559,483

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 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
Provision for gratuity (refer note 30)	13,301,819	8,293,216	1,494,517	1,231,153
Provision for leave benefits (refer note 30)	3,216,627	2,304,364	121,174	94,257
	16,518,446	10,597,580	1,615,691	1,325,410
Other provisions				
Provision for income tax (net of advance tax)	-	-	1,200,598	3,950,116
Proposed equity dividend	-	-	12,872,372	11,111,388
Provision for tax on proposed dividend	-	-	2,573,717	1,888,380
Provision for wealth tax	-	-	19,661	38,574
	-	-	16,666,348	16,988,458
Total	16,518,446	10,597,580	18,282,039	18,313,868



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. Short-term borrowings

	31 March 2015	31 March 2014
From Banks		
- Cash credit (secured)	198,274,912	210,505,663
- Packing credit (secured)	64,757,318	48,484,964
- Bills discounted (secured)	62,783,859	67,395,138
- Buyers credit (secured)	75,562,765	101,113,434
Total	401,378,854	427,499,199
The above amount includes		
Secured borrowings	401,378,854	427,499,199
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 2015	31 March 2014
Trade payables (refer note 32 for details of dues to micro and small enterprises)	384,865,086	335,309,094
Total	384,865,086	335,309,094

11. Other current liabilities

	31 March 2015	31 March 2014
Current maturities of long-term borrowings (note 5)	27,030,828	15,245,519
Creditors for capital goods	7,038,896	8,147,946
Interest accrued but not due on borrowings	245,903	764,931
Investor education and protection fund will be credited by following amounts		
Unpaid dividend	754,364	646,649
Rental deposits	-	1,237,500
Advances from customers	49,195,492	25,841,578
Book overdraft on account of issue of cheques	4,388,711	8,108,800
Statutory liabilities	6,433,518	5,139,686
Other payables	22,623,301	21,460,310
Total	117,711,012	86,592,919



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/ Adjustments**	Disposals	Total	As at end of the reporting period	As at beginning of the reporting period
Tangible Assets										
Freehold Land	5,787,483			5,787,483	-	-		-	5,787,483	5,787,483
Leasehold Land	12,493,430	700,410		13,193,840	734,910	146,982		881,892	12,311,948	11,758,520
Building	223,360,408	7,391,454		230,751,862	55,596,787	6,593,694		62,190,481	168,561,381	167,763,621
Plant & Machinery	200,867,234	9,674,544		210,541,778	80,675,731	10,325,223		91,000,954	119,540,824	120,191,503
Utilities	258,239,364	8,674,818	107,537	266,806,645	93,995,692	35,933,780	64,596	129,864,876	136,941,769	164,243,672
Furniture and Fixtures	17,966,402	173,776		18,140,178	10,454,794	3,640,827		14,095,621	4,044,557	7,511,608
Office equipments	24,957,227	1,538,552		26,495,779	13,864,355	3,686,525		17,550,880	8,944,898	11,092,872
Vehicles	28,933,607	3,066,382	549,748	31,450,241	14,152,126	3,457,863	406,203	17,203,786	14,246,455	14,781,481
Total	772,605,155	31,219,936	657,285	803,167,806	269,474,395	63,784,894	470,799	332,788,490	470,379,315	503,130,760
31 March 2014	704,751,886	67,853,269	-	772,605,155	237,341,858	32,132,537	-	269,474,395	503,130,760	467,410,028

*** Depreciation for the year includes;

- adjustments pertaining to reduction in the carrying value of assets whose useful life is nil as at April 1, 2014 in accordance with the transitional provisions as provided in Schedule II of Companies Act, 2013. (Refer Note no. 38)
- depreciation amounting to ` 11,448/- (Previous Year ` Nil) on assets used for research and Development. During the year company incurred ` 428,944 (Previous Year ` Nil) towards capital expenditure for Research and Development

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	58,760	486,586	-	545,346	58,061	68,212	-	126,273	419,073	699
R & D Expenses	128,455,319	16,149,793	-	144,605,112	79,799,397	16,560,061	-	96,359,458	48,245,654	48,655,922
Market Development Expenditure	11,690,472	-	-	11,690,472	11,690,472	-	-	11,690,472	-	-
Total	140,204,551	16,636,379	-	156,840,930	91,547,930	16,628,273	-	108,176,203	48,664,727	48,656,621
31 March 2014	127,154,532	13,050,019	-	140,204,551	76,283,773	15,264,157	-	91,547,930	48,656,621	50,870,759



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. Non current investments

Trade investments (valued at cost unless stated otherwise)

Investment in equity instruments - Quoted

10000 (PY 10000) Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited
(At Cost Less Provision for other than temporary diminution of ₹ 371,850)

73600 (PY 73600) Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited
(At Cost Less Provision for other than temporary diminution of ₹ 736,000)

Investment in equity instruments - Unquoted

4,000 (31 March 2014: 4000) shares of ₹ 25 each fully paid in The Saraswat Co-operative Bank Limited

5,000 (31 March 2014: 5,000) shares of ₹ 10 each fully paid in The Shamrao Vithal Co-operative Bank Ltd.

Investment in Subsidiary Companies - Unquoted

10,00,000 (31 March 2014: Nil) shares of ₹ 10 each fully paid in Lifezen Healthcare Pvt Ltd.

Investment in Partnership firms

Balance Clinics LLP

Total

Aggregate amount of Quoted investments
Aggregate amount of unquoted investments
Aggregate provision for diminution in value of investment

Details of Investments in LLP

Name of the Partners and share in profit

Bal Pharma Limited
Shailesh Siroya
Total Capital of the Firm

	31 March 2015	31 March 2014
Trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments - Quoted		
10000 (PY 10000) Equity shares of ₹ 10 each fully paid in Lamina Foundries Limited (At Cost Less Provision for other than temporary diminution of ₹ 371,850)	-	-
73600 (PY 73600) Equity shares of ₹ 10 each fully paid in Sri Jayalakshmi Autospin Limited (At Cost Less Provision for other than temporary diminution of ₹ 736,000)	-	-
Investment in equity instruments - Unquoted		
4,000 (31 March 2014: 4000) shares of ₹ 25 each fully paid in The Saraswat Co-operative Bank Limited	100,000	100,000
5,000 (31 March 2014: 5,000) shares of ₹ 10 each fully paid in The Shamrao Vithal Co-operative Bank Ltd.	50,000	50,000
Investment in Subsidiary Companies - Unquoted		
10,00,000 (31 March 2014: Nil) shares of ₹ 10 each fully paid in Lifezen Healthcare Pvt Ltd.	10,000,000	-
Investment in Partnership firms		
Balance Clinics LLP	800,000	-
Total	10,950,000	150,000
Aggregate amount of Quoted investments	1,107,850	1,107,850
Aggregate amount of unquoted investments	10,950,000	150,000
Aggregate provision for diminution in value of investment	1,107,850	1,107,850
Details of Investments in LLP		
Name of the Partners and share in profit	31 March 2015	31 March 2014
Bal Pharma Limited	80%	Nil
Shailesh Siroya	20%	Nil
Total Capital of the Firm	1,000,000	Nil

15. Loans and advances

Capital advances

Unsecured considered good

Security deposit

Unsecured considered good

Advances recoverable in cash or kind

Unsecured considered good

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Capital advances				
Unsecured considered good	23,757,888	2,995,646	-	-
Security deposit				
Unsecured considered good	13,981,918	12,408,288	6,222,054	4,951,008
Advances recoverable in cash or kind				
Unsecured considered good	-	-	16,644,008	23,396,960



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15. Loans and advances (Contd.,)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Other loans and advances				
MAT Credit entitlement	14,405,931	21,843,955	-	-
Prepaid Expenses	118,524	118,524	11,481,468	7,992,213
Loans/advances to employees	-	-	1,971,337	974,990
Balance with statutory/government authorities	1,759,638	2,259,638	149,114,866	110,303,119
Loans and Advances to Subsidiaries	-	-	5,489,503	-
Others	16,725	16,725	585,125	1,458
	16,300,818	24,238,842	168,642,299	119,271,780
Total	54,040,624	39,642,776	191,508,361	147,619,748

Loans and advances includes loans and advances due by directors or other officers, etc: Nil (31 March 2014: Nil)

16. Other assets

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Unsecured, considered good unless stated otherwise				
Non current bank balance (note no 19)	2,932,783	2,176,857	-	-
	2,932,783	2,176,857	-	-
Others				
Insurance claims	-	-	623,590	623,587
Interest accrued on deposits	362,010	58,884	1,370,167	656,807
	362,010	58,884	1,993,757	1,280,394
Total	3,294,793	2,235,741	1,993,757	1,280,394

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

	31 March 2015	31 March 2014
Raw materials (Includes in transit ` 2,000,010 (31 March 2014: ` Nil))	117,853,690	112,512,685
Packing material	41,750,948	37,946,330
Work-in progress	62,006,425	52,702,816
Finished goods	133,546,771	111,381,996
Stores and spares	2,559,321	2,597,966
Total	357,717,155	317,141,793

18. Trade receivables

	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	53,157,890	42,955,366
Other receivables		
Unsecured, considered good	396,717,676	411,926,327
Total	449,875,566	454,881,693



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

19. Cash and cash equivalents

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash on hand			380,436	202,246
Balance with Bank				
On current Account	-	-	20,347,068	3,754,158
On EEFC account	-	-	5,091	17,316
On unpaid dividend account	-	-	754,364	646,649
Deposits with original maturity of less than 3 months	-	-	-	175,000
			21,486,959	4,795,369
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	165,000	-
Deposits with original maturity for more than 12 months	-	22,182	2,361,355	-
Margin money deposits	2,932,783	2,154,675	21,366,257	25,446,239
	2,932,783	2,176,857	23,892,612	25,446,239
Amount disclosed under other non current assets (note no 16)	(2,932,783)	(2,176,857)	-	-
Total	-	-	45,379,571	30,241,608

20. Revenue from operations

	2014 - 15	2013 - 14
Sale of products		
-Finished goods	1,757,317,048	1,683,774,969
-Traded goods	102,449,370	80,808,963
Sale of services	198,500	924,500
other operating revenue		
-Scrap sales	2,294,424	2,306,407
-Export benefits	43,125,370	35,919,992
-Provisions/creditors no longer payable written back	852,606	13,353,986
-Bad debts recovered	457,342	-
-Royalty income	-	3,000,000
Total	1,906,694,660	1,820,088,817
Details of products sold		
- Finished goods sold		
Tablets	786,430,132	859,368,213
Capsules	75,956,598	62,144,260
Liquids	110,139,945	113,084,766
Ointments	30,095,941	26,439,036
EED	2,259,226	1,916,569
Bulk drugs	752,435,206	620,822,125
	1,757,317,048	1,683,774,969
- Traded goods sold		
Tablets	28,211,348	21,192,376
Capsules	46,209,944	27,323,296
Liquids	28,028,078	32,293,291
	102,449,370	80,808,963
Details of services rendered		
- Testing services	198,500	924,500



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 15	2013 - 14	
21. Other Income			
Interest Income			
Bank deposits	2,489,771	1,418,179	
Others	434,796	205,908	
Exchange differences (Net)	5,896,309	4,838,182	
Government grants and subsidies	3,011,277	-	
Profit on sale of asset	115,672	-	
Total	11,947,825	6,462,269	
22. Cost of materials consumed			
Raw materials			
Opening Stock	112,512,685	126,368,228	
Add: Purchases	847,283,821	760,755,268	
Less: Closing stock	117,853,690	112,512,685	
	841,942,816	774,610,811	
Packing Materials			
Opening Stock	37,946,330	35,557,457	
Add: Purchases	123,033,131	118,962,228	
Less: Closing stock	41,750,948	37,946,330	
	119,228,513	116,573,355	
Total	961,171,329	891,184,166	
Details of raw material consumed			
Powder	752,167,114	707,803,410	
Liquids	78,606,790	56,559,672	
Capsule	11,168,912	10,247,729	
	841,942,816	774,610,811	
Details of inventory of raw material			
Powder	91,151,628	92,475,605	
Liquids	24,112,722	16,626,200	
Capsule	2,589,340	3,410,880	
	117,853,690	112,512,685	
23. Purchase of traded goods			
Tablets	19,599,125	17,121,107	
Capsules	18,988,048	11,591,919	
Liquids	23,701,406	22,827,617	
Total	62,288,579	51,540,643	
24. (Increase)/decrease in Inventories of finished goods and work in progress	2014 - 15	2013 - 14	(Increase)/decrease
Inventories at the end of the year			
Work-in-progress	62,006,425	52,702,816	(9,303,609)
Finished goods	133,546,771	111,381,996	(22,164,774)
	195,553,196	164,084,812	(31,468,383)
Inventories at the beginning of the year			
Work-in-progress	52,702,816	48,384,679	(4,318,137)
Finished goods	111,381,996	125,293,671	13,911,676
	164,084,812	173,678,350	9,593,538
Total (increase)/decrease	(31,468,384)	9,593,538	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 15	2013 - 14
Details of inventory		
<u>Work-in-progress</u>		
Tablets	12,518,301	11,526,324
Capsules	3,658,331	3,700,839
Liquids	4,977,229	912,790
Ointments	-	148,397
EED	38,745	52,453
Bulk drugs	40,813,819	36,362,013
	62,006,425	52,702,816
<u>Finished goods</u>		
Tablets	100,974,300	91,552,381
Capsules	18,613,902	11,111,420
Liquids	7,611,866	6,043,830
Ointments	3,545,465	1,723,476
EED	58,976	351,559
Bulk drugs	2,742,262	599,330
	133,546,771	111,381,996
25. Employee Benefit Expense	2014 - 15	2013 - 14
Salaries, wages and bonus	281,820,336	251,471,060
Contribution to provident and other fund	11,787,170	9,934,171
Gratuity expense (refer note 30)	5,945,567	2,654,057
Leave benefit expense (refer note 30)	1,091,163	780,494
Staff welfare expense	18,979,377	16,396,185
Total	319,623,613	281,235,967
26. Other Expenses	2014 - 15	2013 - 14
Consumption of stores and spares	12,097,523	13,354,570
Power and fuel	42,457,098	41,579,187
Water charges	1,798,275	1,112,651
Laboratory and Testing	11,953,170	9,249,186
Sub-contracting expenses	27,756,937	15,850,605
Repairs & Maintenance:		
Plant and machinery	13,791,728	12,527,471
Building	2,728,765	1,209,910
Others	17,238,804	10,843,856
Excise duty on Finished goods inventory	2,076,967	1,615,394
Seminar, Conference & Exhibition Expenses	7,282,628	3,244,005
Freight and forwarding charges	51,309,620	51,918,131
Commission on Sales	7,223,838	6,881,626



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 15	2013 - 14
Breakages & Expired Goods	16,030,113	14,714,958
Advertisement and selling Expenses	44,273,116	61,435,206
Traveling and conveyance expenses	62,520,484	60,686,732
Rates & Taxes	5,878,541	3,467,788
Communication Costs	7,546,556	6,760,978
Legal & Professional charges	13,032,200	10,536,430
Printing & Stationery	3,484,971	5,036,714
Subscription & Membership	626,421	1,863,148
Insurance	3,364,076	3,682,257
Rent	13,405,711	10,561,297
Directors Sitting fees	22,247	27,250
Electricity Charges	1,177,179	1,182,775
Balances/Bad debts/Advances written off	4,598,424	14,846,641
Payment to Auditors		
'As auditor		
'Audit fee	550,000	500,000
Tax audit fee	50,000	50,000
Limited review	20,000	20,000
In other capacity		
Other services (certification fees)	109,635	122,500
Reimbursement of expenses	50,000	50,000
Security charges	4,280,074	3,902,776
Vehicle operation and maintenance	2,950,528	2,707,755
Others	2,737,474	4,855,216
Total	384,423,103	376,397,013
27. Finance costs	2014 - 15	2013 - 14
Bank charges	13,314,843	12,145,650
Interest		
- Banks	48,868,870	56,478,763
- Delayed payment of taxes	835,320	802,086
- Others	2,142,732	2,148,441
Total	65,161,765	71,574,940
28. Depreciation and amortization expenses	2014 - 15	2013 - 14
Depreciation of tangible assets (refer note no. 12)	53,406,707	32,132,537
Amortization of intangible assets (refer note no. 13)	16,628,273	15,264,157
Total	70,034,980	47,396,694



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

Sl. No.	Particulars	31 March 2015	31 March 2014
1	Opening no. of shares	11,111,388	10,573,624
2	Total shares outstanding	12,872,372	11,111,388
3	Weighted average number of shares	12,800,003	10,644,344
4	Net profit attributable to equity share holders	40,228,142	50,722,987
5	Basic EPS	3.14	4.77
	Diluted		
6	Weighted average number of shares (including preferential share warrant dilution)	12,954,432	11,015,682
7	Diluted EPS	3.11	4.60

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 2015	31 March 2014	31 March 2015	31 March 2014
Change in defined benefit obligation				
Opening defined benefit obligation	9,587,632	7,712,866	2,398,621	1,785,852
Interest cost	832,575	620,434	209,037	144,669
Current service cost	2,012,324	1,923,128	1,192,876	1,122,122
Benefits paid	(673,600)	(827,278)	(151,983)	(167,725)
Actuarial losses/(gain)	3,106,361	158,482	(310,750)	(486,297)
Closing defined benefit obligation	14,865,292	9,587,632	3,337,801	2,398,621
Change in plan assets				
Plan assets at the beginning of the year at fair value	63,263	242,007	-	-
Expected return on plan assets (estimated)	5,100	10,300	-	-
Contribution to fund	673,000	600,547	-	-
Benefits settled	(673,000)	(827,278)	-	-
Actuarial gain/(loss) on plan assets	594	37,687	-	-
Plan assets at the end of the year at fair value	68,957	63,263	-	-
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	63,263	-	-
Present value of defined benefit obligation at the end of the year	14,865,292	9,587,632	3,337,801	2,398,621
Asset/(liability) recognized in the balance sheet	(14,796,335)	(9,524,369)	(3,337,801)	(2,398,621)
Cost for the period				
Current service cost	2,012,324	1,923,128	1,192,876	1,122,122
Interest cost	832,575	620,434	209,037	144,669
Expected return on plan assets	(5,100)	(10,300)	-	-
Net actuarial (gain)/loss recognized for the year	3,105,767	120,795	(310,750)	(486,297)
Expense/(income) recognized in the statement of profit and loss	5,945,566	2,654,057	1,091,163	780,494



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Movement in the liability recognized in balance sheet				
Opening liability	9,524,369	7,470,859	2,398,621	1,785,852
Expense/(income) recognized for the period as above	5,945,566	2,654,057	1,091,163	780,494
Contribution/Benefits paid	(673,600)	(600,547)	(151,983)	(167,725)
Closing liability	14,796,335	9,524,369	3,337,801	2,398,621

Assumptions at the valuation date				
Discount factor	8.00%	9.00%	8.00%	8.50%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Rate of return (expected) on plan assets	9.00%	8.00%	0.00%	0.00%
Retirement age	58	58	58	58

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

Gratuity	Amount in `				
Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation at the end of the period	14,796,335	9,587,632	7,712,866	7,781,687	12,757,291
Plan assets at the end of the period	68,957	63,263	242,007	1,680,810	2,349,177
Funded status – surplus/(deficit)	(14,727,378)	(9,524,369)	(7,470,859)	(6,100,877)	(10,408,114)
Experience adjustments in plan liabilities	3,106,361	158,482	(176,491)	(6,546,360)	(201,755)
Experience adjustments in plan assets	594	8,060	(76,900)	370	7,147

Leave Encashment	Amount in `				
Particulars	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation at the end of the period	3,337,801	2,398,621	1,785,852	2,131,248	2,441,089
Plan assets at the end of the period	Nil	Nil	Nil	Nil	Nil
Funded status – surplus/(deficit)	(3,337,801)	(2,398,621)	(1,785,852)	(2,131,248)	(2,441,089)
Experience adjustments in plan liabilities	(310,750)	(486,297)	(1,219,505)	(1,418,378)	(380,136)
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil

31. Export benefits:

The Company has accounted an amount of ` 43,125,370 (31 March 2014: ` 35,919,992) 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 2015 is ` 45,585,361 (31 March 2014: ` 51,522,074) 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 ` 1,119 (31 March 2014: ` 1,635). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is ` Nil (31 March 2014: ` Nil).**33. Expenditure on research and development:**

An amount of ` 16,632,682 (31 March 2014: ` 13,050,019) 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 ` 16,560,061 (31 March 2014: ` 15,025,617). The balance on this account as on 31 March 2015: ` 48,245,654 (31 March 2014: ` 48,655,922).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

	Amount in `	
	2014 – 15	2013 – 14
Capital Expenditure		
Laboratory Equipment	482,889	-
Utilities	-	-
Total capital expenditure (a)	482,889	-
Revenue Expenditure	2014 – 15	2013 – 14
Raw material consumed	13,753	1,862,903
Power and fuel	3,374,743	2,610,919
Water charges	275,258	181,284
Laboratory and testing	4,925,556	1,631,313
Employee benefit expense	7,253,456	6,268,214
Others	307,027	495,386
Total revenue expenditure (b)	16,149,793	13,050,019
Total Expenditure (a + b)	16,632,682	13,050,019

34. Related party disclosures:

- Name of related parties and related party relationship

Related parties where control/significant influence 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

	Amount in `	
Particulars	2014 – 15	2013 – 14
Sales to		
Significant interest entities		
- Micro Labs Limited	26,786,242	27,218,543
Subsidiaries		
- Balance Clinics LLP	120,064	-
Total	26,906,306	27,218,543
Purchases from		
Significant interest entities		
- Micro Labs Limited	-	50,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Amount in `	
	2014 - 15	2013 - 14
Commission Paid to		
Enterprise owned by the Managing Director of the Company		
- Desa Marketing International	10,229,413	9,493,340
Expenses incurred on behalf of		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	1,855,815	47,052
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	581,334	-
Total	2,437,149	47,052
Expenses reimbursed by		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	1,687,680	68,636
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	581,974	-
Total	2,269,654	68,636
Job work charges received from		
Significant interest entities		
- Micro Labs Limited	-	5,545,630
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	20,300,000	-
Subsidiaries		
- Lifezen Healthcare Private Ltd	308,086	-
- Balance Clinics LLP	4,980,228	-
Total	25,588,314	-
Loan repaid to		
- Managing Director	-	2,124,020
Rent Paid to		
- Managing Director	1,200,000	1,200,000
Interest received from		
- Lifezen Healthcare Private Ltd	2,307	-
- Balance Clinics LLP	184,241	-
Total	186,548	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Amount in `

Particulars	2014 - 15	2013 - 14
Investment in Subsidiaries		
- Lifezen Healthcare Private Ltd	10,000,000	-
- Balance Clinics LLP	800,000	-
Total	10,800,000	-
Managerial Remuneration to *		
Key Managerial Personnel		
Shailesh D Siroya	7,200,000	6,000,000
Dr. S Prasanna	3,000,000	2,700,000
Total	10,200,000	8,700,000

* **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 2015	31 March 2014
Dues from Subsidiaries		
Lifezen Healthcare Private limited (Included in Loans and Advances)	310,394	-
Balance Clinics LLP (Included in Loans and Advances)	4,980,228	-
Total	5,290,622	-
Dues from enterprise over which the Managing Director of the Company exercises joint control with other partners		
Siroya wellness (Included in Trade receivables)	3,074,622	3,074,622
Siroya Constructions (Included in Loans and Advances)	168,135	-
Siroya wellness (Included in Loans and Advances)	570,225	570,225
Total	3,812,982	3,644,847
Dues from Significant Interest entities		
Micro Labs (Included in Trade receivable)	12,836,912	3,901,955
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)	20,300,000	-
Dues to enterprise owned by the Managing Director of the company		
Desa Marketing International (Included in Current Liabilities)	10,246,071	2,366,658
Dues to Key Managerial Personnel		
Shailesh D Siroya (Included in Other current liabilities)	630,000	381,201

35. The company has provided for ` 2,42,414/- (31 March 2014: ` 262,215) being excise duty on finished goods lying at various manufacturing units at the end of reporting period.

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

- Letter of credit ` 103,179,442 (31 March 2014: ` 1,44,441,190)
- Estimated value of contracts remaining to be executed on capital account and not provided for ` 28,332,935 (31 March 2014: ` 2,878,000)
- Claims against company not acknowledged as debts comprises:

Amount in `

Nature	31 March 2015	31 March 2014
Excise & Customs	24,514,120	6,050,923
Service Tax	10,836,228	10,836,228
Sales Tax	1,788,034	1,788,034
Income Tax	8,950,439	-
Total	(*) 46,088,821	(*) 18,675,185

(*) Pre - deposit under protest ` 643,729 (Previous year ` 777,006)

- 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

37. The company has given counter guarantees to bank against guarantees issued by them on behalf of the company ₹ 31,441,990 (31 March 2014: ₹ 18,997,040).
38. Effective from 1 April 2014, the Company has changed the depreciation charge based on revised remaining useful lives of the assets as per requirement of schedule II of the Companies Act, 2013. Due to this, the depreciation charge for the year ended 31 March 2015 is higher by ₹ 17,327,086. Further, based on transitional provisions as provided in Schedule II, an amount of ₹ 7,010,983 (net of deferred tax) has been charged to accumulated retained earnings (Surplus) in respect of asset whose remaining useful life is nil as on 1 April 2014.

39. Value of imports calculated on CIF basis:

Amount in ₹

Particulars	2014 - 15	2013 - 14
Raw materials	411,276,917	379,152,018
Capital goods (Including spares and components)	2,731,221	6,610,340
Total	414,008,138	385,762,358

40. A) Expenditure in foreign currency:

Amount in ₹

Particulars	2014 - 15	2013 - 14
Traveling expenditure	2,130,469	3,336,016
Registration fee	2,935,967	6,756,392
Commission on export sales	797,010	28,73,889
Sales promotion	12,489,327	7,131,157
Consultancy charges	-	1,65,069
Total	18,352,773	20,262,523

B) Earnings in foreign currency:

Amount in ₹

Particulars	2014 - 15	2013 - 14
FOB value of exports	1,171,318,960	1,030,465,795

41. Details of Consumption of Imported and indigenous raw materials, components and spare parts:

Amount in ₹

Particulars	31 March 2015		31 March 2014	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
Raw material				
Imported	423,816,188	50.34	374,127,535	48.30
Indigenous	418,126,629	49.66	400,483,275	51.70
Total	841,942,817	100.00	774,610,811	100.00
Stores and spares				
Imported	-	-	-	-
Indigenous	12,097,523	100.00	13,354,570	100.00
Total	12,097,523	100.00	13,354,570	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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

Sales by market

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

Amount in `

Geographical segments	31 March 2015	31 March 2014
India	644,449,052	687,888,049
Other than India	1,215,317,366	1,076,695,883
Total	1,859,766,418	1,764,583,932

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

Amount in `

Particulars	31 March 2015		31 March 2014	
	India	Others*	India	Others*
Carrying amount of segment assets	1,388,096,324	253,392,726	1,249,954,520	297,486,078
Additions to fixed assets	31,706,522	-	67,853,269	-

* Others represent receivables from debtors located outside India.

43. Unclaimed dividends on equity shares

Year	Amount in `
2007-08	187,786
2008-09	172,169
2012-13	166,157
2013-14	228,251
Total	754,363

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 directors 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 are 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 directors of Bal Pharma Limited

T D Jain

Partner

Membership No. 012034

V. Murali

AVP - Finance & Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bangalore

29 May 2015

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

We have audited the accompanying statement of consolidated financial statements of **BAL PHARMA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group") comprising of the Consolidated Balance Sheet as at **31 March 2015**, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter 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.

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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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, 2015, 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 Clinic LLP, whose financial statements reflect total assets of ₹ 40,32,515 as at 31 March, 2015 and total revenue of ₹ 3,84,752 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by section 143(3) of the Act, we further 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 purpose of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (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 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact, if any, of pending litigations as at 31 March 2015, on its financial position in its consolidated financial statements – Refer Note 37 to the financial statements;
 - ii. The Group has not entered into any on 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, and its subsidiary companies incorporated in India.

For M/s T D JAIN AND D I SAKARIA

Chartered Accountants

Firm registration no: 002491S

T D JAIN

Partner

M. No.: 012034

Bangalore

29 May 2015

ANNEXURE TO THE 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 2015)

- i. In respect of its fixed assets of the Holding Company and subsidiary companies.
 - (a) The Holding Company and subsidiary companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) As informed to us by the management the Holding Company and subsidiary companies have 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 Holding Company and subsidiary companies and the nature of its assets. We are informed that there was no material discrepancies noticed on such verification.
- ii. In respect of its inventories of the Holding Company and subsidiary companies.
 - (a) As explained to us, the inventories were physically verified by the Management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Holding Company and subsidiary companies and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Holding Company and subsidiary companies have maintained proper records of its inventories and 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. (a) The Holding company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the act').
 - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the order is not applicable to the Holding company in respect of repayment of the principle amount.
 - (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act by the Holding Company.



- iv. In our opinion and according to the information and explanations given to us, there exist an adequate internal control system commensurate with the size of the Holding Company and subsidiary companies and nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. The Holding Company and subsidiary companies have not accepted any deposit from public. No order has been passed Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the books of accounts maintained by the Holding Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under 148(1) of the Companies Act, 2013 in relation to products manufactured, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. According to the information and explanation given to us:
- (a) The Holding Company and subsidiary companies have been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid material statutory dues as at 31 March 2015, which were in arrears 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 Holding Company and subsidiary companies, there are no amounts in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute except as enumerated herein below which are pending before respective authorities as mentioned there against:
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Name of the Statute	Nature of dues	* Amount in	Period to which Amount relates	Forum where dispute is pending
Chapter V of Finance Act, 1994	Service Tax and equivalent penalty	1,08,36,228	Nov 2007 to July 2011	Commissioner of Central Excise (Appeals), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	1,69,03,646	Nov 2007 to July 2011	Commissioner of Central Excise (Appeals), Bangalore
The Central Excise Act, 1944	Central Excise Penalty	24,91,506	Apr 2005 to Nov 2009	Customs Excise Service Tax Appellate Tribunal, Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	8,38,598	May 2000 to Nov 2001	Customs Excise Service Tax Appellate Tribunal, Mumbai
The Central Excise Act, 1944	Central Excise Duty and Penalty	12,09,387	Jul 2012 to Jan 2013	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,16,694	Mar-12	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	3,16,719	Jan-12	Commissioner of Central Excise (Appeal), Bangalore
The Central Excise Act, 1944	Central Excise Duty and Penalty	2,24,679	Jul 2011 to Nov 2011	Commissioner of Central Excise (Appeal), Bangalore
The Maharashtra Value Added Tax, 2002	Central Sales Tax and Penalty	7,78,314	FY 2004-2005	The Deputy Commissioner (Appeals), Pune
The Kerala General Sales Tax Act, 1963	Local Sales Tax	4,95,991	FY 2002 - 03	The Deputy Commissioner (Appeals), Ernakulam
The Central Excise Act, 1944	Central Excise Duty and Penalty	21,82,891	FY 2010-11 to 2012-13	Commissioner of Central Excise, Bangalore
Income Tax Act, 1961	Income tax	89,50,439	FY 2003-04 to 2007-08	High Court of Karnataka

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



- viii. The Holding Company does not have any accumulated losses as at the end of the financial year. The Holding Company has not incurred cash losses during the current and the immediately previous financial year.
- ix. Based on our audit procedures, information and explanations given to us, in our opinion the Holding Company and subsidiary companies has not defaulted in repayment of dues to financial institutions and banks. The Holding Company and subsidiary companies does not have any outstanding debentures during the year.
- x. In our opinion and according to the information and the explanations given to us, the Holding Company and subsidiary companies have not given any guarantee for the loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans taken by the Holding Company during

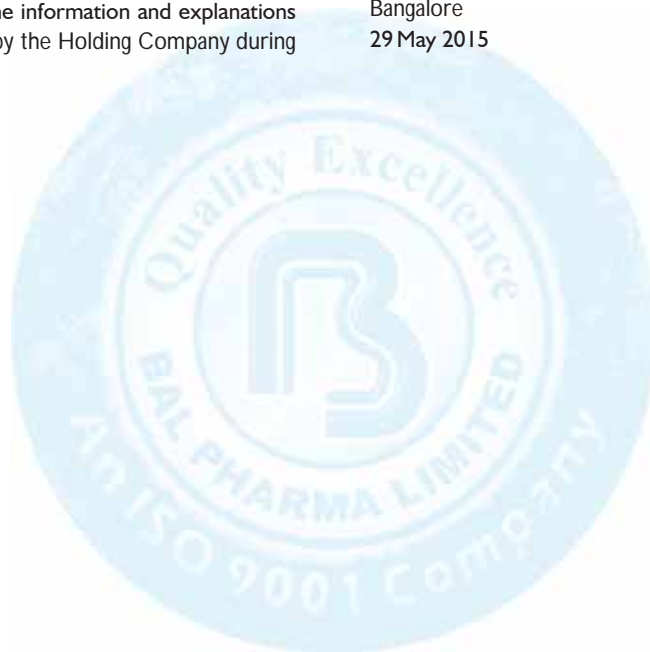
the year have been applied for the purposes for which they were obtained.

- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Holding Company and subsidiary companies have been noticed or reported during the course of our audit.

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

T D JAIN
Partner
M. No.: 012034

Bangalore
29 May 2015





CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Note no	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	128,723,720	111,113,880
Reserves and surplus	4	403,149,875	372,017,716
Money received against share warrants	3	20,150,000	17,363,930
Non - Controlling interest		-	-
		552,023,595	500,495,526
Minority Interest		(348,233)	-
Non- current liabilities			
Long-term borrowings	5	66,443,264	79,700,728
Deferred tax liabilities (Net)	6	72,947,860	82,372,201
Other long term liabilities	7	7,459,483	6,559,483
Long-term provisions	8	16,518,446	10,597,580
		163,369,053	179,229,992
Current liabilities			
Short- term borrowings	9	401,378,854	427,499,199
Trade payables	10	385,349,280	335,309,094
Other current liabilities	11	118,573,809	86,592,919
Short- term provisions	8	18,282,039	18,313,868
		923,583,982	867,715,080
Total		1,638,628,397	1,547,440,598
ASSETS			
Non- current assets			
Fixed assets			
Tangible assets	12	473,234,508	503,130,760
Intangible assets	13	48,731,207	48,656,621
Capital work in progress		7,685,180	2,459,464
Non- current investments	14	150,000	150,000
Long term loans and advances	15	54,288,127	39,642,776
Other non-current assets	16	3,294,793	2,235,741
		587,383,815	596,275,362
Current assets			
Inventories	17	358,151,543	317,141,793
Trade receivables	18	449,848,581	454,881,694
Cash and cash equivalents	19	54,944,302	30,241,608
Short-term loans and advances	15	186,306,403	147,619,748
Other current assets	16	1,993,753	1,280,394
		1,051,244,582	951,165,236
Total		1,638,628,397	1,547,440,598

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- 0024915

For and on behalf of directors of Bal Pharma Limited

T D Jain

Partner

Membership No. 012034

V. Murali

AVP - Finance & Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bangalore
29 May 2015



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2015

Particulars	Note no	2014 - 15	2013 - 14
Income			
Revenue from operations (gross)	20	1,906,968,344	1,820,088,817
Less: excise duty		35,395,064	31,368,147
Revenue from operations (net)		1,871,573,280	1,788,720,670
Other income	21	11,740,806	6,462,269
Total Income - (i)		1,883,314,086	1,795,182,939
Expenses			
Cost of materials consumed	22	961,171,329	891,184,166
Purchase of traded goods	23	62,768,992	51,540,643
(Increase)/decrease in inventories of finished goods and work-in-progress	24	(31,902,772)	9,593,538
Employees benefits expenses	25	322,427,130	281,235,967
Other expenses	26	386,048,142	376,397,013
Total Expense - (ii)		1,700,512,821	1,609,951,327
Earnings before interest, tax, depreciation and amortization - EBITDA - (i-ii)		182,801,265	185,231,612
Finance costs	27	65,163,609	71,574,940
Depreciation and amortization expenses	28	70,232,865	47,396,694
Profit/(loss) before tax - (iii)		47,404,791	66,259,978
Tax expenses			
Current tax		10,477,641	13,370,431
MAT credit (entitlement)/utilised		7,650,182	1,828,646
Net Current Tax		18,127,823	15,199,077
(Excess)/Short provision for tax of earlier years		(196,332)	337,276
Deferred Tax		(6,057,138)	638
Total tax expense - (iv)		11,874,354	15,536,991
Profit/(loss) for the year (iii-iv)		35,530,437	50,722,987
Add/ (less): Share of Profit/ (loss) transferred to Minority Interest		(748,233)	-
Profit attributable to owners of the Company		36,278,670	50,722,987
Earning per equity share: Nominal value per share: ` 10 (31 March 2014: ` 10)			
Basic		2.83	4.77
Diluted		2.80	4.60

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 directors of Bal Pharma Limited

T D Jain

Partner

Membership No. 012034

V. Murali

AVP - Finance & Company Secretary

Dr. S. Prasanna

Director

Shailesh Siroya

Managing Director

Bangalore
29 May 2015



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	2014 - 15	2013 - 14
Cash flows from operating activities:		
Profit before tax	47,404,790	66,259,978
Add/(Less): Non cash adjustments to reconcile profit before tax to net cash flows		
- Depreciation and Amortisation	70,232,865	47,396,694
- Proposed dividend & tax on dividend	(15,446,089)	(12,999,768)
- (Gain)/Loss on sale of fixed assets	(115,672)	
- Finance cost	65,163,609	71,574,940
- Interest income	(2,924,567)	(1,624,087)
Operating profit/(loss) before working capital changes	164,314,936	170,607,757
Add/(Less): Working capital changes		
- Decrease/(Increase) in inventories	(41,009,751)	19,728,518
- Decrease/(Increase) in trade receivables	5,033,113	(20,491,209)
- Decrease/(Increase) in loans and advances	(53,332,006)	(37,845,704)
- Decrease/(Increase) in other assets	(1,772,411)	1,666,664
- Increase/(Decrease) in trade payables	50,040,186	14,744,758
- Increase/(Decrease) in other liabilities	21,095,582	(16,774,551)
- Increase/(Decrease) in provisions	14,011,645	13,052,250
Cash generated from/(used in) operations	158,381,296	144,688,483
Direct taxes paid	13,054,333	11,555,880
Net cash flow from/(used in) operating activities (A)	145,326,963	133,132,603
Cash flows from investing activities:		
Purchase of fixed assets including intangible assets and capital work-in-progress	(56,201,587)	(74,612,930)
Proceeds from sale of fixed assets	302,158	-
Interest income	2,924,567	1,624,087
Net cash flow from/(used in) investing activities (B)	(52,974,862)	(72,988,843)
Cash flows from financing activities:		
Money received on issue of share warrant	20,150,000	16,588,534
Money received on conversion of share warrant	19,616,734	
Long term borrowings	16,019,000	80,836,832
Repayment of long-term borrowings	(17,491,156)	(75,712,069)
Repayment of short-term borrowings	(26,120,346)	(16,097,559)
Dividend paid (including dividend distribution tax)	(15,060,030)	(9,277,959)
Finance cost	(65,163,609)	(71,574,940)
Net cash flow from/(used in) financing activities (C)	(68,049,407)	(75,237,161)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	24,302,694	(15,093,401)
Cash and cash equivalents at the beginning of the year	30,241,608	45,335,009
Cash and cash equivalents at the end of the year	54,544,302	30,241,608
Components of cash and cash equivalents		
Cash in hand	418,409	202,246
Balance with banks - on current accounts	30,633,281	4,418,123
Balance with banks - on deposit accounts	23,892,612	25,621,239
Total Cash and cash equivalents	54,944,302	30,241,608

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 directors of Bal Pharma Limited

T D Jain
Partner
Membership No. 012034

V. Murali
AVP - Finance & Company Secretary

Dr. S. Prasanna
Director

Shailesh Siroya
Managing Director

Bangalore
29 May 2015



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 2015****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 1st 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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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.

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 2015

3. Share Capital

	31 March 2015	31 March 2014
Authorized shares 15,000,000 (31 March 2014: 15,000,000) equity shares of ₹ 10 each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, subscribed and fully paid-up shares 12,872,372 (31 March 2014: 11,111,388) equity shares of ₹ 10 each	128,723,720	111,113,880
Total	128,723,720	111,113,880

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

	31 March 2015		31 March 2014	
	Nos		Nos	
At the beginning of the period	11,111,388	111,113,880	10,573,624	105,736,240
Allotted during the period	1,760,984	17,609,840	537,764	5,377,640
Outstanding at the end of the period	12,872,372	128,723,720	11,111,388	111,113,880

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 2014 : Nil).
- d. The company had issued total 90,400 shares (31 March 2014: 90,400) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.
- e. **Details of shareholders holding more than 5% shares in the company**

Equity shares of ₹ 10 each fully paid	31 March 2015		31 March 2014	
	Nos	% holding in the class	Nos	% holding in the class
Micro Labs Limited	1,310,836	10.18	1,310,836	11.80
Shailesh Siroya	1,270,759	9.87	670,759	6.04
Anita Siroya	1,018,540	7.91	1,018,540	9.17

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.

f. Shares reserved for issue under options

- i. During the FY 2012-13, 2,298,748 preferential share warrants convertible into equivalent number of equity shares of ₹ 10/- each at a premium of ₹ 11 per share, had been issued to the promoters/strategic investors by the company on 19 October 2012. During the year, the preferential share warrants outstanding as at 1 April 2014 got converted in to equivalent number of equity shares.
- ii. During the year 1,300,000 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 ₹ 20,150,000 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 2015 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 ₹ 60,450,000.

Name of the allottees (Strategic Investors)	No of warrants
Mr Vipul Kumat	400,000
Mr Naresh D P	300,000
Mr Jitendra Tej Raj Lunia	300,000
Ms, Asha Tapidas Dodhia	300,000
Total	1,300,000



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

4. Reserves and surplus	31 March 2015	31 March 2014
Capital reserves		
Balance as at beginning of the reporting period	4,405,725	4,405,725
Add: Additions during the year	-	-
Closing balance	4,405,725	4,405,725
Securities premium account		
Balance as at beginning of the reporting period	153,795,275	147,879,870
Add: Additions on account of issue of shares reserved for preferential share warrants	19,370,824	5,915,405
Closing balance	173,166,099	153,795,275
General reserve		
Balance as at beginning of the reporting period	24,515,000	24,515,000
Add: amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	24,515,000	24,515,000
Surplus/(deficit) in the statement of profit and loss		
Balance as at beginning of the reporting period	189,301,716	151,578,497
Less: short provision of equity dividend & tax on equity dividend	(2,060,264)	-
Less: Net block of assets written off as per revised useful life specified Sch II of the Companies Act 2013 (Net of deferred tax) (refer note no. 40)	(7,010,983)	-
Add: Profit for the year	36,278,671	50,722,987
Less: Appropriations		
Proposed final equity dividend (Amount per share ` 1 (31 March 2014 ` 1)	(12,872,372)	(11,111,388)
Tax on proposed equity dividend.	(2,573,717)	(1,888,380)
Surplus in the statement of profit and loss	201,063,051	189,301,716
Total	403,149,875	372,017,716

5. Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term Loans				
- From banks				
Exim Bank (Secured)	48,000,000	60,000,000	12,000,000	-
Corporation Bank (Secured)	7,500,000	-	-	-
Kotak Mahindra Bank (unsecured)	593,970	2,722,771	2,128,800	1,782,212
Kotak Mahindra Bank (unsecured)	2,809,392	4,806,676	2,580,995	2,156,938
- From financial institutions				
Tata Capital Limited (unsecured)	581,166	-	3,170,497	1,737,680
Kotak Mahindra Prime Limited (Secured)	-	-	-	3,133,196
Magma Fincorp Limited (Unsecured)	-	1,339,298	1,339,350	1,652,235
Magma Fincorp Limited (Unsecured)	1,340,020	3,086,772	1,746,698	1,447,110
Bajaj Finance Limited (Unsecured)	-	1,948,654	1,773,034	1,457,114
Other Loans and Advances				
- Vehicle loan (secured)	5,618,716	5,796,557	2,291,453	1,879,034
	66,443,264	79,700,728	27,030,827	15,245,519
The above amount includes				
Secured borrowings	61,118,716	65,796,557	14,291,453	5,012,230
Unsecured borrowings	5,324,548	13,904,171	12,739,374	10,233,289
Amount disclosed under the head "other current liabilities"- refer note 11	-	-	(27,030,827)	(15,245,519)
Total	66,443,264	79,700,728	-	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

- a. Term loan obtained from EXIM Bank of ₹ 6.00 Crores towards expansion of research & development centre at Bangalore 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 installment 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 *pari passu* 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 of 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 installments after a moratorium period of 24 months and carries interest @ 14%. An amount of ₹ 0.75 crores was availed as at 31 March 2015 against the said sanction.
- c. The vehicle loans are secured by hypothecation of vehicles taken on loan.

6. Deferred tax liability (net)

	31 March 2015	31 March 2014
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	7,164,479	5,110,140
Others	913,054	1,225,166
Gross deferred tax assets	8,077,533	6,335,306
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	65,372,091	72,921,093
Others	15,653,302	15,786,414
Gross deferred tax liability	81,025,393	88,707,507
Net deferred tax liability	72,947,860	82,372,201

7. Other Long term liabilities

	31 March 2015	31 March 2014
Deposit received from customers	7,459,483	6,559,483
Total	7,459,483	6,559,483

8. Provisions

	Long - term		Short - term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits				
Provision for gratuity (refer note 31)	13,301,819	8,293,216	1,494,517	1,231,153
Provision for leave benefits (refer note 31)	3,216,627	2,304,364	121,174	94,257
	16,518,446	10,597,580	1,615,691	1,325,410
Other provisions				
Provision for income tax (net of advance tax)			1,200,598	3,950,116
Proposed equity dividend			12,872,372	11,111,388
Provision for tax on proposed dividend			2,573,717	1,888,380
Provision for wealth tax			19,661	38,574
	-	-	16,666,348	16,988,458
Total	16,518,446	10,597,580	18,282,039	18,313,868



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. Short-term borrowings

	31 March 2015	31 March 2014
From Banks		
- Cash credit (secured)	198,274,912	210,505,663
- Packing credit (secured)	64,757,318	48,484,964
- Bills discounted (secured)	62,783,859	67,395,138
- Buyers credit (secured)	75,562,765	101,113,434
Total	401,378,854	427,499,199
The above amount includes		
Secured borrowings	401,378,854	427,499,199
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 2015	31 March 2014
Trade payables (refer note 33 for details of dues to micro and small enterprises)	385,349,280	335,309,094
Total	385,349,280	335,309,094

11. Other current liabilities

	31 March 2015	31 March 2014
Current maturities of long-term borrowings (note 5)	27,030,827	15,245,519
Creditors for capital goods	7,038,896	8,147,946
Interest accrued but not due on borrowings	245,903	764,931
Investor education and protection fund will be credited by following amounts		
Unpaid dividend	754,364	646,649
Rental deposits	-	1,237,500
Advances from customers	49,195,492	25,841,578
Book overdraft on account of issue of cheques	4,388,711	8,108,800
Statutory liabilities	6,501,727	5,139,686
Other payables	23,417,889	21,460,310
Total	118,573,809	86,592,919



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/ Adjustments**	Disposals	Total	As at end of the reporting period	As at beginning of the reporting period
Tangible Assets										
Freehold Land	5,787,483	-	-	5,787,483	-	-	-	-	5,787,483	5,787,483
Leasehold Land	12,493,430	700,410	-	13,193,840	734,910	146,982	-	881,892	12,311,948	11,758,520
Building	223,360,408	7,391,454	-	230,751,862	55,596,787	6,593,694	-	62,190,481	168,561,381	167,763,621
Plant & Machinery	200,867,234	9,674,544	-	210,541,778	80,675,731	10,325,223	-	91,000,954	119,540,824	120,191,503
Utilities	258,239,364	10,360,308	107,537	268,492,135	93,995,692	36,001,672	64,596	129,932,768	138,559,367	164,243,672
Furniture and Fixtures	17,966,402	197,249	-	18,163,651	10,454,794	3,641,077	-	14,095,871	4,067,780	7,511,608
Office equipments	24,957,227	1,903,729	-	26,860,956	13,864,355	3,747,290	-	17,611,645	9,249,311	11,092,872
Vehicles	28,933,607	4,041,816	549,748	32,425,675	14,152,126	3,523,339	406,203	17,269,262	15,156,413	14,781,481
Total	772,605,155	34,269,510	657,285	806,217,380	269,474,394	63,979,277	470,799	332,982,872	473,234,508	503,130,760
31 March 2014	704,751,886	67,853,269	-	772,605,155	237,341,858	32,132,537	-	269,474,395	503,130,760	467,410,028

** Depreciation for the year includes:

- adjustments pertaining to reduction in the carrying value of assets whose useful life is nil as at April 1, 2014 in accordance with the transitional provisions as provided in Schedule II of Companies Act, 2013. (Refer Note no. 40)
- depreciation amounting to ` 11,448/- (Previous Year ` Nil) on assets used for research and Development. During the year company incurred ` 428,944 (Previous Year ` Nil) towards capital expenditure for Research and Development

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	58,760	556,568	-	615,328	58,061	71,714	-	129,775	485,553	699
R & D Expenses	128,455,319	16,149,793	-	144,605,112	79,799,397	16,560,061	-	96,359,458	48,245,654	48,655,922
Total	128,514,079	16,706,361	-	145,220,440	79,857,458	16,631,775	-	96,489,233	48,731,207	48,656,621
31 March 2014	127,154,532	13,050,019	-	140,204,551	76,283,773	15,264,157	-	91,547,930	48,656,621	50,870,759



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. Non current investments			31 March 2015	31 March 2014
Trade Investments (Valued at cost unless stated otherwise)				
Investment in equity instruments - Quoted				
10000 (PY 10000) Equity shares of ` 10 each fully paid in Lamina Foundries Limited (At Cost Less Provision for other than temporary diminution of ` 371,850)			-	-
73600 (PY 73600) Equity shares of ` 10 each fully paid in Sri Jayalakshmi Autospin Limited (At Cost Less Provision for other than temporary diminution of ` 736,000)			-	-
Investment in equity instruments - Unquoted				
4,000 (31 March 2014: 4000) shares of ` 25 each fully paid in The saraswat cooperative Bank Limited			100,000	100,000
5,000 (31 March 2014: 5,000) shares of ` 10 each fully paid in The Shamrao vithal Co-operative Bank Ltd.			50,000	50,000
Total			150,000	150,000
15. Loans and advances				
	Non - current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Capital advances				
Unsecured considered good	23,757,888	2,995,646	-	-
Security deposit				
Unsecured considered good	14,229,420	12,408,288	6,262,052	4,951,008
Advances recoverable in cash or kind				
Unsecured considered good	-	-	16,644,008	23,396,960
Other loans and advances				
MAT Credit entitlement	14,405,932	21,843,955	-	-
Prepaid Expenses	118,524	118,524	11,481,468	7,992,213
Loans/advances to employees	-	-	2,159,669	974,990
Balance with statutory/government authorities	1,759,638	2,259,638	149,159,438	110,303,119
Others	16,725	16,725	599,768	1,458
	16,300,819	24,238,842	163,400,343	119,271,780
Total	54,288,127	39,642,776	186,306,403	147,619,748



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16. Other assets

	Non - current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Unsecured, considered good unless stated otherwise	-	-	-	-
Non current bank balance (note no 19)	2,932,783	2,176,857	-	-
	2,932,783	2,176,857	-	-
Others				
Insurance claims	-	-	623,587	623,587
Interest accrued on deposits	362,010	58,884	1,370,166	656,807
	362,010	58,884	1,993,753	1,280,394
Total	3,294,793	2,235,741	1,993,753	1,280,394

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

	31 March 2015	31 March 2014
Raw materials (Includes in transit ` 2,000,010 (31 March 2014: ` Nil])	117,853,690	112,512,684
Packing material	41,750,948	37,946,330
Work-in progress	62,006,425	52,702,816
Finished goods	133,981,159	111,381,996
Stores and spares	2,559,321	2,597,966
Total	358,151,543	317,141,792

18. Trade receivables

	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	53,157,890	42,955,366
Other receivables		
Unsecured, considered good	396,690,691	411,926,328
Total	449,848,581	454,881,694

19. Cash and cash equivalents

	Non - current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash on hand			418,409	202,246
Balance with Bank				
On current Account	-	-	29,873,826	3,754,158
On EEFC account	-	-	5,091	17,316
On unpaid dividend account	-	-	754,364	646,649
Deposits with original maturity of less than 3 months	-	-	-	175,000
			31,051,690	4,795,369
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	165,000	-
Deposits with original maturity for more than 12 months	-	22,182	2,361,355	-
Margin money deposits	2,932,783	2,154,675	21,366,257	25,446,239
	2,932,783	2,176,857	23,892,612	25,446,239
Amount disclosed under other non current assets (note no 16)	(2,932,783)	(2,176,857)		
Total	-	-	54,944,302	30,241,608



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

20. Revenue from operations

	2014 - 15	2013 - 14
Sale of products		
-Finished goods	1,757,205,981	1,683,774,969
-Traded goods	102,626,022	80,808,963
Sale of services	406,600	924,500
other operating revenue		
-Scrap sales	2,294,424	2,306,407
-Export benefits	43,125,370	35,919,992
-Provisions/creditors no longer payable written back	852,606	13,353,986
-Bad debts recovered	457,342	-
-Royalty income		3,000,000
Total	1,906,968,345	1,820,088,817
Details of products sold		
- <u>Finished goods sold</u>		
Tablets	786,319,065	859,368,213
Capsules	75,956,598	62,144,260
Liquids	110,139,945	113,084,766
Ointments	30,095,941	26,439,036
EED	2,259,226	1,916,569
Bulk drugs	752,435,206	620,822,125
	1,757,205,981	1,683,774,969
- Traded goods sold		
Tablets	28,388,000	21,192,376
Capsules	46,209,944	27,323,296
Liquids	28,028,078	32,293,291
	102,626,022	80,808,963
Details of services rendered		
- Testing service	198,500	924,500
- Healthcare service	208,100	-
	406,600	924,500

21. Other Income

	2014 - 15	2013 - 14
Interest Income		
Bank deposits	2,489,771	1,418,179
Others	434,796	205,908
Exchange differences (Net)	5,896,309	4,838,182
Government Grants and subsidies	3,011,277	-
Profit on sale of asset	115,672	-
Total	11,947,825	6,462,269



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

22. Cost of materials consumed	2014 - 15	2013 - 14
Raw materials		
Opening Stock	112,512,685	126,368,228
Add: Purchases	847,283,821	760,755,268
Less: Closing stock	117,853,690	112,512,685
	841,942,816	774,610,811
Packing Materials		
Opening Stock	37,946,330	35,557,457
Add: Purchases	123,033,131	118,962,228
Less: Closing stock	41,750,948	37,946,330
	119,228,513	116,573,355
Total	961,171,329	891,184,166
Details of raw material consumed		
Powder	752,167,113	707,803,410
Liquids	78,606,790	56,559,672
Capsule	11,168,913	10,247,729
	841,942,816	774,610,811
Details of inventory of raw material		
Powder	91,151,628	92,475,605
Liquids	24,112,722	16,626,200
Capsule	2,589,340	3,410,880
	117,853,690	112,512,685
23. Purchase of traded goods	2014 - 15	2013 - 14
Tablets	20,079,538	17,121,107
Capsules	18,988,048	11,591,919
Liquids	23,701,406	22,827,617
Total	62,768,992	51,540,643
24. (Increase)/decrease in Inventories of finished goods and work in progress	2014 - 15	2013 - 14
Inventories at the end of the year		
Work-in-progress	62,006,425	52,702,816
Finished goods	133,981,159	111,381,996
	195,987,584	164,084,812
Inventories at the beginning of the year		
Work-in-progress	52,702,816	48,384,679
Finished goods	111,381,996	125,293,671
	164,084,812	173,678,349
Total (increase)/decrease	(31,902,772)	9,593,538



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 15	2013 - 14
Details of inventory		
<u>Work-in-progress</u>		
Tablets	12,518,301	11,526,324
Capsules	3,658,331	3,700,839
Liquids	4,977,229	912,790
Ointments	-	148,397
EED	38,745	52,453
Bulk drugs	40,813,819	36,362,013
	62,006,425	52,702,816
<u>Finished goods</u>		
Tablets	101,408,688	91,552,381
Capsules	18,613,901	11,111,420
Liquids	7,611,866	6,043,830
Ointments	3,545,465	1,723,476
EED	58,976	351,559
Bulk drugs	2,742,262	599,330
	133,981,159	111,381,996
25. Employee Benefit Expense	2014 - 15	2013 - 14
Salaries, wages and bonus	284,410,214	251,471,060
Contribution to provident and other fund	11,793,290	9,934,171
Gratuity expense (refer note 31)	5,945,567	2,654,057
Leave benefit expense (refer note 31)	1,091,163	780,494
Staff welfare expense	19,018,423	16,396,185
Recruitment & Training	-	-
Total	322,258,657	281,235,967
26. Other Expenses	2014 - 15	2013 - 14
Consumption of stores and spares	12,109,357	13,354,570
Power and fuel	42,457,098	41,579,187
Water charges	1,798,275	1,112,651
Laboratory and Testing	11,953,170	9,249,186
Sub-contracting expenses	27,756,937	15,850,605
Repairs & Maintenance:		
Plant and machinery	13,791,728	12,527,471
Building	2,728,765	1,209,910
Others	17,322,306	10,843,856
Excise duty on Finished goods inventory	2,076,967	1,615,394
Seminar, Conference & Exhibition Expenses	7,282,628	3,244,005
Freight and forwarding charges	51,309,620	51,918,131
Commission on Sales	7,223,838	6,881,626



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2014 - 15	2013 - 14
Breakages & Expired Goods	16,030,113	14,714,958
Advertisement and selling Expenses	44,555,146	61,435,206
Traveling and conveyance expenses	62,531,251	60,686,732
Rates & Taxes	6,175,556	3,467,788
Communication Costs	7,565,616	6,760,978
Legal & Professional charges	13,173,860	10,536,430
Printing & Stationery	3,562,261	5,036,714
Subscription & Membership	626,421	1,863,148
Insurance	3,364,076	3,682,257
Rent	13,705,711	10,561,297
Directors Sitting fees	22,247	27,250
Electricity Charges	1,177,179	1,182,775
Balances/Bad debts/Advances written off	4,598,424	14,846,641
Payment to Auditors		
'As auditor		
'Audit fee	575,000	500,000
Tax audit fee	50,000	50,000
Limited review	20,000	20,000
In other capacity	-	-
Other services (certification fees)	109,635	122,500
Reimbursement of expenses	50,000	50,000
Security charges	4,280,074	3,902,776
Vehicle operation and maintenance	2,950,528	2,707,755
Others	3,114,356	4,855,216
Total	386,048,144	376,397,013
27. Finance costs	2014 - 15	2013 - 14
Bank charges	13,316,570	12,145,650
Interest		
- Banks	46,387,588	56,478,763
- Delayed payment of taxes	835,320	802,086
- Others	4,624,132	2,148,441
Total	65,163,610	71,574,940
28. Depreciation and amortization expenses	2014 - 15	2013 - 14
Depreciation of tangible assets (refer note no. 12)	53,601,090	32,132,537
Amortization of intangible assets (refer note no. 13)	16,631,775	15,264,157
Total	70,232,865	47,396,694

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015****29. Calculation of Earning per share (EPS) – Basic and Diluted:**

Sl. No.	Particulars	31 March 2015	31 March 2014
1	Opening no. of shares	11,111,388	10,573,624
2	Total shares outstanding	12,872,372	11,111,388
3	Weighted average number of shares	12,800,003	10,644,344
4	Net profit attributable to equity share holders	36,278,670	50,722,987
5	Basic EPS	2.83	4.77
	Diluted		
6	Weighted average number of shares (including preferential share warrant dilution)	12,954,432	11,015,682
7	Diluted EPS	2.80	4.60

30. Consolidated financial statements present the consolidated accounts of the Holding Company and following subsidiaries companies.

30.1 Details of subsidiaries of the Group are as under:

SI No	Name of the	Country of Incorporation	% of Voting Power held on 31st March 2015 (Directly)
1	Lifezen Healthcare Private Limited	India	98.04
2	Balance Clinics LLP	India	80.00
3	Bal Research Foundation	India	80.00

30.2 The financial statements of the subsidiaries used in consolidation are for the period from 1 April 2014 to 31 March 2015.

30.3 Bal Research Foundation, has been incorporated as on 29 October 2014. However, there are no transactions up to 31 March 2015.

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 2015	31 March 2014	31 March 2015	31 March 2014
Change in defined benefit obligation				
Opening defined benefit obligation	9,587,632	7,712,866	2,398,621	1,785,852
Interest cost	832,575	620,434	209,037	144,669
Current service cost	2,012,324	1,923,128	1,192,876	1,122,122
Benefits paid	(673,600)	(827,278)	(151,983)	(167,725)
Actuarial losses/(gain)	3,106,361	158,482	(310,750)	(486,297)
Closing defined benefit obligation	14,865,292	9,587,632	3,337,801	2,398,621
Change in plan assets				
Plan assets at the beginning of the year at fair value	63,263	242,007	-	-
Expected return on plan assets (estimated)	5,100	10,300	-	-
Contribution to fund	673,000	600,547	-	-
Benefits settled	(673,000)	(827,278)	-	-
Actuarial gain/(loss) on plan assets	594	37,687	-	-
Plan assets at the end of the year at fair value	68,957	63,263	-	-



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
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	63,263	-	-
Present value of defined benefit obligation at the end of the year	14,865,292	9,587,632	3,337,801	2,398,621
Asset/(liability) recognized in the balance sheet	(14,796,335)	(9,524,369)	(3,337,801)	(2,398,621)
Cost for the period				
Current service cost	2,012,324	1,923,128	1,192,876	1,122,122
Interest cost	832,575	620,434	209,037	144,669
Expected return on plan assets	(5,100)	(10,300)	-	-
Net actuarial (gain)/loss recognized for the year	3,105,767	120,795	(310,750)	(486,297)
Expense/(income) recognized in the statement of profit and loss	5,945,566	2,654,057	1,091,163	780,494

Particulars	Gratuity (funded)		Leave benefits (unfunded)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Movement in the liability recognized in balance sheet				
Opening liability	9,524,369	7,470,859	2,398,621	1,785,852
Expense/(income) recognized for the period as above	5,945,566	2,654,057	1,091,163	780,494
Contribution/Benefits paid	(673,600)	(600,547)	(151,983)	(167,725)
Closing liability	14,796,335	9,524,369	3,337,801	2,398,621

Assumptions at the valuation date				
Discount factor	8.00%	9.00%	8.00%	8.50%
Salary escalation rate	5.50%	5.50%	5.50%	5.50%
Rate of return (expected) on plan assets	9.00%	8.00%	-	-
Retirement age	58	58	58	58

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

Particulars	Gratuity					Amount in `
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	
Defined benefit obligation at the end of the period	14,796,335	9,587,632	7,712,866	7,781,687	12,757,291	
Plan assets at the end of the period	68,957	63,263	242,007	1,680,810	2,349,177	
Funded status – surplus/(deficit)	(14,727,378)	(9,524,369)	(7,470,859)	(6,100,877)	(10,408,114)	
Experience adjustments in plan liabilities	3,106,361	158,482	(176,491)	(6,546,360)	(201,755)	
Experience adjustments in plan assets	594	8,060	(76,900)	370	7,147	

Particulars	Leave Encashment					Amount in `
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011	
Defined benefit obligation at the end of the period	3,337,801	2,398,621	1,785,852	2,131,248	2,441,089	
Plan assets at the end of the period	Nil	Nil	Nil	Nil	Nil	
Funded status – surplus/(deficit)	(3,337,801)	(2,398,621)	(1,785,852)	(2,131,248)	(2,441,089)	
Experience adjustments in plan liabilities	(310,750)	(486,297)	(1,219,505)	(1,418,378)	(380,136)	
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015****32. Export benefits:**

The Company has accounted an amount of ` 43,125,370 (31 March 2014: ` 35,919,992) 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 2015 is ` 45,585,361 (31 March 2014: ` 51,522,074) and the same is reflected under short-term loans and advances.

33. Based on the information available with the company, principal amount due to micro and small enterprises is ` 1,119 (31 March 2014: ` 1,635). Further interest paid during the year and interest due at the end of the year to micro and small enterprises is ` Nil (31 March 2014: ` Nil).

34. Expenditure on research and development:

An amount of ` 16,632,682 (31 March 2014: ` 13,050,019) 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 ` 16,560,061 (31 March 2014: ` 15,025,617). The balance on this account as on 31 March 2015: ` 48,245,654 (31 March 2014: ` 48,655,922). The details of expenditure incurred during the year is as under:-

	Amount in `	
	2014 – 15	2013 – 14
Capital Expenditure		
Laboratory Equipment	482,889	-
Utilities	-	-
Total capital expenditure (a)	482,889	-
Revenue Expenditure	2014 – 15	2013 – 14
Raw material consumed	13,753	1,862,903
Power and fuel	3,374,743	2,610,919
Water charges	275,258	181,284
Laboratory and testing	4,925,556	1,631,313
Employee benefit expense	7,253,456	6,268,214
Others	307,027	495,386
Total revenue expenditure (b)	16,149,793	13,050,019
Grand Total (a + b)	16,632,682	13,050,019

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Key Management Personnel	Shailesh D Siroya (Managing Director) Dr. S Prasanna (Whole Time Director) Shrenik D Siroya (Non –Executive Director)
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- Particulars of Related party transactions

The following is a summary of significant related party transactions

	Amount in `	
Particulars	2014 – 15	2013 – 14
Sales to		
Significant interest entities		
- Micro Labs Limited	26,786,242	27,218,543
Purchases from		
Significant interest entities		
- Micro Labs Limited	-	50,000
Commission Paid to		
Enterprise owned by the Managing Director of the Company		
- Desa Marketing International	10,229,413	9,493,340
Expenses incurred on behalf of		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	1,855,815	47,052
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	581,334	-
Total	2,437,149	47,052
Expenses reimbursed by		
Enterprise over which the Managing Director of the Company exercises joint control with other partners		
- Siroya Constructions	1,687,680	68,636
Enterprise over which the Managing Director of the Company exercises joint control with other directors		
- Siroya Properties & Holdings Private Ltd	581,974	-
Total	2,269,654	68,636
Job work charges received from		
Significant interest entities		
- Micro Labs Limited	-	5,545,630
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	20,300,000	-
Total	20,300,000	-
Loan repaid to		
- Managing Director	-	2,124,020
Rent Paid to		
- Managing Director	1,200,000	1,200,000



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Amount in `

Managerial Remuneration to *		
Key Managerial Personnel		
Shailesh D Siroya	7,200,000	6,000,000
Dr. S Prasanna	3,000,000	2,700,000
Total	10,200,000	8,700,000

* 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 2015	31 March 2014
Dues from enterprise over which the Managing Director of the Company exercises joint control with other partners		
Siroya wellness (Included in Trade receivables)	3,074,622	3,074,622
Siroya Constructions (Included in Loans and Advances)	168,135	-
Siroya wellness (Included in Loans and Advances)	570,225	570,225
Total	3,812,982	3,644,847
Dues from Significant Interest entities		
Micro Labs (Included in Sundry Debtors)	12,836,912	3,901,955
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)	20,300,000	-
Dues to enterprise owned by the Managing Director of the company		
Desa Marketing International (Included in Current Liabilities)	10,246,071	2,366,658
Dues to Key Managerial Personnel		
Shailesh D Siroya (Included in Other current liabilities)	630,000	381,201

36. The company has provided for ` 2,42,414/- (31 March 2014: ` 262,215) 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 ` 103,179,442 (31 March 2014: ` 1,44,441,190)
- Estimated value of contracts remaining to be executed on capital account and not provided for ` 28,332,935 (31 March 2014: ` 2,878,000)
- Claims against company not acknowledged as debts comprises:

Nature	Amount in `	
	31 March 2015	31 March 2014
Excise & Customs	24,514,120	6,050,923
Service Tax	10,836,228	10,836,228
Sales Tax	1,788,034	1,788,034
Income Tax	8,950,439	-
Total	(*)46,088,821	(*) 18,675,185

(*) Pre - deposit under protest ` 643,729 (Previous year ` 777,006)

- 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

38. The company has given counter guarantees to bank against guarantees issued by them on behalf of the company ₹ 31,441,990 (31 March 2014: ₹ 18,997,040).

39. Value of imports calculated on CIF basis:**Amount in ₹**

Particulars	2014 – 15	2013 – 14
Raw materials	411,276,917	379,152,018
Capital goods (Including spares and components)	2,731,221	6,610,340
Total	414,008,138	385,762,358

40. Effective from 1 April 2014, the Company has changed the depreciation charge based on revised remaining useful lives of the assets as per requirement of schedule II of the Companies Act, 2013. Due to this, the depreciation charge for the year ended 31 March 2015 is higher by ₹ 17,327,086. Further, based on transitional provisions as provided in Schedule II, an amount of ₹ 7,010,983 (net of deferred tax) has been charged to accumulated retained earnings (Surplus) in respect of asset whose remaining useful life is nil as on 1 April 2014.

41. A) Expenditure in foreign currency:**Amount in ₹**

Particulars	2014 – 15	2013 – 14
Traveling expenditure	2,130,469	3,336,016
Registration fee	2,935,967	6,756,392
Commission on export sales	797,010	28,73,889
Sales promotion	12,489,327	7,131,157
Consultancy charges	-	1,65,069
Total	18,352,773	20,262,523

B) Earnings in foreign currency:**Amount in ₹**

Particulars	2014 – 15	2013 – 14
FOB value of exports	1,171,318,960	1,030,465,795

42. Details of consumption of imported and indigenous raw materials, components and spare parts:**Amount in ₹**

Particulars	31 March 2015		31 March 2014	
	Value in ₹	% of total consumption	Value in ₹	% of total consumption
Raw material				
Imported	423,816,188	50.34	374,127,535	48.30
Indigenous	418,126,628	49.66	400,483,276	51.70
Total	841,942,816	100.00	774,610,811	100.00
Stores and spares				
Imported	-	-	-	-
Indigenous	12,097,523	100.00	13,354,570	100.00
Total	12,097,523	100.00	13,354,570	100.00

43. 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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Sales by market

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

Amount in `

Geographical segments	31 March 2015	31 March 2014
India	644,449,052	687,888,049
Other than India	1,215,382,951	1,076,695,883
Total	1,859,832,003	1,764,583,932

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.

Amount in `

Particulars	31 March 2015		31 March 2014	
	India	Others*	India	Others*
Carrying amount of segment assets	1,385,235,671	253,392,726	1,249,954,521	297,486,078
Additions to fixed assets	34,269,510	-----	67,853,269	-----

* Others represent receivables from debtors located outside India.

44. Unclaimed dividends on equity shares

Year	Amount in `
2007-08	187,786
2008-09	172,169
2012-13	166,157
2013-14	228,251
Total	754,363

45. Balances of sundry debtors, sundry creditors, loans and advances, receivables and payables are subject to confirmation/ reconciliation, if any.
46. In the opinion of the board of directors 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.
47. 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 are charged as rent under note 26.
48. 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 `
<i>Parent</i>				
Bal Pharma Limited	98.82	545,156,735	113.22	40,228,142
Subsidiaries				
Indian				
Lifezen Healthcare Private Limited	1.66	9,139,488	(2.98)	(1,060,512)
Balance Clinics LLP	(0.48)	(2,620,861)	(10.24)	(3,637,193)
Total		551,675,362		35,530,437

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

49. 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 directors of Bal Pharma Limited

T D Jain

Partner

Membership No. 012034

V. Murali

AVP - Finance & Company Secretary

Dr. S Prasanna

Director

Shailesh Siroya

Managing Director

Bangalore

29 May, 2015

ANNEXURE ON FINANCIAL PERFORMANCE OF THE SUBSIDIARIES**Form AOC-I**

(Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of Companies(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures as on 31.03.2015.

Subsidiaries

(Amount In `)

Name of the Subsidiaries	Lifezen Healthcare Private Limited	Bal Research Foundation	Balance Clinics LLP
Share capital	1,02,00,000	10,00,000 (Yet to be received from subscribers as on 31.03.2015)	10,00,000
Reserves & surplus	(10,60,512)	-	(36,20,860)
Total assets	95,12,296	-	40,32,515
Total Liabilities	3,72,808	-	66,53,375
Investments	-	-	-
Turnover	-	-	3,84,752
Profit Before taxation	(10,60,212)	-	(35,31,100)
Provision for taxation	300	-	89760
Profit After Taxation	(10,60,512)	-	(36,20,860)
Proposed Dividend		-	
% of shareholding	98%	-	80%

FINANCIAL SUMMARY - LAST 10 YEARS AT A GLANCE

(Rs. in Lakhs)

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
A.) Sales and Earnings										
Turnover	19066.95	18200.88	15024.67	14224.60	11664.84	10815.16	10655.43	9034.56	7618.17	7462.04
Profit Before Tax	520.12	662.60	508.91	436.56	110.27	-90.62	405.57	420.30	315.92	357.03
Tax	117.84	155.37	80.56	60.87	63.04	52.26	106.28	134.59	114.23	64.45
Profit After Tax	402.28	507.23	428.35	375.69	47.23	-142.88	299.29	285.71	201.69	292.58
Retained Earnings (Non Cumulative)	273.56	377.23	6335.57	375.69	47.23	-142.88	207.30	163.50	110.03	200.71
B. Assets and Liabilities										
Tangible Fixed Assets (Net)	4781.00	5055.90	4761.60	4766.55	4810.69	4975.08	5532.73	4592.82	3123.62	2222.25
Intangible Assets (Net)	486.65	486.56	508.70	564.44	594.68	523.21	493.99	463.22	427.80	435.49
Investments	109.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	15.04	241.37
Net Current Assets*	1242.00	834.50	35.29	4928.12	4634.01	4141.98	2990.81	3476.93	3775.59	4328.40
Share Capital	1287.24	1111.14	1057.36	1057.36	1048.32	1048.32	1048.32	1044.62	1044.62	1044.62
Reserves & Deferred Tax Liability	4800.00	4543.90	4107.50	3689.98	3278.83	3151.57	3253.88	2958.05	2758.08	2582.35
C. Ratios										
Earnings Per Share Rs.	3.14	4.77	4.77	4.05	3.57	0.39	-1.36	2.85	2.74	1.93
Dividend Per Equity share %	10	10	10	7.5	-	-	-	7.5	10	7.5
Book Value Per Equity Share Rs.	43.19	45.04	45.04	42.20	37.88	34.82	29.40	36.33	33.54	27.88

* Note : Net Current Assets were reclassified from FY 2013-14 onwards to confirm 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.



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