



HLL Lifecare Limited

Innovating for Healthy Generations

Poojappura, Thiruvananthapuram

FINANCIAL STATEMENTS 2015-16

INDEPENDENT AUDITORS' REPORT

To the Members of HLL Lifecare Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HLL LIFECARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 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 (as amended). 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; and 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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

controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 of financial statements.

Opinion

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

Emphasis Of Matter

We draw attention to:

- 1) Note no. 2.19 regarding the uncertainty on final prices applicable for supplies to Government of India during the year 2015-16, as the same is yet to be notified by the Government and accordingly the effect of the same has not been considered in the financial statements; and in respect of supplies for the previous years, though the Government has sought recovery of price difference from the Company to the extent of Rs. 30.65 crores, the Company has raised objections and has not provided for the same in the financial statements.
- 2) Note No.2.23 regarding delay in capitalization of the Uni -pill Plant being setup by the Company at Kanagala, Belgaum which was scheduled to be commissioned in January 2012. There is also a cost overrun of Rs.24.02 crores, the recoverability of the same has been assessed by the management and not provided for.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**", 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 report, to the extent applicable, 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 it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

(e) Vide notification No. GSR 463(E) issued by Ministry of Corporate Affairs dated 5th June 2015, provisions of sub-section (2) of section 164 regarding disqualification of directors are not applicable to the company;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements vide Note No.30 to the standalone financial statements;

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, as required on long-term contracts including derivative contracts;

iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

3. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Companies Act, 2013, the compliance of which is given hereunder:

Directions issued under section 143(5)	Reply	Action Taken	Impact on accounts and financial statements
Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold lands for which title/ lease deeds are not available.	We are informed that the company has clear title/ lease deeds for freehold and leasehold land respectively.	Nil	Nil

Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., the reasons therefore and the amount involved.	There are 112 cases where claims amounting to Rs 62.38 lakhs, being irrecoverable have been written off.	Amount of Rs 62.38 lakhs adjusted towards provision created against the same in earlier years.	Nil
Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	The company is maintaining proper records for inventories lying with third parties. As informed, the company has not received any asset as gift from Government/other authorities.	Nil	Nil

For **Abraham and Jose**
Chartered Accountants
(FRN 000010S)

Sd/-
Mukesh K. P.
Partner(M. No. 214773)

Place: New Delhi
Date: 26.05.2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of HLL Lifecare Limited ("the company") on the standalone financial statements for the year ended 31st March 2016]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company;

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. We are informed that no material discrepancies were noticed on physical verification;

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable;

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security;

(v) During the year, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). However, we report that an amount of Rs. 10,000 accepted during earlier period is outstanding under fixed deposit not repaid due to dispute between the legal heirs;

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under subsection (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained;

(vii)(a) According to the records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Duty of customs, Duty of Excise, Value Added tax, Cess and other statutory dues with the appropriate authorities;

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Duty of customs, Duty of Excise, Value Added tax, Cess and other statutory dues applicable to it, were outstanding, as on the last date of the financial year, for a period more than six months from the date they become payable;

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, customs Tax, Excise Duty or Cess not deposited on account of any dispute except:

Sl. No	Name of the Statute	Forum here the matter is pending	Amount involved (Rs. lakhs)	Period
1	The Income Tax Act, 1961	CIT (Appeals)	10.12	Asst.Yr 2008-09
2	Do	Do	18.28	Asst.Yr 2009-10
3	Do	ITAT (Appeals)	19.82	Asst.Yr 2010-11
	Do	CIT (Appeals)	24.62	Asst.Yr 2011-12
4	Do	ITAT (Appeals)	39.23	Asst.Yr 2011-12
5	Do	CIT (Appeals)	32.41	Asst.Yr 2012-13
6	Do	CIT (Appeals)	75.34	Asst.Yr 2013-14
7	Customs Act,1962	Commissioner of Customs	22.15	2007-08

(viii) The Company has not defaulted in repayment of dues to the financial institutions, banks and debenture holders during the year;

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to information and explanation given to us the Company has applied the term loans for the purpose for which these loans were obtained;

(x) Based on the audit procedures performed and the representations obtained from the management we report that no material fraud on or by the Company by its officers or its employees has been noticed or reported during the year under audit;

(xi) In view of exemption given Vide notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable;

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company;

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act,2013,where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting Standards;

(xiv) The Company has issued 9,68,80,000 equity shares of Rs.10 each to Government of India vide orders dated 18th March 2015 and 19th August 2015. The amount raised was invested in shares of HLL Biotech Ltd, a subsidiary Company, in compliance with directions of Government of India;

(xv) Based on the audit procedures perform and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company;

(xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For Abraham and Jose
Chartered Accountants
(FRN 000010S)**

Sd/-

**Mukesh K. P.
Partner(M. No. 214773)**

Place: New Delhi
Date: 26.05.2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of HLL Lifecare Limited ("the company") on the standalone financial statements for the year ended 31st March 2016]

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Controls Over Financial Reporting

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

Opinion

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

**For Abraham and Jose
Chartered Accountants
(FRN 000010S)**

Sd/-

**Mukesh K. P.
Partner(M. No. 214773)**

Place: New Delhi
Date: 26.05.2016

BALANCE SHEET AS AT 31st MARCH 2016

Particulars		Note No.	AS AT 31.03.2016 (₹ lacs)	AS AT 31.03.2015 (₹ lacs)
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	29,041.50	19,353.50
	(b) Reserves and surplus	4	25,697.70	23,275.32
			54,739.20	42,628.82
2	Share application money pending allotment		-	4,000.00
3	Non-current liabilities			
	(a) Long-term borrowings	5	4,095.11	5,153.60
	(b) Deferred tax liabilities (net)	6	1,165.59	1,198.20
	(c) Long-term provisions	7	121.78	131.67
			5,382.48	6,483.47
4	Current liabilities			
	(a) Short-term borrowings	8	44,378.06	37,657.56
	(b) Trade payables	9	19,219.08	20,949.49
	(c) Other current liabilities	10	17,181.35	23,316.53
	(d) Short-term provisions	11	1,239.48	1,429.30
			82,017.97	83,352.88
5	Advances Received for Projects Held under Trust as per contra		96,764.50	73,723.93
	TOTAL		238,904.15	210,189.10
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		23,540.73	22,620.96
	(ii) Intangible assets		696.86	828.29
	(iii) Capital work-in-progress		8,720.22	7,454.27
			32,957.81	30,903.52
	(b) Non-current investments	13	28,204.75	19,425.17
	(c) Long-term loans and advances		500.00	-
	(d) Other Non-current assets	14	307.06	4,628.15
2	Current assets			
	(a) Current Investment	13	908.42	-
	(b) Inventories	15	9,740.60	10,117.97
	(c) Trade receivables	16	60,264.61	62,261.05
	(d) Cash and cash equivalents	17	2,211.79	1,333.77
	(e) Short-term loans and advances	18	6,742.78	7,261.85
	(f) Other current assets	19	301.83	533.69
			80,170.03	81,508.33
3	Cash and Bank Balances of Projects Held under Trust as per contra		96,764.50	73,723.93
	TOTAL		238,904.15	210,189.10
	Significant Accounting Policies	1		
	Explanatory notes to Financial Statements	2		

Vide our report of even date attached

For and on behalf of the Board

For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-
Dr. M.Ayyappan
Chairman &
Managing Director

sd/-
Dr. Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R.Ganesan
SVP(F) & CFO

sd/-
CA.Mukesh K.P
Partner
Membership No: 214773

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

			Year ended 31.03.2016	Year ended 31.03.2015
			(₹ lacs)	(₹ lacs)
1	Revenue from operations (gross)	20	107,208.46	106,438.70
	Less: Excise duty		917.27	633.74
	Revenue from operations (net)		106,291.19	105,804.96
2	Other income	21	876.89	398.37
3	Total revenue (1+2)		107,168.08	106,203.33
4	Expenses			
	(a) Cost of materials consumed	22	23,180.03	20,585.80
	(b) Purchases of stock-in-trade	23	25,740.75	20,981.27
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(157.55)	1,908.01
	(d) Employee benefits expense	25	14,934.22	14,677.14
	(e) Finance costs	26	2,872.39	2,594.34
	(f) Depreciation and amortisation expense	12	3,652.03	2,983.12
	(g) Other expenses	27	27,103.66	28,100.04
	(h) Contract Expenses		6,039.51	11,351.99
	Total expenses		103,365.04	103,181.71
5	Profit / (Loss) before Exceptional items and tax (3-4)		3,803.04	3,021.62
6	Exceptional Items[(Income)/Expense]		-	(731.17)
7	Profit / (Loss) before tax (5-6)		3,803.04	3,752.79
8	Tax expense:			
	(a) Current tax expense for current year		1,115.99	954.26
	(b) Prior year tax adjustments		(168.59)	(157.67)
	(c) MAT Credit Entitlement		-	(133.68)
	(c) Deferred tax		(32.63)	(65.26)
			914.77	597.65
9	Profit / (Loss) for the year (7-8)		2,888.27	3,155.14
10	Earnings per share (₹) - Basic (Face value of ₹ 10/- Share)	2.10	1.13	1.63
	- Diluted		1.13	1.63

Significant Accounting Policies 1

Explanatory Notes to Financial Statements 2

For and on behalf of HLL

Vide our report of even date attached

For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-
Dr. M.Ayyappan
Chairman &
Managing Director

sd/-
Dr. Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R.Ganesan
SVP(F) & CFO

sd/-
CA.Mukesh K.P
Partner
Membership No: 214773

New Delhi
26.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
A. Cash flow from operating activities		
Profit before extraordinary items and tax	3,803.04	3,752.82
<u>Adjustments for:</u>		
Depreciation and amortisation	3,652.03	2,983.12
Exceptional item for Depreciation	-	(731.17)
Loss on sale of fixed assets	1.48	4.40
Profit on sale of fixed assets	(4.71)	(4.52)
Finance costs	2,872.39	2,594.34
Interest income	(156.30)	(103.64)
Operating profit / (loss) before working capital changes	10,167.93	8,495.35
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	377.37	1,586.76
Trade receivables	1,996.44	(19,112.80)
Short-term loans and advances	522.03	2,615.31
Other current assets	231.86	(149.24)
Changes in other non-current assets	38.43	38.42
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(1,730.41)	10,667.62
Other current liabilities	(6,135.18)	5,353.34
Long-term provisions	(9.89)	19.60
Short-term provisions	(189.82)	145.80
	5,268.76	9,660.16
Cash flow from extraordinary items	-	-
Cash generated from operations	5,268.76	9,660.16
Net income tax (paid) / refunds	(667.70)	(647.67)
Net cash flow from / (used in) operating activities (A)	4,601.06	9,012.49
B. Cash flow from investing activities		
Capital Work in Progress	(1,265.95)	(454.37)
Investments in Fixed Assets	(4,464.94)	(7,045.06)
Sale of fixed assets	27.80	7.61
Interest received	156.30	103.64
Investment of Shares in HBL	(5,688.00)	(4,000.00)
Investment in HLL Infotech Services Ltd.	-	(5.00)
Changes in Long-term loans & Advances	(500.00)	-
Investments in bank deposits (having original maturity of more than twelve months)	(55.31)	(28.84)
Net cash flow from / (used in) investing activities (B)	(11,790.10)	(11,422.02)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1,058.49)	(2,568.78)
Proceeds from other short-term borrowings	6,720.50	3,890.65
Advance for Investment from Govt of India	-	4,000.00
Investment from Govt of India	5,688.00	-
Finance cost - Interest paid	(2,872.39)	(2,594.34)
Dividend paid	(387.07)	(387.07)
Tax on dividend	(78.80)	(78.80)
Net cash flow from / (used in) financing activities (C)	8,011.75	2,261.66
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	822.71	(147.87)
Cash and cash equivalents at the beginning of the year	1,104.66	1,252.53
Cash and cash equivalents at the end of the year	1,927.37	1,104.66
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)	2,211.79	1,333.77
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	284.42	229.11
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	1,927.37	1,104.66
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	19.53	11.62
(b) Balances with banks		
(i) In Deposit account	418.40	257.12
(ii) In current accounts	1,448.00	788.18
(iii) In EEFC accounts	41.44	47.74
	1,927.37	1,104.66

1) The above Cash Flow Statement has been prepared under the indirect method set out in the AS-3 issued by the Institute of Chartered Accountants of India.

2) The previous year's figures have been re-grouped wherever necessary in order to confirm to this year's presentation.

3) Transactions of project funds held under Trust and balance of Rs.96,764.50 lacs (previous year Rs.73723.93 lacs) are not included in the Cashflow

For and on behalf of the Board		Vide our report of even date attached		
		For M/s Abraham & Jose Chartered Accountants Firm No. 000010S		
sd/-	sd/-	sd/-	sd/-	sd/-
Dr. M.Ayyappan Chairman & Managing Director	Dr. Babu Thomas Director (Marketing)	P. Sreekumar Company Secretary & SVP(HR)	R. Ganesan SVP(F) & CFO	CA. Mukesh K.P Partner Membership No: 214773
New Delhi 26.05.2016				

Note 3 Share capital

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Authorised Share Capital		
Equity shares of ₹ 10/- each - 30,00,00,000 Nos.	30,000.00	30,000.00
(b) Issued Share Capital		
Equity shares of ₹ 10/- each - 29,04,15,000 Nos.	29,041.50	
Equity shares of ₹ 10/- each - 19,35,35,000 Nos.		19,353.50
(c) Subscribed and fully paid up Share Capital		
Equity shares of ₹ 10/- each - 29,04,15,000 Nos.	29,041.50	
Equity shares of ₹ 10/- each - 19,35,35,000 Nos.		19,353.50
Total	29,041.50	19,353.50

Reconciliation of Share Capital

Description	AS AT 31.03.2016		AS AT 31.03.2015	
	No of Shares	₹ lacs	No of Shares	₹ lacs
Equity Share Capital				
Authorized				
Opening Balance (Face value of ₹10/- each)	300,000,000	30,000.00	300,000,000	30,000.00
Additions		-	-	-
Closing Balance (Face value of ₹10/- each)	300,000,000	30,000.00	300,000,000	30,000.00
Issued				
Opening Balance (Face value of ₹10/- each)	193,535,000	19,353.50	193,535,000	19,353.50
Additions	96,880,000	9,688.00	-	-
Closing Balance (Face value of ₹10/- each)	290,415,000	29,041.50	193,535,000	19,353.50
Subscribed & Paid up				
Opening Balance (Face value of ₹10/- each)	193,535,000	19,353.50	193,535,000	19,353.50
Additions	96,880,000	9,688.00	-	-
Closing Balance (Face value of ₹10/- each)	290,415,000	29,041.50	193,535,000	19,353.50

Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	AS AT 31.03.2016		AS AT 31.03.2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Govt. of India	290,415,000	100%	193,535,000	100%

Note 4 Reserves and surplus

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Corporate Social Responsibility (CSR) Reserve		
Opening balance	-	36.80
Add: Additions / transfers during the year		
Less: Transferred during the year to General Reserve	-	36.80
Closing balance	-	-
(b) Dividend Equalisation Reserve	129.74	129.74
(c) General reserve		
Opening balance	23,145.58	20,419.47
Add: Transferred from surplus in Statement of Profit and Loss	2,422.40	2,689.31
Add: Transferred during the year from CSR	-	36.80
Closing balance	25,567.98	23,145.58
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	2,888.27	3,155.15
Less: Proposed Dividend		
Dividends proposed to equity shareholders(₹0.1333 per share of ₹10/- each ,Previous year ₹0.20 per share of ₹ 10/- each)	387.07	387.07
Tax on Dividend	78.80	78.80
General reserve	2,422.40	2,689.28
Closing balance	-	-
Total	25,697.70	23,275.32

Note 5 Long-term borrowings

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Term loans		
Foreign currency loan -Secured	752.62	1,655.33
Rupee Term Loan - Secured	1,932.79	2,899.17
(b) Other loans and Advances		
Foreign currency Buyers Credit	1,409.70	599.10
Total	4,095.11	5,153.60

(i) Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:					
Particulars	Details of security*	AS AT 31.03.2016		AS AT 31.03.2015	
		Secured ₹ lacs	Unsecured ₹ lacs	Secured ₹ lacs	Unsecured ₹ lacs
Term loans from banks:					
<u>Foreign Currency Loan</u>					
- State Bank of India	(a) First charge over the fixed assets of the company excluding Land & Buildings. (b) Equitable Mortgage over the land at Noida. (c) Equitable Mortgage as collateral over the land with building at Poojappura.Trivandrum	1,756.13		2,929.51	
<u>Rupee Loan</u>					
- HDFC Bank Limited	First charge over movable assets purchased out of the loan at Peroorkada Factory-Balaramapuram facility, Corporate R&D Centre at Akkulam, Sanitary Napkin Manufacturing Unit at Kanagala	2,924.53		3,901.26	-
Total - Term loans from banks		4,680.66		6,830.77	
Less: Payable within next 12 months treated as Current Liabilities	1. Installment Rs.1969.89 Lacs (Previous year- Rs. 2239.49 Lacs) 2. Interest accrued & due- ₹ 25.36 Lacs (Previous year- ₹ 36.78 Lacs)	1,995.25		2,276.27	
Payable after 12 months		2,685.41		4,554.50	
<u>Other loans and advances:</u>					
Buyers Credit	Secured by Project Deposits	14,149.94		10,441.18	
Less: Short Term Borrowings		12,740.24		9,842.08	
		1,409.70		599.10	

Note: Foreign Currency Buyers Credit are for Capital item procurement, eligible for roll over upto three years subject to availability, or else shall be converted into sanctioned Term Loan.

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	2015-16		2014-15	
		Current	Non current	Current	Non current
		₹ lacs	₹ lacs	₹ lacs	₹ lacs
<u>Term loans from banks:</u> State Bank of India Foreign currency loan	Akkulam Factory Repayment schedule -Quarterly instalments of dollar equivalent of Rs. 56.25 Lacs, final payment October 2015 Charge over the machinery purchased in Akkulam factory out of banks finance	-	-	328.29	-
External Commercial Borrowing	Unipill Project Repayment schedule -Quarterly instalments of USD 3.75 lacs starting from Feb '14 Equitable Mortgage over land for Unipill project in Kanagala First & exclusive charge on all the assets of Unipill project	1,003.50	752.62	945.90	1,655.33
Equitable Mortgage as collateral over the land with building at Poojappura.Trivandrum					
HDFC Bank Rupee Term Loans	Project Loan Repayment ScheduleQtrly payments of Rs. 1.99 crs starting from 26.06.14. Final payment on 26.03.19 First charge over movable assets purchased out of the loan at Peroorkada Factory - Balaramapuram Packing facility, Corporate R&D Centre at Akkulam, Sanitary Napkin Manufacturing Unit at Kanagala	817.38	1,592.97	825.90	2,389.40
	General purpose Loan Repayment Schedule - Qtrly payments of Rs. 42.48 lacs starting from 26.12.14. Final payment on 26.03.19 First charge over movable assets purchased out of the loan at Peroorkada Factory - Balaramapuram Packing facility, Corporate R&D Centre at Akkulam, Sanitary Napkin Manufacturing Unit at Kanagala	174.37	339.82	176.19	509.73
	Interest accrued and due on the above loans is 25.36 ₹ lacs				
	Total	1,995.25	2,685.41	2,276.27	4,554.46

Note 6. Disclosures under Accounting Standards - 22 Accounting for Taxes on Income

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Deferred tax (liability) / asset		
Depreciation	(1949.18)	(1980.36)
Tax effect of items constituting deferred tax liability	(1949.18)	(1980.36)
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts	739.50	707.47
Provision for Overtime arrear	-	29.42
Provision for Bonus	20.78	14.28
Others	23.31	30.99
Tax effect of items constituting deferred tax assets	783.59	782.16
Net deferred tax (liability) / asset	(1165.59)	(1198.20)

Note 7. Long-term provisions

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Provision for employee benefits:		
Provision for Performance related pay	121.78	131.67
	121.78	131.67

Note 8 Short-term borrowings

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Loans repayable on demand (Cash Credit) - Secured		
From State Bank of India	8,259.32	13,753.56
From Canara Bank	3.26	4,811.89
From HDFC Bank	3,284.23	4,206.25
Total	11,546.81	22,771.70
(b) Short Term Loans from Banks -- Secured Overdraft		
From Canara Bank	7,500.00	2,500.00
From SBI	7,500.00	2,492.52
Total	15,000.00	4,992.52
(c) Other loans and advances - Secured		
Foreign Currency Buyers Credit	12,740.24	9,842.08
(d) Interest Accrued & due		
Canara Bank	35.35	15.40
State Bank of India	47.87	-
HDFC Bank	-	35.86
Total (secured)	39,370.27	37,657.56
(e) Short Term Foreign Currency Loan from SBT (Unsecured)	5,007.79	-
Total	44,378.06	37,657.56

Notes:			
(i) Details of security for the secured short-term borrowings:			
Particulars	Nature of security	AS AT	AS AT
		31.03.2016	31.03.2015
		₹ lacs	₹ lacs
<u>Loans repayable on demand</u>			
from banks:			
SBI	Parri passu charge over current assets of the company. Equitable Mortgage as collateral over the land with building at Poojappura, Trivandrum towards State Bank of India	8,259.32	13,753.56
Canara Bank		3.26	4,811.89
HDFC Bank		3,284.23	4,242.11
<u>Short Term Loans from Banks -- Secured overdraft</u>			
From Canara Bank	Secured by Project Deposits	7,535.35	2,515.40
From SBI		7,547.87	2,492.52
		15,083.22	5,007.92
<u>Other loans and advances:</u>			
Buyers Credit	Secured by Project Deposits	14,149.94	10,441.18
Less: Long Term Borrowings		1,409.70	599.10
		12,740.24	9,842.08
	Total	39,370.27	37,657.56

Note 9 Trade payables

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Trade payables: for materials, services and expenses		
- Micro Small and Medium Enterprises	256.85	238.03
- Others	18,962.23	20,711.46
Total	19,219.08	20,949.49

Note 10 Other current liabilities

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Current maturities of long-term debt (Refer Note (i) below)	1,995.25	2,276.27
(b) Others		
Advance from Customers/Clients	4,870.63	10,711.64
EMD & Security Deposits	3,184.20	2,578.62
Interest Accrued but not due	53.29	29.98
Fixed Deposit	0.10	0.10
Other Liabilities	7,077.88	7,690.69
Contributory Pension Scheme	-	29.23
Total	17,181.35	23,316.53

Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 5 - Long-term borrowings for details of security)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
Term loans		
Rupee Term Loan from HDFC Bank	991.75	1,002.08
Foreign Currency Term Loan from State Bank of India	1,003.50	1,274.19
Total	1,995.25	2,276.27

Note 11 Short-term provisions

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Provision for employee benefits:		
(i) Provision for bonus and incentive	244.09	129.71
(ii) Provision for gratuity	357.55	628.97
(iii) Provision for group EL Premium	171.97	204.75
	773.61	963.43
(b) Provision - Others:		
(i) Provision for proposed equity dividend	387.07	387.07
(ii) Provision for tax on proposed dividends	78.80	78.80
	465.87	465.87
Total	1,239.48	1,429.30

HLL Lifecare limited

Notes to financial statements for the year ended 31 March 2016

Note 12 Fixed assets

Fixed Assets	Gross block				Accumulated depreciation and impairment				Net block	
	1 April 2015	Additions	Disposals/ Adjustments	31 March 2016	1 April 2015	Depreciation / amortisation expense for the year	Disposals/ Adjustments	31 March 2016	31 March 2016	31 March 2015
	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs
A. Tangible assets										
(a) Land										
Freehold	592.54	-	-	592.54	-	-	-	-	592.54	592.54
Leasehold	747.19	-	-	747.19	44.37	8.14	-	52.51	694.68	702.82
(b) Buildings	9,624.98	2,178.22	0.22	11,802.99	2,986.96	562.20	0.21	3,548.95	8,254.04	6,638.02
(c) Roads	82.78			82.78	71.82	4.79		76.61	6.17	10.96
(d) Plant and Machinery(30000)	21,538.51	1,284.30	61.90	22,760.92	10,331.05	1,548.70	102.04	11,777.71	10,983.20	11,207.46
(e) Electrical Installation & Eqpt.	2,733.90	113.38	8.46	2,855.74	1,491.16	396.54	8.31	1,879.39	976.35	1,242.74
(f) Furniture & Fixture	1,538.02	97.92	10.38	1,625.57	938.34	195.06	1.27	1,134.67	490.91	599.68
(g) Motor Vehicles	127.24	12.79	10.06	129.97	84.97	17.29	8.53	93.73	36.24	42.27
(h) Computer Data Processing	1,453.94	213.44	57.14	1,610.24	1,160.78	214.62	52.10	1,323.30	286.93	293.16
(i) Office Equipment	697.13	31.25	16.52	711.86	517.96	95.30	16.60	596.66	115.20	179.17
(j) Lab Equipment	1,718.43	346.12	2.65	2,067.20	606.27	364.66	8.21	962.72	1,104.48	1,112.16
Total	40,854.66	4,277.41	167.33	44,964.74	18,233.68	3,407.30	197.27	21,446.25	23,540.73	22,620.98
Previous year	34,413.97	7,143.88	703.19	40,854.66	16,600.69	2,793.48	1,160.48	18,233.69	22,620.97	17,813.28
B. Intangible assets										
Computer Software	1,465.39	84.92	0.07	1,550.24	677.25	230.12	0.07	907.30	642.94	788.14
Trademarks & Patents	59.92	28.37		88.29	19.77	14.60	-	34.37	53.92	40.15
Total	1,525.31	113.29	0.07	1,638.53	697.02	244.73	0.07	941.67	696.86	828.29
Previous year	1,357.74	167.57	-	1,525.31	507.39	189.63	-	697.02	828.29	850.35
C. Capital Work In Progress										
(a) Assets Pending Commissioning	2,985.66	107.87	137.32	3,230.85	-	-	-	-	3,230.85	2,985.66
(b) Civil work in progress	3,158.90	3,200.82	2,640.98	3,718.73	-	-	-	-	3,718.73	3,158.90
(c) Consultancy Charges	251.49	15.02	27.17	239.34	-	-	-	-	239.34	251.49
(d) Incidental Expenses on New Projects	961.14	385.12	-	1,346.26	-	-	-	-	1,346.26	961.14
(e) Machinery WIP	97.08	474.39	386.43	185.04	-	-	-	-	185.04	97.08
Total	7,454.27	4,183.22	3,191.90	8,720.22	-	-	-	-	8,720.22	7,454.27
Previous year	6,999.90	2,889.28	2,434.91	7,454.27	-	-	-	-	7,454.27	6,999.90

Note:

- Cost of Free hold Land includes -
 - ₹ 2/- being the token value of 11.44 acres and 7.14 acres of land transferred by the Govt. of Kerala free of cost.
 - ₹ 3.76 lacs being the price of freehold land paid to Karnataka Industrial Area Development Board.
 - ₹ 567.92 lacs being the price of freehold land of 29.6 cents at Chennai.
- Cost of Lease hold land includes the following
 - ₹ 130.46 lacs being the cost of 3 acres of leasehold land and building at Balramapuram, Kerala for 99 years.
 - ₹ 92.41 lacs being the allotment value of 1005.22 sq. mtrs plot in Mumbai on lease for 60 years.
 - ₹ 261.94 lacs being the value of 5000 Sq.Mtr. of leasehold land allotted in the New Okhla Industrial Development Authority (NOIDA), Uttar Pradesh for 90 years.
 - ₹ 99/- being the value of 430.10 acres leasehold land allotted in Chengalpettu, Chennai, on lease for a period of 99 years, from Central Leprosy Training & Research Institute (CLTR) in Chengalpettu, Tamil Nadu.

- e) In line with the decision of the Cabinet Committee on Economic Affairs, 100 acres of land is earmarked out of the 430.10 acres in possession, for HLL Biotech Limited, valued @10.12 crores (56 acres @ Rs. 16.5 Lacs per acre and 44 acres of hillock @ Rs. 2.00 Lacs per acre).
- f) 3.38 Acres of land, out of 430.10 acres in possession, to be given on lease for a period of 36 years @ ` 1/- per year to Tamil Nadu Electricity Board. However this transaction has so far not been effected.
- g) Rs. 262.39 Lacs being the value of 306 Cents of land at rubber park, Irapuram, Perumbavoor, Kerala State for 90 years from Rubber Park India (P) LTD.
- h) The Govt of Kerala has allotted on lease 4.783 acre of Land (Re-survey no. 34/146/1, 35/120/2,35/120/3) at Konni Taluk, Iravon Village, Pathanamthitta District, Kerala towards setting up of Green Field Blood Bag Project. The land has been handed over to the company. The land is allotted on Lease Rent @ Rs. 19400/- per year for a period of 30 years.
3. Methods of depreciation adopted are as follows.
- a) Depreciation on tangible assets have been made in line with the requirement under schedule II of the Companies Act, 2013.
- b) Depreciation has been charged on straight line method for all assets under Plant & Machinery and written down value method for other assets(except intangible asset and leasehold asset) so as to write off the cost of the assets after retaining residual value of 5% of the cost, over the useful lives of the assets prescribed in the Act.
- c) Trade Mark/ Patents are amortised over a period of 5 years.
- d) The cost of computer software other than ERP Software Solution is amortized equally over a period of 3 years, whereas ERP software solution is amortized over a period of 8 Years on pro-rata basis. Licence fee paid is amortized over the agreement period.
4. Notional foreign exchange fluctuation loss on Long Term Foreign Currency Loan currently estimated at Rs. 4.17 crs has been included in fixed assets in line with the Accounting policy based on notification no. GSR913(E) dtd 29.12.2011 of the Govt. of India.
5. Additions to fixed assets includes Original cost of the following Capital expenditure incurred in the approved R&D facility:

	2015-16	2014-15
	(Rs. in Lacs)	(Rs. in Lacs)
Building	147.65	4.62
Plant & Machinery	0.06	290.15
Lab Equipments	303.88	
Computer & Data Processing	0.37	7.91
Furniture	21.72	
Office Equipments	1.76	
Intangible assets	5.82	59.70
	481.26	362.38

Note 13 Investments
(A) Non -current Investments

Particulars	AS AT 31.03.2016			AS AT 31.03.2015		
	Quoted ₹ lacs	Unquoted ₹ lacs	Total ₹ lacs	Quoted ₹ lacs	Unquoted ₹ lacs	Total ₹ lacs
Investments (At cost):						
A. <u>Trade</u>						
Total - Trade (A)	-	-	-	-	-	-
B. <u>Other investments</u>						
(a) Investment in equity instruments (fully paid)						
(i) of subsidiary companies	-	28,202.75	28,202.75	-	18,514.75	18,514.75
(ii) of joint venture companies	-	-	-	-	783.42	783.42
(iii) of other entities	-	2.00	2.00	-	2.00	2.00
(b) Investment in debentures (fully paid)						
(i) of joint venture companies	-	-	-	-	125.00	125.00
Total - Other investments (B)	-	28,204.75	28,204.75	-	19,425.17	19,425.17
Total (A+B)	-	28,204.75	28,204.75	-	19,425.17	19,425.17
Less: Provision for diminution in value of investments	-	-	-	-	-	-
Total	-	28,204.75	28,204.75	-	19,425.17	19,425.17
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			28,204.75			19,425.17

(B) Current Investments

Particulars	AS AT 31.03.2016			AS AT 31.03.2015		
	Audited			Audited		
	Quoted ₹ lacs	Unquoted ₹ lacs	Total ₹ lacs	Quoted ₹ lacs	Unquoted ₹ lacs	Total ₹ lacs
Investments (At cost):						
A. <u>Trade</u>						
Total - Trade (A)	-	-	-	-	-	-
B. <u>Other investments</u>						
(a) Investment in equity instruments (fully paid)						
(i) of joint venture companies	-	783.42	783.42	-	-	-
(b) Investment in debentures (fully paid)						
(i) of joint venture companies	-	125.00	125.00	-	-	-
Total - Other investments (B)	-	908.42	908.42	-	-	-
Total (A+B)	-	908.42	908.42	-	-	-
Less: Provision for diminution in value of investments	-	-	-	-	-	-
Total	-	908.42	908.42	-	-	-
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			908.42			-

Note: Details of Other Investments

Sl. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	Face value per unit	Extent of Holding (%)	No. of Shares / Units	Amount in ₹ lacs	No. of Shares / Units	Amount in ₹ lacs
(1)	(2)	(3)	(4)	(5)	(6)		(7)	
			₹		As at 31st March 2016		As at 31st March 2015	
	Unquoted -Fully paid equity Shares							
(a)	Investment in Equity Instruments							
	HLL Biotech Ltd.	Subsidiary	10/-	100.00	274,890,000	27,489.00	178,010,000	17,801.00
	GAPL	Subsidiary	100/-	74.00	1,407,480	708.75	1,407,480	708.75
	HLL Infratech Services Ltd	Subsidiary	10/-	100.00	50,000	5.00	50,000	5.00
	Life Spring Hospital Pvt.Ltd (at cost)*	Joint venture	10/-	50.00	7,834,188	783.42	7,834,188	783.42
	Kerala Enviro Infrastructures Ltd.	Others	10/-	0.16	20,000	2.00	20,000	2.00
	Unquoted - Fully paid Debentures							
(b)	Investment in Debentures							
	Life Spring Hospital Pvt.Ltd (at cost)*	Joint venture	100/-		125,000	125.00	125,000	125.00
						29,113.17		19,425.17

Classified as current investment during the year 2015-16

Note 14. Other Non - Current Assets

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Fee for RoC for enhancing Authorised Share Capital to the extent not written off	28.00	56.00
ECB Loan Upfront charges	17.37	27.80
MAT Credit Entitlement	261.69	544.35
Advance against Investments	-	4,000.00
Total	307.06	4,628.15

Note 15 Inventories

(At lower of cost and net realisable value)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
a. Raw Materials (Valued at cost)	1,506.88	2,266.55
Raw Materials with others (Valued at cost)	-	-
	1,506.88	2,266.55
b. Packing Materials (Valued at cost)	1,325.89	998.42
	1,325.89	998.42
c. Work-in-progress (Valued at Actual Process Cost)	2,338.72	1,499.93
	2,338.72	1,499.93
d. Finished goods (Valued at Lower of cost or NRV)		
Manufactured Products	1,578.14	2,510.20
Social Marketing Products	95.88	36.79
Outsourced Products	1,518.50	1,338.45
Goods-in transit	35.64	23.96
	3,228.16	3,909.40
e. General Stores and Consumables (Valued at cost)	170.01	95.80
	170.01	95.80
f. Other materials, machinery, spare parts, building materials etc. (Valued at cost)	1,064.85	1,232.30
	1,064.85	1,232.30
g. Tools revalued & certified by management	9.52	5.11
	9.52	5.11
h. Others		
Scrapped/Surplus Assets (at lesser of cost or net realisable value)	57.90	28.89
Gift items (at cost)	47.98	105.21
Stationery (at cost)	58.06	65.68
	163.94	199.78
	9,807.97	10,207.29
Less : Provision for Obsolete Stock	67.37	89.32
Total	9,740.60	10,117.97

Note 16 Trade receivables

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Secured, considered good *	1,837.63	965.62
Unsecured, considered good	29,258.16	40,959.08
	31,095.79	41,924.70
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good*	2,020.16	-
Unsecured, considered good	27,148.66	20,336.35
Considered Doubtful	1,153.33	1,062.69
	30,322.15	21,399.04
Less: Provision for doubtful trade receivables	1,153.33	1,062.69
	29,168.82	20,336.35
Total	60,264.61	62,261.05

* Secured against Letter of Credit, Bank Guarantee & Customer Deposit

Note 17 Cash and cash equivalents

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(A) Balances with banks		
(i) (a) In Term Deposit accounts with less than 12 month maturity	418.40	257.12
(b) In Term Deposit accounts with more than 12 months maturity	284.03	228.83
(c) In Term deposits held for margin money for borrowings and guarantee	0.39	0.28
(ii) In Current Accounts	1,448.00	788.18
(iii) In EE Foreign Currency accounts	41.44	47.74
(B) Cash/stamps on hand	19.53	11.62
	2,211.79	1,333.77

Note 18 Short-term loans and advances

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Security deposits & EMD Secured, considered good	315.93	350.46
Sub Total	315.93	350.46
(b) Loans and advances to employees Secured, considered good	17.64	17.65
Unsecured, considered good	429.59	372.57
Considered Doubtful	1.17	1.17
	448.40	391.39
Less: Provision for doubtful loans and advances	1.17	1.17
Sub Total	447.23	390.22
(c) Prepaid expenses - Unsecured, considered good	225.84	180.02
	225.84	180.02
(d) Balances with government authorities Unsecured, considered good		
(i) Advance Income Tax(Net of Provisions)	817.78	814.82
(ii) Sales Tax Advances	1.90	2.05
Sub Total	819.68	816.87
(e) Others (Advance to Creditors , Deposit to various agencies etc)		
Secured, considered good	101.24	148.94
Unsecured, considered good	4,832.85	5,375.34
Considered Doubtful	982.30	1,017.53
	5,916.39	6,541.81
Less: Provision for doubtful loans and advances	982.30	1,017.53
Sub Total	4,934.09	5,524.28
Total	6,742.78	7,261.85

Note: Short-term loans and advances include amounts due from:

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Directors	0.40	0.40
Other officers of the Company	56.40	53.19
	56.80	53.59

Note 19 Other current assets

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	Audited	Audited
	₹ lacs	₹ lacs
(a) Accruals		
(i) Interest accrued on FDR	0.06	0.16
	0.06	0.16
(b) Others		
(i) Export Incentives/Duty Draw back	301.77	262.84
(ii) Asset Under Insurance Claim	-	245.31
(iii) Forward Contract Premium Receivable	-	25.38
	301.77	533.53
Total	301.83	533.69

Note 20 Revenue from operations

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(a)	Sale of products	85,742.91	80,904.73
(b)	Sale of services	8,264.34	6,158.21
(c)	Income from Contract	8,197.62	15,096.00
(d)	Other operating revenues	5,003.59	4,279.76
		107,208.46	106,438.70
	<u>Less:</u>		
(e)	Excise duty	917.27	633.74
	Total	106,291.19	105,804.96

Note	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(i)	Sale of products comprises		
	Sale of Contraceptive Products	41,643.22	43,316.43
	Sale of Healthcare Products	22,555.38	21,729.77
	Sale of social marketing Products	1,468.27	1,034.75
	Sale of Trading Products and Others	19,761.13	14,522.82
	Product subsidy on saheli	314.91	300.96
	Sub Total	85,742.91	80,904.73
	Sale of services	8,264.34	6,158.21
	Income from Contract	8,197.62	15,096.00
	Other operating revenues	5,003.59	4,279.76
	Grand Total	107,208.46	106,438.70

Other operating revenues comprise:

	Cost of free sample supplied	2,739.34	2,692.21
	Incentive on Social Marketing	423.35	122.54
	Promotional Subsidy on Saheli and Novex sales	466.76	522.54
	Duty Rebate / Duty drawback / Other export incentives	853.15	389.89
	Sale of scrap, waste condoms and other misc.items	477.42	490.67
	Sale of tender form	43.57	61.93
	Total	5,003.59	4,279.78

Note 21 Other income

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(a)	Interest income (Refer Note (i) below)	156.30	103.64
(b)	Other non-operating income (Refer Note (ii) below)	720.59	294.73
	Total	876.89	398.37

Note	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(i)	Interest income comprises:		
	Interest from banks on:		
	a) On short term deposit	29.80	5.63
	b) On Others	126.50	98.01
	Total - Interest income	156.30	103.64
(ii)	Other non-operating income comprises:		
	Rental income from Staff quarters	3.56	3.58
	Profit on sale of fixed assets	4.71	4.52
	Insurance claims	78.22	1.73
	Excess provision / credits written back	73.91	44.58
	Lease rent	114.38	47.09
	Other Misc.Income	445.81	193.23
	Total - Other non-operating income	720.59	294.73

Note 22 Cost of materials consumed

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
Opening stock	3,264.97	3,106.72
Add: Purchases	22,747.82	20,744.05
	26,012.79	23,850.77
Less: Closing stock	2,832.77	3,264.97
Cost of material consumed	23,180.02	20,585.80
Material consumed comprises:		
Raw Materials	12,336.82	10,985.44
Chemicals	2,742.44	3,015.11
Packing Materials	6,880.77	5,862.72
Cost of quality and Sub contract Expense	1,220.00	722.53
Total	23,180.03	20,585.80

Note 23 Purchases of stock-in-trade

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
	₹ lacs	₹ lacs
Trading Products	24,346.02	18,968.34
Social Marketing Branded Products	1,394.73	2,012.93
Total	25,740.75	20,981.27

Note 24 Changes in inventories of finished goods, and work-in-progress

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
	₹ lacs	₹ lacs
<u>Inventories at the end of the year:</u>		
Finished goods	3,228.16	3,909.40
Work-in-progress	2,338.72	1,499.93
	5,566.88	5,409.33
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,909.40	5,771.96
Work-in-progress	1,499.93	1,545.38
	5,409.33	7,317.34
Net (increase) / decrease	(157.55)	1,908.01

Note 25 Employee benefits expense

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
(a) Salaries and incentives	11,667.56	11,140.12
(b) Contributions to -		
Provident fund	1,136.31	1,080.50
New pension scheme	175.29	173.07
Gratuity fund contributions	371.04	653.64
Earned Leave Fund	171.97	209.75
Contribution to ESI	38.61	47.38
(c) Staff welfare expenses	1,373.44	1,372.68
Total	14,934.22	14,677.14

Note 26 Finance costs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
(a) Interest expense on:		
(i) Cash credit	2,507.90	2,290.85
(ii) Term Loan	219.80	223.74
(b) Other borrowing costs	144.69	79.75
Total	2,872.39	2,594.34

Note 27 Other expenses

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
Advertisement & Publicity and Sales Promotion Expenses	4,239.59	4,891.60
Power & fuel charges	2,995.31	3,902.48
Freight & Other Selling Expenses	3,031.70	3,299.56
Travelling & Conveyance	1,704.61	1,723.35
Other Production expenses	2,601.30	1,870.69
Wages to Contract Labourers	1,791.75	1,654.40
Consultancy & Service Charges	2,899.56	2,395.24
Free sample distribution	2,798.83	2,749.21
Miscellaneous Expenses	1,476.49	1,006.15
Provision for bad & doubtful debts/Advances	117.78	813.41
Repairs & Maintenance Machinery	560.99	492.44
Postage & Telegram, Telephone	351.46	357.60
Research & Development Expenses	-	35.07
Corporate R&D Centre Expenses	696.70	656.79
Rent	313.86	297.44
Printing & Stationery	229.34	220.46
Repairs & maintenance of other assets	212.99	164.90
Water charges	214.67	174.13
Insurance charges	190.68	210.85
Bank Charges	86.58	85.20
Exchange Fluctuation	(52.46)	305.57
Staff recruitment expenses	96.55	64.91
Rates & Taxes	68.15	139.93
Provision for obsolete stores written off	11.97	12.61
Book value of obsolete assets/stores written off	70.25	85.60
Training program expenses	82.87	108.62
Repairs & maintenance of buildings	138.50	200.43
Bad debt & advances written off	3.60	28.06
Payments to auditors (Refer Note (i) below)	20.34	18.50
Loss on sale of Fixed Assets	1.48	4.40
Loss on sale of scrapped assets	20.97	14.23
Corporate Social Responsibility expenses	76.18	132.05
Royalty paid	2.30	4.75
Donation	0.84	0.25
Grant to HMA	25.00	-
Prior period items (net) (Refer Note (ii) below)	22.93	(20.84)
Total	27,103.66	28,100.04

Note 27 Other expenses (Contd.)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
	₹ lacs	₹ lacs
(i) Payments to the auditors comprises		
Audit fees	14.97	13.50
Tax Audit fees	2.37	2.00
Audit expenses	3.00	3.00
Total	20.34	18.50
(ii) Details of Prior period items (net)		
Prior period income		
Other Income	14.30	43.21
Total	14.30	43.21
Prior period expenses		
Administrative Expenses	37.23	22.37
Total	37.23	22.37
Prior period items (net)	22.93	(20.84)

(iii) Details of expenditure incurred on in house research and development (R&D) Facilities

₹ Lacs							
Particulars	Included in notes to financial statements	Approved R&D Facilities		Other R&D Facilities		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
i) Capital expenditure							
(a) Land		-	-	-	-	-	-
(b) Building		147.65	-	-	-	147.65	-
(c) Capital equipments (other than Intangibles)		327.80	298.06	-	-	327.80	298.06
(d) Capital equipments (Intangible)	Note 12	5.81	59.70	-	-	5.81	59.70
ii) Revenue Expenditure (net)							
(a) Salaries/Wages		212.91	177.30	-	-	212.91	177.30
(b) Material /Consumables/Spares		19.65	17.65	-	-	19.65	17.65
(c) Utilities		30.50	27.11	-	-	30.50	27.11
(d) Other Expenses directly related to R&D)		433.64	434.72	-	-	433.64	434.72
(e) Total revenue expenditure (Total of (ii) (a) to (ii) (d))	Note 27	696.70	656.78	-	-	696.70	656.78
(iii) Total R&D Expenditure							
(Total of (i) c and (ii) (e))		1,024.50	954.84	-	-	1,024.50	954.84
(iv) Less: Amount received by R&D facilities			-	-	-		-
(V) Net Amount of R &D expenditure (iii)-(iv)		1,024.50	954.84	-	-	1,024.50	954.84

Note 28 : Additional Information to the Financial Statement

A. Value of Imports (CIF)		
Particulars	2015-16	2014-15
	₹ lacs	₹ lacs
Raw Materials	2,265.77	2,658.67
Components and Spares	64.59	171.71
Capital Goods	648.79	1,265.60
Finished Products	12,093.09	8,793.87
Total	15,072.24	12,889.85
B. Expenditure in Foreign Currency		
Particulars	2015-16	2014-15
	₹ lacs	₹ lacs
Travelling	80.94	76.01
Service Charges	45.80	25.57
Sales Promotion Expenses	339.26	672.14
Freight and clearing expenses	168.10	676.45
Interest and other charges	198.04	212.99
Total	832.14	1,663.16
C. Earning in Foreign Exchange		
Particulars	2015-16	2014-15
	₹ lacs	₹ lacs
Export Sales/ Samples (FOB Value)	12,260.67	13,552.31
Freight & Insurance	567.13	1,105.71
Total	12,827.80	14,658.02
D. Remuneration to Functional Directors		
Particulars	2015-16	2014-15
	₹ lacs	₹ lacs
Salary	110.33	104.62
P.F Contribution	9.21	9.88
Contributory Pension Fund Contribution	1.80	1.71
Perquisites	10.25	48.33
Total	131.59	164.54
The Gratuity & Earned leave Liabilities are funded through Group Schemes with LIC of India. As such the premium is not ascertainable on individual basis and hence not included.		
For and on behalf of the Board		Vide our report of even date attached For M/s Abraham & Jose Chartered Accountants Firm No. 000010S
sd/- Dr. M.Ayyappan Chairman & Managing Director	sd/- Dr.Babu Thomas Director (Marketing)	sd/- P. Sreekumar Company Secretary & SVP(HR)
	sd/- R.Ganesan SVP(F) & CFO	sd/- CA.Mukesh K.P Partner Membership No: 214773
New Delhi 26.05.2016		



HLL Lifecare Limited

Innovating for Healthy Generations

(formerly Hindustan Latex Limited)

Poojappura, Thiruvananthapuram

NOTE NO 29.VALUE OF INDIGENOUS AND IMPORTED MATERIALS CONSUMED FOR THE YEAR 2015-16

SL.NO	PARTICULARS	INDIGENOUS		IMPORTED		TOTAL	
		VALUE	%	VALUE	%	VALUE	%
		₹. Lacs		₹. Lacs		₹. Lacs	
1	Condom	10,922.38	92%	920.09	8%	11,842.46	100%
2	Steroidal OCPs	685.95	70%	300.42	30%	986.37	100%
3	Non-Steroidal OCPs	372.37	100%	-	0%	372.37	100%
4	Copper T	288.45	71%	120.09	29%	408.54	100%
5	Woman health care products	41.40	100%	-	0%	41.40	100%
6	Blood Bag	1,836.77	71%	738.83	29%	2,575.60	100%
7	Hydrocephalus Shunt	-	0%	-	0%	-	0%
8	Tubal Ring	12.29	56%	9.65	44%	21.94	100%
9	Suture	203.63	40%	303.86	60%	507.49	100%
10	Pregnancy Test Card	286.56	100%	0.61	0%	287.17	100%
11	Sanitary Napkin	3,491.89	84%	654.37	16%	4,146.26	100%
12	Mesh	24.24	100%	-	0%	24.24	100%
13	Emily	0.24	100%	-	0%	0.24	100%
14	Others	1,965.92	100%	0.59	0%	1,966.51	100%
	TOTAL	20,132.10	87%	3,048.50	13%	23,180.60	100%

Note No 30. CONTINGENT LIABILITIES FOR THE YEAR ENDED 31.03.2016 (Referred to in Note 1.21)		
Particulars	2015-16	2014-15
	₹ lacs	₹ lacs
(I) Contingent Liabilities		
(i) Income Tax (a) Income Tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal and exclusive of the similar matters in respect of pending assessments and interest.	268.63	344.57
(b) Sales Tax Claims against the Co. not acknowledged as debt	11.12	277.92
(ii) Claims against the Company not acknowledged as debts	9,223.93	5,423.40
(iii) Guarantee		
(a) Company's guarantee for Employees Housing Loan for Officers	1.07	0.53
(b) Company's guarantee for Employees Housing Loan for others	0.95	2.73
(iv) Bank Guarantees to Govt. Departments. (Net of Margin Money)	4,552.35	363.09
(v) Bank Guarantees to others(net of margin money)	560.54	3,091.83
(vi) Corporate Guarantees issued	3,979.94	2,579.94
(vii) Letter of Credits (net of Margin Money)	400.84	789.28
(viii) Provision for Customs Duty	38.02	53.10
(ix) Bond cum legal undertaking in favour of Cochin Special Economic Zone Encumbrance/Amount payable, existing on the property acquired in auction.	-	-
(x)	465.92	465.92
TOTAL	19,503.31	13,392.31
(II) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	4,722.66	551.24
(ii) Pending rebate claim for which appeals filed	41.40	6.00
TOTAL	4,764.06	557.24
GRAND TOTAL	24,267.38	13949.55
Notes		
<p>"Contingent liability has been calculated as Principal plus Interest @ 12% p.a. The claims made by the claimants have ranged from 8-24%. However, keeping in view the statutory interest levies like Income Tax and principle of Natural Justice, the rate of interest for all claims have been taken @ 12% p.a. in cases where the interest is above 12% p.a.</p> <p>Ministry has recently sought recovery from HLL towards rate difference, amounting Rs.19.56 crore towards condoms for the years 2012-13 & 2013-14, Rs.5.22 crore towards Emergency Contraceptive Pills for the years 2008-09 to 2011-12 and Rs. 5.87 Crore towards pregnancy test kit for the year 2014-15</p>		

Notes forming part of the financial statement for the year ended 31st March 2016	
Sl. No.	Particulars
	Corporate information
	HLL Lifecare Limited, incorporated in the year 1966, is a MiniRatna Enterprise, fully owned by Government of India, domiciled in India and governed by the provisions of the Companies Act, 2013. HLL Lifecare Ltd was converted into a Public Limited Company with effect from 21st February 2012. The company is engaged in the manufacturing and marketing of a range of Contraceptive products, Hospital products, Women Health Pharma products, providing Consultancy & Contract services for healthcare infrastructure, Procurement and Diagnostic services. The company caters to both domestic and international markets.
1	Significant accounting policies
	The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 besides the pronouncements/guidelines of the Institute of Chartered Accountants of India. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years, unless specified separately.
1.1	Use of estimates
	The preparation of the financial statements, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized.

1.2	Fixed Assets
	<p><u>Tangible Assets</u> Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all incidental expenditure net of CENVAT credit wherever applicable. Revenue expenses incurred for identification of new projects/ new line of businesses are treated as capital work in progress. This will be absorbed into the project cost in the first year of commencing the business. If the new project/ new line of business do not materialize within a period of three financial years, the entire expenses shall be charged to Revenue in the 3rd year. The cost of fixed assets includes interest on borrowings (calculated at the weighted average rates) and administrative expenses specifically attributable to the acquisition of fixed assets. Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of construction. In respect of Pharmaceutical manufacturing facility, expenditure incurred are included under Capital Work in Progress till the validation process is completed.</p> <p><u>Intangible Asset</u> a) Cost of computer software and License fee incurred from 1.4.2003 are classified as intangible assets.</p>
1.3	<u>Trade Mark Expenses</u>
	<p>Expenses incurred on trade mark registrations will be treated as Capital work in progress and will be capitalized under 'intangible assets' when licenses are received. Subsequent expenditure incurred on those licences will be recognized as revenue expenses in the period in which such expenses are incurred.</p>
1.4	<u>Method of depreciation/Amortization</u>
	<p>Depreciation on tangible assets has been made in line with the requirement under Schedule II of the Companies Act 2013. Further, Depreciation has been charged on straight line method for all assets under Plant & Machinery and written down value method for other assets (other than intangible asset and lease hold assets) so as to write off the cost of the assets after retaining residual value of 5% of the cost, over the useful lives of the assets prescribed in the Act, except for those assets whose useful lives are determined based on any technical advice.</p> <p>Components of main assets were identified and determined separately, if they have a useful life that is materially different from that of the principal asset. 10% of original cost of the principal asset has been considered as threshold limit to determine whether component is material or not.</p> <p>With respect to Leasehold Assets, depreciation/amortization has been charged on straight line method over the primary period of lease or over the specified period, whichever is shorter. Depreciation/amortization in respect of leasehold</p>

	<p>improvements is provided on the straight line method over the primary period of the lease.</p> <p>The cost of computer software other than ERP Software Solution is amortized equally over a period of 3 years , whereas ERP software solution is amortized over a period of 8 years on pro-rata basis. License fee paid is amortized equally over the agreement period.</p> <p>Additions to Fixed Assets from 01.04.1993, costing Rs.5000/- each or less are fully depreciated during the year of purchase, irrespective of the date of addition retaining the residual vale of assets.</p> <p>Machinery spares acquired with the equipment are depreciated using the same rates and method applicable for the original machinery. In the case of Machinery spares procured separately for future use, rate equivalent to accumulated depreciation for the expired life of the relative machinery are charged in the year of acquisition along with depreciation for the year.</p> <p>Trade Mark expenses are amortized over a period of 5 years from the date of recognition of intangible asset.</p>
1.5	Leases
	<p>Fixed Assets acquired and given on lease are shown as part of fixed assets. In regard to operating leases, rentals are expensed with reference to terms of the lease agreement.</p> <p>Lease rental income is accounted on accrual basis.</p>
1.6	Impairment of assets
	<p>Impairment of assets is recognized when there is an indication of Impairment. On such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to recoverable amount.</p>
1.7	Investments
	<p>Investments are stated at cost less provision for diminution other than temporary, if any.</p>
1.8	Inventories
	<p>The weighted average formula is used for the valuation of raw materials, stores and spares. Work-in-progress, materials in transit/under inspection is carried at actual process cost. Unused Loose Tools are revalued every year taking into account the useful life of the tools and carried at the revalued cost. Finished goods manufactured/goods purchased for trading are valued at lower of cost/net realizable value, including excise duty, wherever applicable. Manufactured / traded finished goods in stock whose shelf life expires within three months from the Balance Sheet date are taken at NIL value.</p>

1.9	Cash and cash equivalents (for purposes of Cash Flow Statement)
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
1.10	Cash flow statement
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on audited financial statements.
1.11	Revenue recognition
	Sales comprise of value of sale of goods (net of returns) excluding sales tax and discounts but including excise duty. Insurance claims are accounted on receipt basis. Interest on investments is booked on a time proportion basis taking into account the amounts invested and the fixed rate of interest. Revenue from services business is recognized on accrual basis. Revenues from maintenance contracts are recognized pro rata over the period of the contract. Revenue from Infrastructure - development division and Procurement Consultancy division related activities are recognized as follows:
	a) In case of turnkey contracts ,on the basis of progress billing to the contract value under survey method.
	b) In the case of other contracts, on the basis of completion of obligation as per the terms of contract with the agencies concerned.
1.12	Other Operating Revenues
	The revenue against realization of waste latex, empty drums, rejected products and other scrap items are accounted on cash basis. Duty drawback/export incentive in respect of export sales are accounted in the year of export. The realization in respect of obsolete assets/materials written off is accounted on cash basis.
1.13	Other Income
	Interest income if any for delayed realization from sundry debtors as stipulated in invoices is not recognized, unless realized. Income other than the above are accounted on accrual basis.

1.14	Foreign currency transactions and translations
	<p>Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of transactions. Foreign currency receivables/payables are translated at the exchange rates as on the Balance Sheet date. Gain or losses arising out of such transactions are adjusted to the statement of Profit and Loss.</p> <p>Premium or discount on foreign exchange forward contracts booked for hedging existing assets/liabilities are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any are recognised in the statement of profit and loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on Accounting of Derivatives issued in March 2008.</p>
	<p><u>Treatment of exchange differences</u></p> <p>Exchange differences on translation or settlement of long term foreign currency monetary items (i.e., whose term of settlement exceeds twelve months from the date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets as per GOI notification dated 31.03.2009 and 29.12.2011 and this will be amortized over the remaining life of the Asset.</p>
1.15	Government grants
	<p>a) Grants in the form of investment subsidy are credited to separate reserve.</p> <p>b) Revenue grants/subsidy (other than product subsidy) relating to sales are disclosed separately under other operating revenues, whereas product subsidy is disclosed under sales and services.</p>
1.16	Employee benefits
	<p>a) Gratuity and Leave Encashment</p> <p>The Gratuity liability and Leave Encashment liabilities are determined under separate group schemes maintained with LIC of India. The liabilities towards these schemes are estimated yearly, based on actuarial valuation.</p>
	<p>b) Voluntary Retirement Benefits</p> <p>The entire liability on account of payments under VRS, if any is charged off to the Profit and Loss Account in the same year.</p>
	<p>c) Post Employment Medical Benefits</p> <p>The Employees (including their spouse) on the rolls of the Company from 01.07.2005 are covered under Group Medical Insurance Scheme maintained with Insurance Company.</p>

	d) Bonus/ Performance Related Payment
	Provision for bonus for the employees is made on the basis of Productivity Linked Incentive Scheme as per the Long Term Agreement entered into with the recognized trade unions. Executives at the Board level and below the Board level are covered for Performance Related Pay (PRP) as per the guidelines issued by the Department of Public Enterprise.
	e) Pension Scheme
	Company has introduced a contributory pension scheme from 1-4-2011 for the permanent employees who are on the rolls of the company as on 9-10-2012. Company contributes 3% of basic plus DA with a matching contribution from employees. The pension scheme is managed by LIC of India.
	f) Encashment of Half Pay Leave on Superannuation
	Company has introduced (w.e.f 15.05.2014) the facility of encashment of Half Pay leave to the permanent employees at the time of superannuation, subject to an overall ceiling of 300 days along with Earned Leave. The liability towards the same has been estimated and provided for in the statement of profit and loss.
1.17	Borrowing costs
-	The borrowing cost incurred / attributable to the acquisition for the purpose of obtaining a qualifying asset is capitalized. Interest on loan taken specifically for the acquiring assets and the interest thereon are proportionately allocated to respective assets based on asset value.
1.18	Segment reporting
	<p>The Company has identified its reportable segments for Segment Reporting, in accordance with Accounting Standard 17, as Contraceptive Products, Healthcare Products, Trading Products, Services and Contracts which are the primary groups. In addition, the following specific accounting policies have been followed for Segment Reporting.</p> <p>(a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment, including inter segment revenue.</p> <p>(b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenses which relate to the company as a whole and not allocable to segments are included under "Unallocable expenditure".</p> <p>(c) Income which relates to the company as a whole and not allocable to segments is included in "Unallocable Income".</p> <p>(d) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable Corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.</p>

1.19	Taxes on income
	<p>Provision for current Tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961</p> <p>Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the Tax rates and laws that are applicable as on the Balance sheet Date .The deferred Tax asset is recognized and carried forward only to the extent there is a reasonable certainty of its realization in future.</p> <p>Minimum Alternative Tax (MAT) paid in accordance with the provisions of Income Tax Act 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as asset in the balance sheet.</p>
1.20	Research and development expenses
	Capital expenditure on Research and Development is treated in the same manner as Fixed Assets. The revenue expenditure on Research and development is charged off in the year in which it is incurred.
1.21	Provisions and contingencies
	<p>A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>Contingent liabilities are disclosed separately. Contingent assets are neither recognized nor disclosed in financial statement.</p>
1.22	Prepaid Expenses
	Prepaid expenses of items of ₹10000/- each and below are charged off to the revenue.
1.23	Prior Period Expenses/Income
	Income and expenditure relating to prior period exceeding ₹25000/- in each case only is accounted under prior period.
1.24	General Stores/Spares/ Raw Materials/ Finished Products
	The provision for loss if any in respect of slow moving items of materials/finished products are accounted after obtaining the technical opinion regarding the usability/marketability.
1.25	Classification of Assets and Liabilities as Current and Non-Current
	All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current or non-current classification of assets and Liabilities.

2	EXPLANATORY/ CLARIFICATORY NOTES			
2.1	Authorized Share capital of the Company was increased from ₹20 Cr to ₹300 Cr during the year 2012-13. The expenditure amounting to ₹140 Lacs incurred towards the same is amortized over a period of five years.			
2.2	HLL BioTech Limited, 100% subsidiary of HLL Lifecare Limited, has allotted Rs.968.80 lakh shares of ₹. 10/- during the period against the capital infusion of Rs. 96.88 Cr.			
2.3	Disclosures required by the Micro, Small and Medium Enterprises Development [MSMED] Act, 2006 are as under :			
			(₹ in lacs)	
	Sl No.			
		31.03.2016	31.03.2015	
	(a)	The principal amount remaining unpaid at the end of the year.	256.85	238.03
	(b)	The delayed payments of principal amount paid beyond the appointed date during the year.	Nil	Nil
	(c)	Interest actually paid under Section 16 of the MSMED Act .	Nil	Nil
	(d)	Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms.	Nil	Nil
	(e)	Total interest accrued during the year and remaining unpaid .	Nil	Nil
	This information has been determined to the extent such parties have been identified on the basis of information available with the Company.			
2.4	The extent of ownership in Subsidiary/Joint Venture Companies are as follows:			
	Name of the Company	Country of Incorporation	Relationship	Ownership Interest as on 31.03.2016
	HLL Biotech Limited (HBL)	India	Subsidiary	100%
	Goa Antibiotics and Pharmaceuticals Limited (GAPL)	India	Subsidiary	74%
	HLL InfraTech Services Limited (HITES)	India	Subsidiary	100%
	Life Spring Hospitals Pvt. Ltd	India	Joint Venture	50%

2.5	Matured fixed deposit of ₹10000/- has not been paid due to dispute in claim from the legal heirs of the deceased deposit holder. Interest does not accrue beyond maturity date and hence not provided for.			
2.6	The Company had received from M/s. Female Health Company (UK) equipment's valuing ₹89.27 Lakhs on loan basis for the manufacture of female condom FC2 Nitrile version at its unit located in Cochin Export Processing Zone. No accounting entries have been passed as the property & title of the equipment supplied vests with M/s. Female Health Company, U.K. Further, rental charges on the said assets are recognized on actual utilization basis.			
2.7	Borrowing costs capitalised during the year is ₹ 80.23 lakhs (Previous Year is ₹154.64lacs)			
2.8	<p>During the year to fall in line with the requirement as per Schedule II of the Companies Act, 2013 for charging of depreciation, the Company has identified and determined separate useful life for each major component of the fixed asset, if they have a useful life that is materially different from that of the principal asset based on technical advice. The Company has considered 10% of original cost to the principal asset as threshold limit to determine the component is material or not.</p> <p>The additional depreciation charged in the statement of Profit and Loss for the year on account of the above is ₹. 13.31 lacs.</p>			
2.9	The Company has spent ₹76.18 lakhson CSR for the year 2015-16.			
		In cash (₹lacs)	Yet to be paid in cash (₹lacs)	Total (₹lacs)
(i)	Construction/acquisition of any asset	2.95	-	2.95
(ii)	On purposes other than (i) above	69.04	4.19	73.23
	Total	71.99	4.19	76.18
2.10	Basic and Diluted Earnings per share *			
		31.03.2016	31.03.2015	
	Numerator Net Profit ₹. In Lacs			
	Profit after Tax as per Statement of Profit & Loss	2888.27	3155.14	
	Denominator- Average number of equity shares outstanding during the year	25,53,08,333	193535000	
	No. of Shares - Basic & Diluted	290415000	193535000	
	Earnings per share (₹)			
	Basic (Face Value of ₹ 10/- per share)	1.13	1.63	
	Diluted (Face Value of ₹ 10/- per share)	1.13	1.63	

2.11	Disclosure in respect of Related Party transactions and Segment Reporting are presented in Annexure I & II respectively.		
2.12	Insurance premium includes instalment of medical insurance premium paid for post-retirement medical benefits		
2.13	During the year there was no payment towards voluntary retirement scheme.		
2.14	The cash and bank balances held by the Company under trust and the corresponding liabilities are disclosed as contra items in the Balance Sheet in accordance with the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India. The Assets & Liabilities of the Procurement Projects, & Infrastructure Development Projects are disclosed in Annexure III.		
2.15	Employee Benefits		
	a) Gratuity		
	The Fund disclosures/assumptions	31.03.2016	31.03.2015
	Discount rate	8%	8%
	Salary Escalation	5%	5%
	Fund value (₹Lacs)	4701.23	4043.17
	Valuation Method	Projected unit	Projected unit
		Credit method	Credit method
	Withdrawal rate	1% to 3%	1% to 3%
		Depending on age	Depending on age
	Valuation (₹Lacs)	5043.76	4654.73
	Provision made in the books (₹Lacs)	357.55	626.32
	Interest earned actual (₹Lacs)	355.17	319.76
	Upper limit for Gratuity	10.00	10
	Sum insured per employee under Group Gratuity Policy (₹Lacs)	10.00	10
	b) Leave Encashment		
	The Fund disclosure/assumptions	31.03.2016	31.03.2015
	Discount rate	8%	8%
	Salary escalation	5%	5%
	Fund value (₹Lacs)	1457.84	1265.87
	Valuation method	Projected unit	Projected unit
		Credit method	Credit method
	Withdrawal rate	1% to 3%	1% to 3%
		Depending on age	Depending on age

	Valuation (₹Lacs)	1629.07	1474.92
	Provision made in books (₹Lacs)	171.96	209.75
	Interest earned actual (₹Lacs)	110.33	99.31
	Upper limit for earned leave	300 days	300 days
2.16	Pending forward contracts as on 31.03.2016 for hedging Foreign Currency receivables/payables amounts to EURO 9.67 lacs and USD 92.11lacs. (Previous year :EURO 13.80 lacs and USD 27.45 lacs).		
2.17	<p>M/s. LifeSpring Hospitals (P) Limited was formed in February 2008 as a Joint Venture entity with 50:50 equity shareholding between HLL Lifecare Ltd. [HLL] and M/s Acumen Fund Inc., USA [Acumen]. HLL had contributed `783.42 Lacs towards the equity Share Capital of the Joint Venture Company, as per the terms of Shareholders agreement entered into with Acumen. This JV was formed with the objective of providing High Quality, Affordable Maternal Health Care for Low-Income Women across India. It operates small-sized (20 bed) maternity hospitals in the proximity of urban slums. The hospitals also provide pediatric care (including immunizations), diagnostic and pharmacy services, and health care education to the communities in which its hospitals are located.</p> <p>Presently, the JV is running a cluster of 12 hospitals in Hyderabad and one hospital at Vishakhapatnam in Andhra Pradesh. The JV's performance at the enterprise level also has been steadily improving.</p> <p>During April 2013, HLL and Acumen had provided further financial assistance of ₹ 125.00 Lacs each to LifeSpring, in the form of Unsecured Compulsorily Convertible Debentures carrying interest of 12.5% compounded per annum and convertible to equity shares latest by seven (7) years. The net worth of the JV Company will improve further on conversion of these debentures. LifeSpring business model has been well appreciated both in national and international forums and earned prestigious awards. LifeSpring has earned a good brand value over the years and the Joint Venture fetches good valuation.</p> <p>HLL has decided to sell its entire holding in the JV to a prospective buyer and has received an offer for purchase of the investments for a consideration exceeding the carrying cost. Therefore the investment has been classified as current investment during the year. HLL has accepted the offer and the same is pending for</p>		

	<p>completion of legal due diligence by the prospective buyer.</p> <p>Considering all the above, the diminution if any, in the carrying value of the investment in the JV company is purely of temporary nature only and hence management is of the view that no provisioning towards diminution in value of investment is required as on 31.03.2016.</p>
2.18	<p>The Company is in possession of 430.10 acres of land since January 2008, allotted on lease for a period of 99 years from the Central Leprosy Teaching Research Institute (CLTRI), Tamil Nadu, under directives from Ministry of Health & Family Welfare, Govt. of India. The Public Investment Board (PIB), Ministry of Finance, Govt. of India in its meeting held on 10.02.2012 had recommended to earmark 100 acres of land out of the 430.10 acres in possession with the Company at Chengalpattu for setting up of the Integrated Vaccine Complex (IVC), for a value of ₹10.12 crores (56 acres @ ₹ 16.50 lacs per acre and 44 acres of hillock @ ₹ 2 lacs per acre).</p> <p>The recommendations of the PIB are approved by the Cabinet Committee of Economic Affairs (CCEA). The Company in March 2012 has formed a fully owned subsidiary company, M/s HLL Biotech Limited (HBL), for setting up the IVC, in line with the PIB recommendations. As the legal formalities of transfer of 100 acres of land in the name of HLL and in turn to HBL are yet to be completed, the Company has, on 20th February 2014, sub-leased the 100 acres identified for the purpose, in favour of HBL @ 1/- for 94 years.</p> <p>Out of 430.10 acres in possession, 3.38 Acres of land is to be given on lease to Tamilnadu Generation and Distribution Corporation Ltd [TANGEDCO] (Subsidiary of TNEB Ltd.) for a period of 92 years, on an annual lease rent of 1/- only. However, the sub-lease deed between HBL and TANGEDCO is yet to be executed.</p>
2.19	<p>Govt. of India has accorded “captive status” to HLL vide Order dated 26.08.2005 for the supply of condoms and other Contraceptive products to the Ministry of Health & Family Welfare. The Company has been supplying Contraceptive products (Condoms, Oral Contraceptive Pills, EC Pills, Copper-T and Tubal Rings), Pregnancy Test Kits and Sanitary Napkins to the Ministry. As per the Cabinet order and its subsequent amendments, the Ministry shall place the supply orders on HLL in the beginning of the year at the provisional rates based on the L1 rates of the previous year. Subsequently, the L1 rates determined through the open tender shall be made applicable to HLL as the final rate for its supplies during the same financial year. In the absence of L1 rate determination through the tender process, reference shall be made either to Tariff Commission (TC) of the Ministry of commerce & Industry or Cost & Accounts Branch (CAB) of the Ministry of Finance for determining the fair price for the supplies from HLL.</p>

	<p>Ministry could not either finalise the tender or notify the final rate concluded in the tender/fair rates determined through cost study by TC/CAB, to be made applicable for HLL supplies for different years in the past during the same financial year, as per the Cabinet Order. Hence, Condom supplies for the current year and past 3 years (2012-13 to 2014-15) and Emergency Contraceptive Pills for the current year and past seven years (2008-09 to 2014-15) were billed at provisional rates. Ministry had floated open tender for procurement of condoms during 2015-16 and concluded the same in March 2016. However, the rates finalised if any, are yet to be notified. The Oral Contraceptive Pills, Copper T and Tubal Ring supplied during the year 2015-16 were provisionally billed at L1 rate of 2014-15. PTK supplies were billed at the L1 rate of 2014-15 tender, concluded during 2015-16.</p> <p>Ministry has recently sought recovery from HLL towards rate difference, amounting Rs.19.56 crore towards condoms for the years 2012-13 & 2013-14, Rs.5.22 crore towards Emergency Contraceptive Pills for the years 2008-09 to 2011-12 and Rs.5.87 crore towards Pregnancy Test Kit for the year 2014-15. Since the conditions of cabinet order to finalize the rates in the respective financial year had not been compiled by the MOHFW and the accounts of the company pertaining to these years have been finalized and closed, the company has raised objections against the recovery and in view of the above no provision has been considered in the books of accounts. However this has been disclosed in contingent liability under the head claims against the company not acknowledged as debt.</p> <p>The Ministry has also referred to Tariff Commission for determining prices to be paid for Sanitary Napkin supplies made during 2011-12 & 2012-13. Tariff commission has submitted their report in Jun 2014 indicating higher price for HLL supplies. However Ministry is yet to decide on the implementation of the Report and the final price payable to HLL. Hence the pricing benefit on the same is not recognised In the books of accounts.</p>
2.20	<p>During the year, the company has received insurance claim of ₹ 3.19 Cr against the assets damaged at Kakkanad factory due to fire . The net income of Rs.0.74 Cr is recognised in P&L Account under the head other income.</p>

2.21	Details of Contract Revenue and costs		
		(₹ lacs)	
		31.03.2016	31.03.2015
	Contract revenue recognised during the year	8,197.62	13,288.24
	Aggregate of amount of costs incurred upto reporting date	49,960.12	41,565.39
	Recognized profits up to reporting date	17,544.86	15,547.37
	Advances received for contracts in progress	13,188.88	57.07
	Retention money for contracts in progress	-	-
	Gross amount due from customers for contractwork (asset)	16,745.34	19,376.38
2.22	<p>The Public Investment Board (PIB), Ministry of Finance, Govt. of India in its meeting held on 10.02.2012 had given its recommendations for setting up of the Integrated Vaccine Complex (IVC), with an investment of ₹594 crores, wherein the Equity portion shall be ₹285 crores from Govt. of India. The recommendations of the PIB were approved by the Cabinet Committee of Economic Affairs (CCEA) and accordingly HLL had formed a fully owned Subsidiary Company, HLL Biotech Limited (HBL), in line with the PIB recommendation. Govt. of India has been infusing funds into HLL for the investment in Integrated Vaccine Complex and HLL in turn has been investing the same funds into the Equity capital of HLL Biotech Limited.</p> <p>Till date GoI has released Rs.274.88 Crs to HLL and equity shares were issued to GoI towards the same. In line with the decision of Cabinet Committee on Economic Affairs 100 acres of land is earmarked out of the 430.10 acres in possession, for HBL valued @ `10.12 crore. Upon transfer of land by GoI, HLL will issue equivalent equity shares to GOI towards its consideration.</p>		
2.23	<p>Capital Work in Progress includes investments made in UniPill plant, a WHOcGMP(Geneva) compliant facility being set up by the company at Kanagala, Belgaum. An amount of Rs.64.02crore is invested till date in the project, as against the budgeted cost of Rs.40crore. The project was scheduled to be commissioned in January 2012. The increase in project cost is largely due to higher product development & validation costs and other expenses incurred till date. Capitalisation of the project is pending as the product development complying the WHO standards were progressing. The Dossier developed for the first product (unipill)</p>		

	from the plant is accepted by WHO in May 2016 and the facility audit is now awaited. On completion of the audit, the project will become WHO cGMP compliant, which is a pre-requisite for most of the regulated markets outside India. Company expects to recover the increased cost of the project, by introducing more products from this facility.																																																
2.24	<p>Pursuant to the Accounting Standard (AS-29)- Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March 2016 is as follows:</p> <p style="text-align: right;">(₹lacs)</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Provision against Inventories*</th> <th colspan="2">Provision for Trade Receivables**</th> <th colspan="2">Provision for Loans and Advances**</th> </tr> <tr> <th>15-16</th> <th>14-15</th> <th>15-16</th> <th>14-15</th> <th>15-16</th> <th>14-15</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>89.32</td> <td>95.96</td> <td>1062.69</td> <td>987.92</td> <td>1018.70</td> <td>441.96</td> </tr> <tr> <td>Additions</td> <td>20.23</td> <td>23.15</td> <td>152.78</td> <td>210.05</td> <td>-</td> <td>620.94</td> </tr> <tr> <td>Utilisations</td> <td>12.40</td> <td>3.65</td> <td>62.14</td> <td>130.61</td> <td>0.23</td> <td>44.20</td> </tr> <tr> <td>Reversals</td> <td>29.78</td> <td>26.14</td> <td>-</td> <td>4.67</td> <td>35.00</td> <td>-</td> </tr> <tr> <td>Closing Balance</td> <td>67.37</td> <td>89.32</td> <td>1153.33</td> <td>1062.69</td> <td>983.47</td> <td>1018.70</td> </tr> </tbody> </table> <p>*Provision created against obsolete inventories **Provision created against receivables & loans and advances outstanding for more than 3 years</p>		Provision against Inventories*		Provision for Trade Receivables**		Provision for Loans and Advances**		15-16	14-15	15-16	14-15	15-16	14-15	Opening Balance	89.32	95.96	1062.69	987.92	1018.70	441.96	Additions	20.23	23.15	152.78	210.05	-	620.94	Utilisations	12.40	3.65	62.14	130.61	0.23	44.20	Reversals	29.78	26.14	-	4.67	35.00	-	Closing Balance	67.37	89.32	1153.33	1062.69	983.47	1018.70
	Provision against Inventories*		Provision for Trade Receivables**		Provision for Loans and Advances**																																												
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Closing Balance	67.37	89.32	1153.33	1062.69	983.47	1018.70																																											
2.25	<p>Company has entered into a lease agreement with Thiruvananthapuram Development Authority (TRIDA) to lease out two floors of their building at Sopanam Complex, Medical College Junction, Thiruvananthapuram for a period of 20 years from December 2015.</p> <p>An interest free refundable security deposit of Rs 500 lakhs has also been paid during the year 2015-16, which is disclosed under Long Term Loans and Advances.</p>																																																
2.26	Balance in Debtors, Creditors and loans and advances are subject to confirmation / reconciliation. Receivable in Foreign Currency out of Export sales is subject to reconciliation and consequently Foreign Currency Valuation gain or loss may vary.																																																
2.27	Figures for the previous year have been rearranged and regrouped wherever necessary.																																																

ANNEXURE I - Referred to in Note No.2.11

Disclosure in respect of related party pursuant to Accounting Standard 18

Description of relationship	Names of related parties
Subsidiaries	HLL Biotech GAPL HITES
Joint Venture	Life Spring Hospital Private Ltd
Associates	Hindustan Latex Family Planning Promotion Trust HLL Management Academy (HMA)
Key Management Personnel (KMP)	Dr. M.Ayyappan - Chairman & Managing Director Mr.R.P.Khandelwal - Director (Finance) Dr. KRS Krishnan - Director (Technical & Operations) Dr. Babu Thomas - Director (Marketing) Mr. P.Sreekumar - Company Secretary & SVP(HR) Mr.R.Ganesan - SVP(F) & CFO
Remuneration to Key Managerial Personnel	Rs.147.36 lakhs (Previous period - Rs.153.68 lakhs)

Details of related party transactions during the year ended 31.03.2016 and balances outstanding as at 31st March 2016

Name of Entity	Hindustan Latex Family Planning Promotion Trust (A Trust under the Travancore - Kochi Literary Scientific Charitable Societies Regulation Act)		Life Spring Hospital Private Ltd (A company registered under the Indian Companies Act 1956)		HLL Biotech Ltd. (Wholly owned subsidiary of HLL Lifecare Ltd)		Goa Antibiotics & Pharmaceuticals Ltd (GAPL)		HLL InfraTech Services Limited (Wholly owned subsidiary of HLL Life Care Ltd)		HLL Management Academy (HMA) (A Society under the Travancore - Kochi Literary Scientific Charitable Societies Regulation Act)	
	100%*		50%		100%		74%		100%		100%*	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Whether Control exist	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs
i) Income												
Sales	846.21	1,741.02										
Sales Commission	17.72				0.06	0.02						
Profit/ Loss on sales of Assets												
Course Fee											-	-
Rental Income	42.69	39.58							63.54			
Consultancy/Service					78.49	60.62	36.32		1,096.20			
Debenture Interest			19.34	17.38								
ii) Expenses												
Sales Commission												
Management Fee												
Sales Promotion				1.00								
Salaries & Allowances												
Other expenses	531.00	10.00	0.25	-	50.12	232.07	6.72	685.81			27.61	-
iii) Assets												
Sundry Debtors	334.84	634.57	58.55	47.82	238.83		92.55		413.26	5.71	87.01	
Advance against Investments					-	4,000.00						
Investment in Shares			783.42	783.42	27,489.00	17,801.00	708.75	708.75	5.00	5.00		
Investment in Debentures			125.00	125.00								
iv) Liabilities												
Provision for Expenses												
Other Liabilities					-	40.83	-	314.22				

* Note: Managed through Board of Trustees from HLL

For and on behalf of the Board

Vide our report of even date attached
For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-

sd/-

sd/-

sd/-

sd/-

Dr. M.Ayyappan
Chairman
& Managing Director

Dr. Babu Thomas
Director (Marketing)

P. Sreekumar
Company Secretary
& SVP(HR)

R. Ganesan
SVP(F) & CFO

CA. Mukesh KP
Partner
Membership No: 214773

Annexure II -- Referred to in Note No 2.11

Disclosure Under Accounting Standard - 17 SEGMENT REPORTING

	Particulars					₹ lacs
1. Primary Segment Information						
Segment Revenue						
	Contraceptives	Health Care	Trading	Procurement and consultancy services	Contract Services	Total
Net Sales & Services	42,058.43	23,131.52	15,394.50	17,899.48	6,538.72	105,022.64
Other Unallocable Revenue						2,145.44
Total					6,542.79	107,168.08
Capital Employed	Contraceptives	Health Care	Trading	Procurement and consultancy services	Contract Services	Total
						-
Profit before Interest & Tax	7,009.94	435.09	1,029.16	1,866.61	1,328.18	11,669.07
Less:- Interest	1,845.65	483.68	352.27	108.60	1.19	2,872.39
Less: Other unallocable expenditure		-				5,095.49
Prior period items						17.43
Add:-Other unallocable income						119.28
Profit before tax	5,266.61	-49.06	676.88	1,758.00	1,326.99	3,803.04
	Contraceptives	Health Care	Trading Products	Procurement and consultancy services	Contract Services	Total
Capital Employed						
Allocated Fixed Assets (a)	17,289.44	6,182.69	1,114.22	1,990.88	0.74	26,577.97
Allocated Current Assets (b)	42,672.69	23,469.36	15,619.33	18,160.90	6,634.21	106,556.51
(a+b)	59,962.13	29,652.05	16,733.55	20,151.79	6,634.95	133,134.48
Allocated Current Liabilities	18,502.72	10,176.23	6,772.49	7,874.50	2,876.57	46,202.50
Capital Employed Allocation	41,459.41	19,475.83	9,961.07	12,277.29	3,758.38	86,931.98
Unallocable portion of Capital Employed						(55,822.11)
Total Capital Employed						31,109.87
2. Secondary Segment Information - Geographical Revenue						
India						96,335.68
Outside India						10,832.40
						107,168.08
Capital Employed						
India						30,485.71
Outside India						624.16
						31,109.87

For and on behalf of the Board

Vide our report of even date attached

For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-
Dr. M.Ayyappan
Chairman &
Managing Director

sd/-
Dr.Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R.Ganesan
SVP(F) & CFO

sd/-
CA.Mukesh K.P
Partner
Membership No: 214773

New Delhi
26.05.2016

ANNEXURE III - Referred to in Note No. 2.14

Assets and Liabilities of projects under implementation as on 31st March 2016

(₹ in lacs)

Projects	ASSETS						LIABILITIES		Total	
	Cash & Bank balances held under trust with HLL		Other Current Assets		Total Assets		Current Liabilities			
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
ID North										
Acharya Barihar RGL Cancer Care Cuttak	119.27	852.65	3.43	(101.95)	122.70	750.69	122.70	750.69	122.70	750.69
Aigrah Medical College (PMSSY)	1,796.89	790.74	99.06	20.10	1,895.94	810.84	1,895.94	810.84	1,895.94	810.84
CGHS	253.83	257.05	136.52	110.65	390.35	367.69	390.35	367.69	390.35	367.69
IPC (Gaziabad)	248.15	11.39	125.00	1.20	373.15	12.59	373.15	12.59	373.15	12.59
NEFM Pasighat under AYUSH	858.28	1,000.29	151.61	267.61	1,009.88	1,267.90	1,009.88	1,267.90	1,009.88	1,267.90
NIPS / RIPS	10,232.27	9,548.63	742.45	709.85	10,974.72	10,258.48	10,974.72	10,258.48	10,974.72	10,258.48
PGIMS Rohtak	1,285.44	158.14	(27.02)	389.57	1,258.42	547.71	1,258.42	547.71	1,258.42	547.71
PMSSY Residential project (Rishikesh & Patna)	1,090.94	523.89	68.65	163.10	1,159.59	687.00	1,159.59	687.00	1,159.59	687.00
ID North Total	15,885.06	13,142.78	1,299.69	1,560.13	17,184.75	14,702.91	17,184.75	14,702.91	17,184.75	14,702.91
ID South										
HBL	-	158.07	874.01	3,300.64	874.01	3,458.71	874.01	3,458.71	874.01	3,458.71
IID-PULAYANARKOTTA	188.74	396.80	103.92	28.60	292.65	425.40	292.65	425.40	292.65	425.40
IMHANS	101.21	129.79	35.69	45.02	136.90	174.81	136.90	174.81	136.90	174.81
JIPMER	3,105.14	573.42	453.29	1,753.76	3,558.43	2,327.18	3,558.43	2,327.18	3,558.43	2,327.18
JN TBGRI	240.38		24.21		264.58		264.58		264.58	
Kerala projects	2,543.15	1,658.96	1,020.08	793.80	3,563.23	2,452.76	3,563.23	2,452.76	3,563.23	2,452.76
Kozhikode Tertiary Cancer Care Center	706.93		180.28		887.21		887.21		887.21	
KSSTM	355.36	128.01	101.62	3.71	456.98	131.72	456.98	131.72	456.98	131.72
Malabar Cancer Center	29.91	108.11	90.35	(14.84)	120.27	93.28	120.27	93.28	120.27	93.28
MMC	2,584.53	972.71	988.02	994.52	3,572.55	1,967.23	3,572.55	1,967.23	3,572.55	1,967.23
NIIST	124.57	4.13	0.02	0.02	124.59	4.14	124.59	4.14	124.59	4.14
NRHM	315.17	503.76	828.16	658.18	1,143.33	1,161.94	1,143.33	1,161.94	1,143.33	1,161.94
Other Projects	59.78	77.27	75.28	13.35	135.05	90.62	135.05	90.62	135.05	90.62
Social Welfare Department	1.06	1.06	17.07	17.07	18.12	18.12	18.12	18.12	18.12	18.12
Trivandrum MC	754.06	1,629.23	542.06	236.84	1,296.12	1,866.07	1,296.12	1,866.07	1,296.12	1,866.07
ID South Total	11,109.98	6,341.32	5,334.05	7,830.67	16,444.03	14,171.99	16,444.03	14,171.99	16,444.03	14,171.99

PCD										
AIIMS LIKE INSTITUTE	19,883.00	24,341.62	2,265.85	352.49	22,148.85	24,694.10	22,148.85	24,694.10	22,148.85	24,694.10
Central drug standard control organisation	492.06	1,031.88	3.93	175.87	495.99	1,207.75	495.99	1,207.75	495.99	1,207.75
GMC&H NAGPUR	3,064.76	1,778.81	143.25	2.78	3,208.01	1,781.59	3,208.01	1,781.59	3,208.01	1,781.59
GMSD_COLD PCD	898.85	1,667.57	25.17	38.49	924.03	1,706.06	924.03	1,706.06	924.03	1,706.06
Govt. National capital territory, delhi	3,321.88	290.87	311.63	53.09	3,633.51	343.96	3,633.51	343.96	3,633.51	343.96
IMMUNIZATION	214.34	33.39	83.64	81.45	297.97	114.84	297.97	114.84	297.97	114.84
International Institute of Population Sciences	443.10	468.93	13.06	-15.65	456.16	453.28	456.16	453.28	456.16	453.28
Jammu & Kashmir PCD	114.65	52.69	100.33	97.74	214.97	150.43	214.97	150.43	214.97	150.43
Municipal corporation of delhi	1,360.43	605.21	117.29	61.76	1,477.71	666.97	1,477.71	666.97	1,477.71	666.97
NACO PCD	355.32	341.98	103.56	103.56	458.88	445.54	458.88	445.54	458.88	445.54
National disaster management association	785.86	11,314.72	961.40	3.41	1,747.26	11,318.13	1,747.26	11,318.13	1,747.26	11,318.13
National Rural Health Mission, Haryana	222.52	263.49	29.84	31.48	252.35	294.97	252.35	294.97	252.35	294.97
OTHERS PROJECTS	508.91	5,124.92	485.17	657.91	994.08	5,782.84	994.08	5,782.84	994.08	5,782.84
PGIMS Rohtak	2,884.04	99.60	27.04	8.01	2,911.08	107.61	2,911.08	107.61	2,911.08	107.61
PMSSY PHASE 2	7,007.15	3,293.23	9.27	85.28	7,016.42	3,378.51	7,016.42	3,378.51	7,016.42	3,378.51
PMSSY PCD	8,042.39	4,612.69	7,532.55	7,497.48	15,574.94	12,110.17	15,574.94	12,110.17	15,574.94	12,110.17
Regional Institute of Medical Sciences, Imphal	629.17	512.86	15.61	21.20	644.79	534.06	644.79	534.06	644.79	534.06
PCD Total	50,228.41	55,834.46	12,228.59	9,256.36	62,457.00	65,090.81	62,457.00	65,090.81	62,457.00	65,090.81
Vaccine Projects	410.13	47.53	268.59	331.67	678.72	379.20	678.72	379.20	678.72	379.20
Grand Total	77,633.58	75,366.09	19,130.92	18,978.83	96,764.50	94,344.91	96,764.50	94,344.92	96,764.50	94,344.92

For and on behalf of the Board

sd/-
Dr. M.Ayyappan
Chairman
& Managing Director

sd/-
Dr. Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R. Ganesan
SVP(F) & CFO

Vide our report of even date attached
For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-
CA. Mukesh KP
Partner
Membership No: 214773

New Delhi
26.05.2016



HLL Lifecare Limited

Innovating for Healthy Generations

Poojappura, Thiruvananthapuram

CONSOLIDATED FINANCIAL STATEMENTS 2015-16

INDEPENDENT AUDITORS' REPORT

To the Members of HLL Lifecare Limited Report On Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HLL LIFECARE LIMITED** (hereinafter referred to as the "Holding Company"), its subsidiaries (The Holding company and its subsidiaries together referred to as the "Group") and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 including Jointly controlled entities 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 and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 consolidated 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. 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 qualified audit opinion on the consolidated financial statements.

Basis For Qualified Opinion

In the case of Goa Antibiotics and Pharmaceuticals Ltd. (GAPL), a subsidiary, due to the absence of sufficient appropriate audit evidence, it was unable to determine whether any adjustments might have been necessary on the accounts in respect of the following cases:

- a) Adequacy of provision maintained against outstanding receivables in the absence of an age wise analysis report with customer wise analysis of outstanding;
- b) Inadequate internal controls and accounting procedures followed by the company in respect of certain units as stated in Note No. C.8 and inability to obtain proper records and documents from certain units not visited by the statutory auditors of the subsidiary;

The management of GAPL has revised the financial statements of the company in order to rectify the discrepancies pointed out by the Comptroller and Auditor General (C&AG) of India in their supplementary audit. C&AG vide their letter dated 08th July 2016 directed the holding company to revisit the consolidated financial statements to include the impact of the revision of financial statements by GAPL on the consolidated financial statements. The overall impact of the revision on various items of consolidated financial statements is considered not material by the management and hence the effect of such revision has not been incorporated in the consolidated financial statements. Had the revised financial statements of GAPL been incorporated in the consolidated financial

statements, the effect on various items of consolidated financial statements would have been as under:

Sl.No.	Particulars	Impact (%)	Increase/(Decrease) (Rs. in Lacs)
1	Profit Before Tax (PBT)	-2.32 %	(-)97.69
2	Profit After Tax (PAT)	-1.55%	(-)48.03
3	Reserves & Surplus	-0.19%	(-)48.02
4	Minority Interest	-2.72%	(-)4.11
5	Deferred Tax Liabilities	0.60%	6.59
6	Current Liabilities	0.03%	28.64
7	Non-Current Assets	0.00%	(-)0.18
8	Current Assets	0.02%	17.08

In view of the observation of C&AG, our audit report dated 30th May 2016 has been revised.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraphs above 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 and jointly controlled entity as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis Of Matter

We draw attention to the following:

- 1) There is an uncertainty on final prices applicable for supplies made by the Holding Company to Government of India, during the year 2015-16, as the same is yet to be notified by the Government and accordingly the effect of the same has not been considered in the financial statements; and in respect of supplies for the previous years, though the Government has sought recovery of price difference from the Holding Company to the extent of Rs. 30.65 crores, the Company has raised objections and has not provided for the same in the financial statements.
- 2) There is a delay in capitalization of the Uni -pill Plant being setup by the Holding Company at Kanagala, Belgaum which was scheduled to be commissioned in January 2012. There is also a cost overrun of Rs.24.02 crores, the recoverability of the same has been assessed by the management of the Holding Company and not provided for.

Our opinion is not modified in respect of the above matters.

Other Matters

a) We did not audit the financial statements / financial information of three subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets (net assets) of Rs.28069.29 lacs as at 31st March, 2016, total revenues of Rs.7684.78 lacs and net cash outflows amounting to Rs.8722.96 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, 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 and the reports of the other auditors.

(c) Except for the effect of the matters described in the Basis for Qualified Opinion Paragraph relating to the effect of revision of financial statements by one subsidiary not being considered in the consolidated financial statements, 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, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, 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) The matters described in Basis for Qualified Opinion paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) In view of exemption given vide notification no. G.S.R 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, are not applicable to the Holding Company and in case of other Companies, on the basis of report of the statutory auditors of the respective Companies of the Group and jointly controlled entity incorporated in India, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraphs above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in '**Annexure A**' and

(i) 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 and its jointly controlled entity have disclosed the impact of the pending litigations on its financial position in the Consolidated Financial Statements -Refer Note No. C.7 and C.9 to the Consolidated Financial Statements

ii. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the Group, and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled entity incorporated in India.

**For Abraham and Jose
Chartered Accountants
(FRN 000010S)**

Sd/-
**Mukesh K. P.
Partner(M. No. 214773)**

Place: Chennai
Date: 27.07.2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date on the consolidated Financial Statements of HLL Lifecare Limited, its subsidiaries and jointly controlled entities]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of **HLL LIFECARE LIMITED** ('The Holding Company') its subsidiary companies and jointly controlled entity which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports preferred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding Company, its subsidiaries and jointly controlled entity, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled entity which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries and jointly controlled entity, which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relate to three subsidiaries and one jointly controlled entity, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

Place: Chennai
Date: 27.07.2016

For **Abraham and Jose**
Chartered Accountants
(FRN 000010S)

Sd/-
Mukesh K. P.
Partner(M. No. 214773)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016				
Particulars	Note No.	AS AT	AS AT	
		31.03.2016	31.03.2015	
		₹ lacs	₹ lacs	
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	3	29,041.50	19,353.50	
(b) Reserves and surplus	4	25,289.35	22,656.13	
		54,330.85	42,009.63	
2 Share application money pending allotment		-	4,000.00	
3 Minority Interest		151.07	87.12	
4 Non-current liabilities				
(a) Long-term borrowings	5	4,726.49	5,997.11	
(b) Deferred tax liabilities (net)	6	1,092.33	1,225.22	
(c) Long-term provisions	7	159.19	131.67	
		5,978.01	7,354.00	
5 Current liabilities				
(a) Short-term borrowings	8	44,417.78	37,669.84	
(b) Trade payables	9	23,848.73	23,420.14	
(c) Other current liabilities	10	18,213.09	21,198.83	
(d) Short-term provisions	11	1,782.58	1,809.98	
		88,262.18	84,098.79	
6 Advances Received for Projects Held under Trust as per contra		1,00,606.27	74,223.93	
TOTAL		2,49,328.38	2,11,773.47	
B ASSETS				
1 Non-current assets				
(a) Fixed assets	12			
(i) Tangible assets		24,245.94	23,380.35	
(ii) Intangible assets		735.96	886.99	
(iii) Capital work-in-progress		34,319.03	14,880.06	
(iv) Intangible asset under development		969.06	709.13	
(v) Goodwill on consolidation		481.55	541.74	
		60,751.54	40,398.27	
(b) Non-current investments	13	2.25	2.25	
(c) Long Term Loans and Advances	14	1,093.36	127.05	
(d) Other Non-current assets	15	386.85	711.93	
2 Current assets				
(a) Inventories	16	10,091.93	10,328.49	
(b) Trade receivables	17	61,887.02	64,071.85	
(c) Cash and cash equivalents	18	5,169.86	13,009.81	
(d) Short-term loans and advances	19	8,862.68	8,316.62	
(e) Other current assets	20	476.63	583.27	
		86,488.12	96,310.04	
3 Cash and Bank Balances of Projects Held under Trust as per contra		1,00,606.27	74,223.93	
TOTAL		2,49,328.38	2,11,773.47	
Significant Accounting Policies	1			
Explanatory Notes to Financial Statement	2			
For and on behalf of the Board		Vide our report of even date attached For M/s Abraham & Jose Chartered Accountants		
sd/-	sd/-	sd/-	sd/-	sd/-
Dr. M.Ayyappan Chairman & Managing Director	Dr. Babu Thomas Director (Marketing)	P. Sreekumar Company Secretary & SVP(HR)	R. Ganesan SVP(F) & CFO	CA. Mukesh K.P Partner Membership No: 214773
New Delhi 26.05.2016				

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
			₹ lacs	₹ lacs
1	Revenue from operations (gross) Less: Excise duty Revenue from operations (net)	21	1,13,825.19 1,089.54 1,12,735.65	1,11,363.76 810.69 1,10,553.07
2	Other income	22	816.33	455.49
3	Total revenue (1+2)		1,13,551.98	1,11,008.56
4	Expenses			
	(a) Cost of materials consumed	23	24,613.21	22,178.93
	(b) Purchases of stock-in-trade	24	26,887.33	21,484.71
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(175.35)	1,857.15
	(d) Employee benefits expense	26	16,740.84	15,913.83
	(e) Finance costs	27	2,940.78	2,583.88
	(f) Depreciation and amortisation expense	12	3,840.45	3,185.74
	(g) Other expenses	28	28,445.20	29,057.49
	(h) Contract Expenses		6,039.51	11,351.99
	Total expenses		1,09,331.96	1,07,613.72
5	Profit / (Loss) before Exceptional and extra ordinary items and tax (3 - 5)		4,220.01	3,394.84
6	Exceptional items		17.54	(508.28)
7	Profit / (Loss) before extra ordinary items and tax (6 - 7)		4,202.48	3,903.12
8	Extra - ordinary item		-	
9	Profit / (Loss) before tax (8-9)		4,202.48	3,903.12
10	Tax expense:			
	(a) Current tax expense for current year		1,334.55	980.11
	(b) Current tax expense relating to prior years		(169.23)	(157.67)
	(c) MAT Credit Entitlement		-	(157.43)
	(c) Deferred tax		(132.88)	(75.79)
			1,032.44	589.22
11	Profit / (Loss) for the year		3,170.04	3,313.90
12	Minority Interest on Net Income		63.95	46.82
13	Profit / (Loss) for the year after taxes & minority interest		3,106.09	3,267.08
14	Earnings per share (₹) - Basic (Face value of ₹10/- share)	C.1	1.22	1.69
	- Diluted	C.1	1.22	1.69

Significant Accounting Policies

1

Explanatory notes to financial statements

2

For and on behalf of the Board

Vide our report of even date attached
For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-

sd/-

sd/-

sd/-

sd/-

Dr. M.Ayyappan
Chairman
& Managing Director

Dr. Babu Thomas
Director (Marketing)

P. Sreekumar
Company Secretary
& SVP(HR)

R. Ganesan
SVP(F) & CFO

CA. Mukesh K.P
Partner
Membership No: 214773

New Delhi
26.05.2016

Consolidated Cash Flow Statement for the Year ended 31.03.2016

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
A. Cash flow from Operating Activities		
Profit before extraordinary items and tax and excluding minority interest	4,138.53	3,856.30
<u>Adjustments for:</u>		
Depreciation and amortisation	3,840.45	3,185.74
Exceptional items for Depreciation	-	(508.28)
Loss on sale of fixed assets	1.48	14.66
Profit on sale of fixed assets	(4.71)	(4.52)
Finance costs	2,940.78	2,583.88
Interest income	(150.03)	(92.78)
Operating profit / (loss) before working capital changes	10,766.49	9,035.00
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	236.56	1,524.97
Trade receivables	2,184.83	(19,545.23)
Short-term loans and advances	(162.04)	1,837.56
Long-term loans and advances	(966.31)	2,063.09
Other current assets	106.64	(77.85)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	428.59	11,931.64
Other current liabilities	(2,985.75)	2,945.30
Long-term provisions	27.52	19.60
Short-term provisions	(168.53)	454.06
	9,468.00	10,188.14
Cash flow from extraordinary items	-	
Cash generated from operations	9,468.00	10,188.14
Net income tax (paid) / refunds	(1,132.54)	(632.84)
Net cash flow from / (used in) operating activities (A)	8,335.47	9,555.30
B. Cash flow from Investing Activities		
Capital Work in Progress	(19,438.97)	(5,819.99)
Investments in Fixed Assets	(4,779.33)	(7,729.01)
Sale of fixed assets	27.80	8.42
Interest received	150.03	92.78
Changes in other non-current assets		
Investments in bank deposits (having original maturity of more than one year)	(49.05)	(41.90)
Net cash flow from / (used in) investing activities (B)	(24,047.09)	(13,534.54)
C. Cash flow from Financing Activities		
Proceeds from long-term borrowings	(1,270.62)	(2,790.26)
Payment to Minority interest	63.95	46.82
Proceeds from other short-term borrowings	6,747.94	3,800.61
Investment from Govt of India	5,688.00	4,000.00
Finance cost - Interest paid	(2,940.78)	(2,583.88)
Dividends paid	(387.07)	(387.07)
Tax on dividend	(78.80)	(78.80)
Net cash flow from / (used in) financing activities (C)	7,822.62	2,097.42
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(7,889.00)	(1,881.82)
Cash and cash equivalents at the beginning of the year	12,717.34	14,599.16
Cash and cash equivalents at the end of the year	4,828.34	12,717.34
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 14)	5,169.86	13,009.81
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	341.52	292.47
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 18	4,828.34	12,717.34
Cash and cash equivalents at the end of the year *		
* Comprises:		
(a) Cash on hand	31.53	18.99
(b) Balances with banks		
(i) In Deposit Accounts	3,074.72	11,199.99
(i) In current accounts	1,501.06	1,167.35
(ii) In EEFC accounts	207.89	296.61
(iii) In OD accounts	13.14	34.40
	4,828.34	12,717.34

1) The above Cash Flow Statement has been prepared under the Indirect method set out in the AS-3 issued by the Institute of Chartered Accountants of India.

2) The previous year's figures have been re-grouped wherever necessary in order to conform to this year's presentation.

3) Transactions of project funds held under Trust and balance of ₹100,606.27 lacs (previous year ₹74,223.93 lacs) are not included in the Cashflow

Vide our report of even date attached
For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

For and on behalf of the Board

sd/-
Dr. M.Ayyappan
Chairman
& Managing Director

sd/-
Dr. Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R. Ganesan
SVP(F) & CFO

sd/-
CA. Mukesh K.P
Partner
Membership No: 214773

New Delhi
26.05.2016

Note 3 Share capital (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Authorised Share Capital		
Equity Shares of ₹ 10/- each - 30,00,00,000 Nos	30,000.00	30,000.00
(b) Issued Share Capital		
Equity shares of ₹ 10/- each - 29,04,15,000 Nos.	29,041.50	
Equity shares of ₹ 10/- each - 19,35,35,000 Nos.		19,353.50
(c) Subscribed and fully paid up Share Capital		
Equity shares of ₹ 10/- each - 29,04,15,000 Nos.	29,041.50	
Equity shares of ₹ 10/- each - 19,35,35,000 Nos.		19,353.50
Total	29,041.50	19,353.50

Reconciliation of Share Capital

Description	AS AT 31.03.2016		AS AT 31.03.2015	
	No of Shares	₹ lacs	No of Shares	₹ lacs
Equity Share Capital				
Authorized				
Opening Balance	30,00,000.00	30,000.00	30,00,000.00	30,000.00
Additions	-	-	-	-
Closing Balance	30,00,000.00	30,000.00	30,00,000.00	30,000.00
Issued				
Opening Balance	1935,35,000.00	19,353.50	1935,35,000.00	19,353.50
Additions	968,80,000.00	9,688.00	-	-
Closing Balance	29,04,15,000.00	29,041.50	19,35,35,000.00	19,353.50
Subscribed & Paid up				
Opening Balance	1935,35,000.00	19,353.50	1935,35,000.00	19,353.50
Additions	968,80,000.00	9,688.00	-	-
Closing Balance	29,04,15,000.00	29,041.50	19,35,35,000.00	19,353.50

Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	AS AT 31.03.2016		AS AT 31.03.2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Govt. of India	29,04,15,000	100%	19,35,35,000	100%

Note 4 Reserves and surplus (Consolidated)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Corporate Social Responsibility (CSR) Reserve		
Opening balance	-	36.80
Add: Additions / transfers during the year	1.73	
Less: Transferred during the year to General Reserve	-	36.80
Closing balance	1.73	-
(b) Dividend Equalisation Reserve	129.74	129.74
(c) General reserve		
Opening balance	22,526.39	19,708.54
Add: Transferred from surplus in Statement of Profit and Loss	2,631.49	2,801.22
Add: Transferred during the year from CSR	-	36.80
Less: Depreciation adjustment - Schedule II of Companies Act, 2013	-	(20.17)
Closing balance	25,157.88	22,526.39
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	3,106.09	3,267.10
Less: Proposed Dividend		
Dividends proposed to equity shareholders (₹0.1333 per share of ₹10/- each, Previous year ₹0.20 per share of ₹ 10/- each)	387.07	387.07
Tax on Dividend	85.80	78.80
Transferred to:		
Reserves for CSR	1.73	-
General reserve	2,631.49	2,801.22
Closing balance		
Total	25,289.35	22,656.14

Note 5 Long-term borrowings (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Term loans (Secured)		
Foreign currency loan -Secured	752.62	1,655.33
Rupee Loan	2,274.17	3,447.77
	-	-
(b) Term loans (Unsecured)	271.57	277.41
(c) Other loans and Advances		
(i) Foreign currency Buyers Credit	1,409.70	599.10
(ii) Security Deposits	16.39	15.46
(iii) Interest on security Deposits	2.04	2.04
Total	4,726.49	5,997.11

(i) Details of Security provided in respect of the secured long-term borrowings:			
Particulars	Details of security*	AS AT 31.03.2016	AS AT 31.03.2015
<u>Term loans from banks:</u>			
<u>Foreign Currency Loan</u>			
From State Bank of India	(a) First charge over the fixed assets of the company excluding Land & Buildings (HLL) (b) Equitable Mortgage over the land at Noida. (HLL) (c) Equitable Mortgage as collateral over the land with building at Poojappura.Trivandrum (HLL)	1,756.13	2,929.51
<u>Rupee Term Loan</u>			
From HDFC Bank	First charge over movable assets purchased out of the loan at Peroorkada Factory- Balaramapuram facility, Corporate R&D Centre at Akkulam, Sanitary Napkin Manufacturing Unit at Kanagala (HLL)	2,924.53	3,901.26
From State Bank of India	(d) Secured by an equitable mortgage of leasehold rights of the land, building and other structures on the land. Hypothecation of plant & machinery, laboratory equipments, electrical installations, furniture & fixtures, vehicles and other movable assets. (Goa Antibiotics & Pharmaceuticals Limited)	381.58	564.08
From State Bank of India	(e)Secured against Hypothecation of Lease Hold Rights & Hospital Equipments - Life Spring Hospitals (P) Ltd	107.30	167.02
Total - Term loans from banks		5,169.54	7,561.87
Less: Payable within next 12 months treated as Current Liabilities		2,142.75	2,458.77
Payable after 12 months		3,026.79	5,103.10
<u>Other loans and advances:</u>			
Buyers Credit	Secured by Project Deposits	14,149.94	10,441.18
Less: Short Term Borrowings		12,740.24	9,842.08
		1,409.70	599.10

Note: Foreign Currency Buyers Credit are for Capital item procurement, eligible for roll over upto three years subject to availability, or else shall be converted into sanctioned Term Loan.

**Note 6. Disclosures under Accounting Standards - 22 Accounting for Taxes on Income
 (Consolidated)**

Note	Particulars	AS AT	AS AT
		31.03.2016	31.03.2015
		₹ lacs	₹ lacs
	Deferred tax (liability) / asset		
	Depreciation	(1842.91)	(2,013.53)
	Tax effect of items constituting deferred tax liability	(1842.91)	(2,013.53)
	<u>Tax effect of items constituting deferred tax assets</u>		
	V.R.S. Payment		
	Provision for doubtful debts	739.50	707.47
	Provision for Overtime arrear	-	29.42
	Provision for Bonus	20.78	14.28
	Others	(9.70)	37.14
	Tax effect of items constituting deferred tax assets	750.58	788.31
	Net deferred tax (liability) / asset	(1092.33)	(1225.22)

Note 7 Long-term provisions (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Provision for employee benefits:		
(i) Provision for Performance related pay	121.78	131.67
(ii) Provision for gratuity	5.21	-
(iii) Provision for group EL Premium	32.20	-
	159.19	131.67

Note 8 Short-term borrowings (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Loans repayable on demand (Cash Credit)		
From State Bank of India - Secured	8,299.04	13,765.84
From Canara Bank	3.26	4,811.89
From HDFC Bank	3,284.23	4,206.25
Total	11,586.53	22,783.98
(b) Short Term Loans from Banks - Secured - Overdraft		
From Canara Bank	7,500.00	2,500.00
From IndusInd Bank	-	-
From SBI	7,500.00	2,492.52
	15,000.00	4,992.52
(c) Other loans and advances - Secured		
Foreign Currency Buyers Credit	12,740.24	9,842.08
(d) Interest accrued and due		
State Bank of India	47.87	-
Canara Bank	35.35	15.40
HDFC Bank	-	35.86
Total (secured)	39,409.99	37,669.84
(e) Short Term Foreign Currency Loan from SBT (Unsecured)	5,007.79	-
Total	44,417.78	37,669.84

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	AS AT 31.03.2016	AS AT 31.03.2015
		₹ lacs	₹ lacs
<u>Loans repayable on demand</u>			
<u>from banks:</u>			
SBI	Parri passu charge over current assets of HLL . Equitable Mortgage as collateral over the land with building at Poojappura, Trivandrum towards State Bank of India	8,259.32	13,753.56
Canara Bank		3.26	4,827.29
HDFC Bank		3,284.23	4,242.11
From SBI		10.11	12.28
	Secured by Lease land of Goa Govt- Goa Antibiotics & Pharmaceuticals Ltd	29.61	
Short Term Loans from Banks - Secured Overdraft			
From Canara Bank	Secured by Project Deposits (HLL)	7,535.35	2,500.00
From IndusInd Bank		-	-
From SBI		7,547.87	2,492.52
		15,083.22	4,992.52
<u>Other loans and advances:</u>			
Buyers Credit	Secured by Project Deposits (HLL)	14,149.94	10,441.18
Less: Long Term Borrowings		1,409.70	599.10
		12,740.24	9,842.08
Total		39,409.99	37,669.84

Note 9 Trade payables (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Trade payables: for materials, services and expenses		
- Micro Small and Medium Enterprises	865.13	238.03
- Others	22,983.60	23,182.11
Total	23,848.73	23,420.14

Note 10 Other current liabilities (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
(a) Current maturities of long-term debt (Refer Note (i) below)	2,142.75	2,458.77
(b) Others		
Advance from Customers/Clients	4,874.20	10,717.51
EMD & Security Deposits	3,526.28	2,611.20
Interest Accrued but not due	62.80	31.65
Fixed Deposit	0.10	0.10
Other Liabilities	7,604.27	5,346.93
Contributory Pension Scheme	-	29.23
Income Received in Advance	0.65	1.17
Deposits from laboratories & Pharmacies	2.04	2.27
Total	18,213.09	21,198.83
Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 5 - Long-term borrowings for details of security)		
Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Term loans		
Rupee Term Loan	991.75	1,002.08
Foreign Currency Term Loan	1,151.00	1,456.69
Total	2,142.75	2,458.77

Note 11 Short-term provisions (Consolidated)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Provision for employee benefits:		
(i) Provision for bonus and incentive	244.13	129.91
(ii) Provision for Perks & Allowance	310.43	134.34
(iii) Provision for gratuity	423.20	822.19
(iv) Provision for group EL Premium	171.97	231.82
	1,149.73	1,318.26
(b) Provision - Others:		
(i) Provision for proposed equity dividend	387.07	387.07
(ii) Provision for tax on proposed dividends	85.78	78.80
(iii) Provision for taxation	160.00	25.85
	632.85	491.72
Total	1,782.58	1,809.98

HLL Lifecare limited
Notes to financial statements for the year ended 31 March 2016
Note 12 Consolidated Fixed assets

Fixed Assets	Gross block				Accumulated depreciation and impairment				Net block	
	1 April 2015	Additions	Disposals/ Adjustments	31 March 2016	1 April 2015	Depreciation / amortisation expense for the year	Disposals/ Adjustments	31 March 2016	31 March 2016	31 March 2015
	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs
A. Tangible assets										
(a) Land										
Freehold	592.54	-	-	592.54	-	-	-	-	592.54	592.54
Leasehold	747.19	-	-	747.19	44.37	8.14	-	52.51	694.68	702.82
(b) Buildings	9,952.70	2,187.65	0.22	12,140.13	3,123.73	574.42	0.21	3,697.94	8,442.19	6,828.96
(c) Roads	84.65	-	-	84.65	73.52	4.79	-	78.31	6.34	11.13
(d) Plant and Machinery(30000)	22,010.57	1,296.62	61.90	23,245.29	10,629.80	1,575.25	102.04	12,103.01	11,142.28	11,380.76
(e) Electrical Installation & Eqpt.	2,801.97	114.10	8.46	2,924.53	1,517.79	401.12	8.31	1,910.60	1,013.93	1,284.18
(f) Furniture & Fixture	1,622.26	119.43	10.38	1,731.32	968.50	208.46	-1.20	1,178.16	553.16	653.77
(g) Motor Vehicles	127.24	13.09	10.06	130.27	84.97	17.29	8.49	93.77	36.50	42.27
(h) Computer Data Processing	1,541.36	231.32	57.14	1,715.53	1,217.45	237.40	52.10	1,402.75	312.78	323.91
(i) Office Equipment	732.20	40.00	16.52	755.68	540.21	102.78	16.60	626.39	129.29	191.99
(j) Lab Equipment	2,135.39	376.67	2.65	2,514.71	767.37	433.29	8.21	1,192.46	1,322.26	1,368.02
Total	42,348.07	4,378.87	167.32	46,559.62	18,967.72	3,562.96	194.75	22,335.91	24,245.94	23,380.35
Previous year	35,847.77	7,266.60	766.30	42,348.07	17,198.14	2,939.14	1,169.56	18,967.72	23,380.35	18,649.63
B Intangible assets										
Computer Software	1,510.40	88.74	0.07	1,599.07	706.63	239.24	0.07	945.80	653.27	803.77
Trademarks & Patents	61.43	28.37	-	89.80	19.77	14.60	-	34.37	55.43	41.66
Brand name "LifeSpring"	140.67	-	-	140.67	99.09	14.32	-	113.41	27.26	41.57
Art & Block/ R&D	34.38	-	-	-	34.38	-	-	-	-	-
Total	1,746.87	117.11	0.07	1,829.53	859.87	268.15	0.07	980.16	735.96	886.99
Previous year	1,557.66	189.39	0.18	1,746.87	627.46	232.60	0.18	859.88	886.99	930.20
C Capital Work In Progress										
(a) Assets Pending Commissioning	2,985.66	107.87	137.32	3,230.85					3,230.85	2,985.66
(b) Civil work in progress	8,530.04	7,932.72	2,668.35	13,794.40					13,794.40	8,530.04
(c) Consultancy Charges	251.49	15.02	27.17	239.34					239.34	251.49
(d) Incidental Expenses on New Projects	961.14	385.12	-	1,346.26					1,346.26	961.14
(e) Trademarks & Patents	0.87	-	-	0.87					0.87	0.87
(f) Machinery WIP	2,150.86	13,942.88	386.43	15,707.31					15,707.31	2,150.86
Total	14,880.06	22,383.61	3,219.27	34,319.03					34,319.03	14,880.06
Previous year	9,118.60	7,952.13	2,190.67	14,880.06					14,880.06	9,118.60
(a) Intangible Assets Under Development										
Expenses related to Research & Development	557.05	259.93	-	816.98					816.98	557.05
Technology Transfer Fees	152.08	-	-	152.08					152.08	152.08
Total	709.13	259.93	-	969.06					969.06	709.13
Previous year	310.48	398.65		709.13					709.13	310.48

Note:

1. Cost of Free hold Land includes -
 - a) ₹ 2/- being the token value of 11.44 acres and 7.14 acres of land transferred by the Govt. of Kerala free of cost.
 - b) ₹ 3.76 lacs being the price of freehold land paid to Karnataka Industrial Area Development Board.
 - c) ₹ 567.92 lacs being the price of freehold land of 29.6 cents at Chennai.
2. Cost of Lease hold land includes the following
 - a) ₹. 130.46 lacs being the cost of 3 acres of leasehold land and building at Balramapuram, Kerala for 99 years.
 - b) ₹. 92.41 lacs being the allotment value of 1005.22 sq. mtrs plot in Mumbai on lease for 60 years.
 - c) ₹ 261.94 lacs being the value of 5000 Sq.Mtr. of leasehold land allotted in the New Okhla Industrial Development Authority (NOIDA), Uttar Pradesh for 90 years
 - d) ₹ 99/- being the value of 430.10 acres leasehold land allotted in Chengalpettu, Chennai, on lease for a period of 99 years, from Central Leprosy Training & Research Institute (CLTRI) in Chengalpettu, Tamil Nadu.
 - e) In line with the decision of the Cabinet Committee on Economic Affairs, 100 acres of land is earmarked out of the 430.10 acres in possession, for HLL Biotech Limited, valued @ 10.12 crores (56 acres @ Rs. 16.5 Lacs per acre and 44 acres of hillock @ Rs. 2.00 Lacs per acre).
 - f) 3.38 Acres of land, out of 430.10 acres in possession, to be given on lease for a period of 36 years @ ₹ 1/- per year to Tamil Nadu Electricity Board. However this transaction has so far not been effected.
 - g) Rs. 262.39 Lacs being the value of 306 Cents of land at rubber park, Irapuram, Perumbavoor, Kerala State for 90 years from Rubber Park India (P) LTD.
 - h) The Govt of Kerala has allotted on lease 4.783 acre of Land (Re-survey no. 34/146/1, 35/120/2,35/120/3) at Konni Taluk, Iravon Village, Pathanamthitta District, Kerala towards setting up of Green Field Blood Bag Project. The land has been handed over to the company. The land is allotted on Lease Rent @ Rs. 19400/- per year for a period of 30 years.
3. Methods of depreciation adopted are as follows.
 - a) Depreciation on tangible assets have been made in line with the requirement under schedule II of the Companies Act, 2013.
 - b) Depreciation has been charged on straight line method for all assets under Plant & Machinery and written down value method for other assets (except intangible asset and leasehold asset) so as to write off the cost of the assets after retaining residual value of 5% of the cost, over the useful lives of the assets prescribed in the Act.
 - c) Trade Mark/ Patents are amortised over a period of 5 years.
 - d) The cost of computer software other than ERP Software Solution is amortized equally over a period of 3 years, whereas ERP software solution is amortized over a period of 8 Years on pro-rata basis. Licence fee paid is amortized over the agreement period.
4. Notional foreign exchange fluctuation loss on Long Term Foreign Currency Loan currently estimated at Rs. 4.17 crs has been included in fixed assets in line with the Accounting policy based on notification no. GSR913(E) dtd 29.12.2011 of the Govt. of India.
5. Additions to fixed assets includes Original cost of the following Capital expenditure incurred in the approved R&D facility:

	<u>2015-16</u>	<u>2014-15</u>
	(Rs. in Lacs)	(Rs. in Lacs)
Building	147.65	4.62
Plant & Machinery	0.06	290.15
Lab Equipments	303.88	
Computer & Data Processing	0.37	7.91
Furniture	21.72	
Office Equipments	1.76	
Intangible assets	5.82	59.70
	<u>481.26</u>	<u>362.38</u>

Note 13. Non-current investments (Consolidated)

Particulars	AS AT 31.03.2016			AS AT 31.03.2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs	₹ lacs
Investments (At cost):						
A. <u>Trade</u>						
Total - Trade (A)	-	-	-	-	-	-
B. <u>Other investments</u>						
(a) Investment in equity instruments (fully paid)						
(i) of subsidiary companies	-	-	-	-	-	-
(ii) of joint venture companies	-	-	-	-	-	-
(iii) of other entities	-	2.25	2.25	-	2.25	2.25
(b) Investment in debentures (fully paid)						
(i) of joint venture companies	-	-	-	-	-	-
Total - Other investments (B)	-	2.25	2.25	-	2.25	2.25
Total (A+B)	-	2.25	2.25	-	2.25	2.25
Less: Provision for diminution in value of investments	-	-	-	-	-	-
Total	-	2.25	2.25	-	2.25	2.25
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments			2.25			2.25

Note: Details of Other Investments

Sl. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)
			31.03.2016	31.03.2015			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
			31.03.2016	31.03.2015		31.03.2016	31.03.2016
(a)	Investment in Equity Instruments						
(a)	Kerala Enviro Infrastructures Ltd. (Face Value of ₹10/- per share)	Others	20,000	20,000	Unquoted	fully paid	0.16
(b)	Goa State Co-operative Bank Ltd (Face Value of ₹100/- per share)	Others	250	250	Unquoted	fully paid	-

Note 14. Long Term Loans & Advances (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
LONG TERM LOANS & ADVANCES		
Unsecured, considered good		
Capital advances	1,001.08	40.83
Lease Building deposits	60.02	64.60
Security Deposits	32.26	21.62
	1,093.36	127.05

Note 15. Other Non Current Asset (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Fee for RoC for enhancing Authorised Share Capital to the extent not written off	28.00	56.00
ECB Loan Upfront charges	17.37	27.80
Preliminary Expenses	79.78	83.78
MAT Credit Entitlement	261.70	544.35
Total	386.85	711.93

Note 16 Inventories (Consolidated)

(At lower of cost and net realisable value)

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	₹ lacs		₹ lacs	
a. Raw Materials (Valued at cost)	1,623.65		2,294.33	
Raw Materials with others (Valued at cost)	1,623.65		2,294.33	
b.Packing Materials (Valued at cost)	1,365.21		1,014.60	
	1,365.21		1,014.60	
c. Work-in-progress (Valued at Actual Process Cost)	2,366.02		1,516.16	
	2,366.02		1,516.16	
d. Finished goods (Valued at Lower of cost or NRV)				
Manufactured Products	1,612.48		2,554.84	
Social Marketing Products	95.88		36.79	
Trading Products	1,588.20		1,391.12	
Goods-in transit	35.64		23.96	
	3,332.20		4,006.71	
e.General Stores and Consumables (Valued at cost)	233.55		148.37	
	233.55		148.37	
f. Other materials, machinery, spare parts, building materials etc. (Valued at cost)	1,064.85		1,232.29	
	1,064.85		1,232.29	
g. Tools revalued & certified by management	9.52		5.11	
	9.52		5.11	
h. Others				
Scrapped/Surplus Assets (at lesser of cost or net realisable value)	57.90		28.89	
Gift items (at cost)	47.98		105.21	
Stationery (at cost)	58.42		66.14	
	164.30		200.24	
	10,159.30		10,417.81	
Less : Closing Provision for Obsolete Stock	67.37		89.32	
Total	10,091.93		10,328.49	

Note 17 Trade Receivables (Consolidated)

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	₹ lacs	₹ lacs
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Secured, considered good *	1,837.63	965.62
Unsecured, considered good	28,467.10	40,867.72
	30,304.73	41,833.34
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	2,020.16	-
Unsecured, considered good	29,562.13	22,238.51
Considered Doubtful	1,418.27	1,327.63
	33,000.56	23,566.14
Less: Provision for doubtful trade receivables	1,418.27	1,327.63
	31,582.29	22,238.51
Total	61,887.02	64,071.85

* Secured against Letter of Credit, Bank Guarantee & Customer Deposit

Note 18 Cash and cash equivalents (Consolidated)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(A) Balances with banks		
(i) (a) In Term Deposit accounts with less than 12 month maturity	3,074.72	11,199.99
(b) In Term Deposit accounts with more than 12 months maturity	313.33	269.39
(c) In Term deposits held for margin money for borrowings and guarantee	28.19	23.08
(ii) In Current Accounts	1,501.06	1,167.35
(iii) In EE Foreign Currency accounts	207.89	296.61
(iv) In Overdraft A/c (Debit balance)	13.14	34.40
(B) Cash/stamps on hand	31.53	18.99
Total	5,169.86	13,009.81

Note 19 Short-term loans and advances (Consolidated)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Security deposits & EMD		
Secured, considered good	0.48	0.13
Unsecured, considered good	1,080.34	1,086.86
Sub Total	1,080.82	1,086.99
(b) Loans and advances to employees		
Secured, considered good	17.64	17.65
Unsecured, considered good	472.39	414.73
Considered Doubtful	1.17	1.17
	491.20	433.55
Less: Provision for doubtful loans and advances	1.17	1.17
Sub Total	490.03	432.38
(c) Prepaid expenses - Unsecured, considered good	239.27	182.26
	239.27	182.26
(d) Balances with government authorities		
Unsecured, considered good		
(i) Advance Income Tax	1,404.73	1,020.71
(ii) Sales Tax Advances	175.76	2.13
(iii) Others	523.16	55.56
Sub Total	2,103.65	1,078.40
(e) Others (Advance to Creditors , Deposit to various agencies etc)		
Secured, considered good	101.24	148.94
Unsecured, considered good	4,847.67	5,387.65
Considered Doubtful	982.30	1,017.53
	5,931.21	6,554.12
Less: Provision for doubtful loans and advances	982.30	1,017.53
Sub Total	4,948.91	5,536.59
Total	8,862.68	8,316.62

Note: Short-term loans and advances include amounts due from:

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
Directors	0.40	0.52
Other officers of the Company	56.40	88.45
	56.80	88.97

Note 20 Other current assets (Consolidated)

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015
	₹ lacs	₹ lacs
(a) Accruals		
(i) Interest accrued on FDR	27.93	36.32
(ii) Interest accrued on Deposits	4.87	2.76
	32.80	39.08
(b) Others		
(i) Export Incentives/Duty Draw back	301.77	262.84
(ii) Interest on Subsidy Receivable	17.47	
(iii) Contractually reimbursable expenses	3.47	6.48
(iv) Other non-operating income	121.12	4.18
	443.83	544.19
Total	476.63	583.27

Note 21 Revenue from operations (Consolidated)

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(a)	Sale of products	90,598.33	84,935.43
(b)	Sale of services	9,985.74	7,029.19
(c)	Income from Contract	8,197.62	15,096.00
(d)	Other operating revenues	5,043.50	4,303.14
		1,13,825.19	1,11,363.76
	<u>Less:</u>		-
(e)	Excise duty	1,089.54	810.69
	Total	1,12,735.65	1,10,553.07

Note	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(i)	Sale of products comprises		
	Sale of Contraceptive Products	41,643.22	43,316.43
	Sale of Healthcare Products	27,410.80	25,760.47
	Sale of social marketing Products	1,468.27	1,034.75
	Sale of Trading Products and Others	19,761.13	14,522.82
	Product subsidy on saheli	314.91	300.96
	Sub Total	90,598.33	84,935.43
	Sale of services	9,985.74	7,029.19
	Income from Contract	8,197.62	15,096.00
	Other operating revenues	5,043.50	4,303.14
	Grand Total	1,13,825.19	1,11,363.76

Other operating revenues comprise:

	Cost of free sample supplied	2,739.34	2,692.21
	Incentive on Social Marketing	423.35	122.54
	Promotional Subsidy on Saheli and Novex sales	466.76	522.54
	Duty Rebate / Duty drawback / Other export incentives	853.16	389.89
	Sale of scrap, waste condoms and other misc.items	477.42	490.67
	Sale of tender form	43.56	61.91
	Others	39.91	23.38
	Total	5,043.50	4,303.14

Note 22 Other income (Consolidated)

	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
		₹ lacs	₹ lacs
(a)	Interest income (Refer Note (i) below)	150.03	96.19
(b)	Other non-operating income (Refer Note (ii) below)	666.31	359.30
	Total	816.34	455.49

Note	Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
(i)	Interest income comprises: Interest from banks on:		
	a) On short term deposit	42.87	11.63
	b) On Others	107.16	84.56
	Total - Interest income	150.03	96.19
(ii)	Other non-operating income comprises:		
	Rental income from Staff quarters	3.56	3.58
	Profit on sale of fixed assets	4.71	4.52
	Insurance claims	78.22	1.73
	Excess provision / credits written back	80.82	108.07
	Lease rent	50.84	47.09
	Other Misc.Income	448.16	194.31
	Total - Other non-operating income	666.31	359.30

Note 23 Cost of materials consumed (Consolidated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
Opening stock	3,308.22	3,149.00
Add: Purchases	24,293.13	22,338.87
	27,601.35	25,487.87
Less: Closing stock	2,988.15	3,308.94
Cost of material consumed	24,613.20	22,178.93
Material consumed comprises:		
Raw Materials	13,421.51	12,128.25
Chemicals	2,742.44	3,023.63
Packing Materials	7,229.27	6,174.32
Cost of quality and Sub contract Expense	1,220.00	722.53
Consumables	-	130.20
Total	24,613.22	22,178.93

Note 24 Purchases of stock-in-trade (Consolidated)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
	₹ lacs	₹ lacs
Trading Products	25,492.59	18,282.53
Social Marketing Branded Products	1,394.73	3,202.19
Total	26,887.32	21,484.72

Note 25 Changes in inventories of finished goods, and work-in-progress (Consolidated)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
	₹ lacs	₹ lacs
<u>Inventories at the end of the year:</u>		
Finished goods	3,262.51	3,954.04
Work-in-progress	2,366.02	1,516.16
Stock in trade	69.70	52.67
	5,698.23	5,522.87
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,954.04	5,790.40
Work-in-progress	1,516.17	1,552.05
Stock in trade	52.67	37.57
	5,522.88	7,380.02
Net (increase) / decrease	(175.35)	1,857.15

Note 26 Employee benefits expense(Consolidated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
(a) Salaries and incentives	13,225.90	12,171.34
(b) Contributions to -		
Provident fund	1,353.26	1,266.11
New pension scheme	175.29	173.07
Gratuity fund contributions	373.47	656.01
Earned Leave Fund	174.99	209.75
Contribution to ESI	38.78	47.38
(c) Staff welfare expenses	1,399.15	1,390.17
Total	16,740.84	15,913.83

Note 27 Finance costs (Consolidated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
(a) Interest expense on:		
(i) Cash credit	2,556.95	2,248.35
(ii) Term Loan	219.80	223.74
(b) Other borrowing costs	164.03	111.79
Total	2,940.78	2,583.88

Note 28 Other expenses(Consolidated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
	₹ lacs	₹ lacs
Advertisement & Publicity and Sales Promotion Expenses	4,271.51	5,140.09
Power & fuel charges	3,154.50	4,048.84
Freight & Other Selling Expenses	3,365.23	3,322.64
Travelling & Conveyance	1,768.09	1,743.90
Other Production expenses	2,625.34	1,882.82
Wages to Contract Labourers	1,795.83	1,659.99
Consultancy & Service Charges	3,082.94	2,322.99
Free sample distribution	2,798.83	2,749.21
Miscellaneous Expenses	1,526.81	1,112.81
Provision for bad & doubtful debts/Advances	117.78	813.41
Repairs & Maintenance Machinery	591.68	514.13
Postage & Telegram, Telephone	357.56	365.51
Research & Development Expenses	-	36.53
Corporate R&D Centre Expenses	696.71	656.79
Rent	437.10	368.61
Printing & Stationery	234.44	228.91
Repairs & maintenance of other assets	216.77	172.37
Water charges	214.80	174.13
Insurance charges	195.09	214.91
Bank Charges	93.29	86.74
Exchange Fluctuation	(52.46)	305.57
Staff recruitment expenses	101.53	67.10
Rates & Taxes	321.01	343.72
Provision for obsolete stores written off	11.97	12.61
Book value of obsolete assets/stores written off	70.25	85.60
Training program expenses	90.10	113.52
Repairs & maintenance of buildings	164.14	215.29
Bad debt & advances written off	13.33	98.24
Payments to auditors (Refer Note (i) below)	28.65	24.42
Loss on sale of Fixed Assets	1.48	11.73
Loss on sale of Fixed Assets/scrapped assets	20.97	14.66
Corporate Social Responsibility expenses	76.47	139.27
Royalty paid	2.30	4.75
Donation	0.59	0.25
Grant to HMA	25.00	-
Prior period items (net) (Refer Note (ii) below)	25.63	5.43
Total	28,445.21	29,057.49

Note 28 Other expenses (Consolidated) (Contd.)

Particulars	Year ended 31.03.2015	Year ended 31.03.2015
	₹ lacs	₹ lacs
(i) Payments to the auditors comprises		
Audit fees	21.18	16.33
Tax Audit fees	3.15	2.36
Audit expenses	4.32	5.73
Total	28.65	24.42

(ii) Details of Prior period items (net)		
Prior period income		
Other Income	14.30	54.02
Total	14.30	54.02
Prior period expenses		
Administrative Expenses	37.23	22.60
Other expenses	2.70	36.85
Total	39.93	59.45
Prior period items (net)	25.63	5.43

Notes forming part of the Consolidated financial statements for the year ended 31st March, 2016

Sl no.	Particulars			
A	Principles of Consolidation			
	The consolidated financial statements relates to HLL Lifecare Limited ('the Company'), its subsidiaries and Joint Venture. The consolidated financial statements have been prepared on the following basis:			
A.1	The financial statements of the Parent Company and its Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances, intra-group transactions in accordance with Accounting Standard -21 on "Consolidated Financial Statements".			
A.2	The financial statements of Joint Venture are combined by applying proportionate consolidation method on a line-by-line basis on items of assets, liabilities, income, and expenses in accordance with Accounting Standard -27 on "Financial Reporting of Interests in Joint Ventures".			
A.3	As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.			
A.4	The Subsidiary/Joint Venture Companies considered in the financial statements are as follows			
	Name of the Company	Country of Incorporation	Relationship	Ownership Interest as on 31.03.2015
A.4.1	HLL Biotech Limited (HBL)	India	Subsidiary	100%
A.4.2	Goa Antibiotics and Pharmaceuticals Limited (GAPL)	India	Subsidiary	74%
A.4.3	HLL InfraTech Services Limited (HITES)	India	Subsidiary	100%
A.4.4	Life Spring Hospitals Pvt. Ltd	India	Joint Venture	50%

A.5	The excess of cost to the parent of its investments in a subsidiary over the parents portion of equity at the date on which investment is made, is recognised as goodwill on consolidation and recognised separately under Non-Current Assets. Starting from 2014-15, we have amortised the Goodwill on Consolidation over a period of 10 years.
A.6	Minority Interest in the net assets of subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investment is made in subsidiary company and further movements in the equity, subsequent to the date of investment.
A.7	HLL Infra Tech Services Limited was incorporated as a 100% subsidiary of HLL on 3 rd April 2014. The Company is engaged in providing the services in the area of construction, infrastructure development, engineering services, procurement management, supply chain management, facility management services etc.
B	Significant Accounting Policies
B.1	Significant accounting policies of parent company are enclosed as Annexure-I.
B.2	Inventories
	The weighted average formula is used for the valuation of raw materials, stores and spares. However FIFO Method of valuation of inventories has been followed by Goa Antibiotics and Pharmaceuticals Ltd. (GAPL)
B.3	Fixed Assets
B.3.1	The brand name "Lifespring" of Joint Venture is amortized over a period of 10 years.
B.3.2	Trade Mark Expenses
B.3.3	In parent company (HLL), Expenses incurred on trade mark registrations is treated as Capital work in progress and is capitalised under 'intangible assets' when licenses are received. Subsequent expenditure incurred on licences which is already capitalised will be recognised as revenue expenses in the period in which such expenses are incurred.
B.4	Method of depreciation/Amortisation
	Consequent to the Companies Act, 2013, in the case of the parent Company, Depreciation has been charged on straight line method for all assets under Plant & Machinery and written down value method for other assets (other than intangible asset and lease hold assets) so as to write off the cost of the assets after retaining residual value of 5% of the cost, over the useful lives of the assets prescribed in the Act, except for those assets whose useful lives are determined based on any technical advice. Components of main assets were identified and determined separately, if they have a useful life that is materially different from that of the principal asset. 10% of Original Cost as been considered as Threshold Limit to determine the component to be material or not. HLL Biotech Limited has provided depreciation on the Written down value method based on the useful specified in the Schedule II of Companies Act, 2013 Goa Antibiotics & Pharmaceuticals Ltd (GAPL) & Life Spring Hospitals have adopted Straight line method of depreciation based on the useful life specified in the Schedule II of Companies Act, 2013

	Numerator Net Profit Rs. In Lacs		
	Profit after Tax as per Statement of Profit & Loss	3106.09	3267.08
	Denominator- Average number of equity shares outstanding during the year	25,53,08,333	
	No. of Shares - Basic & Diluted	290415000	193535000
	Earnings per share (Rs)		
	Basic (Face Value of ₹10/- per share)	1.22	1.69
	Diluted (Face Value of ₹10/- per share)	1.22	1.69
C.2	Balance in Debtors, Creditors and loans and advances are subject to confirmation / reconciliation.		
C.3	Disclosures required by the Micro, Small and Medium Enterprises Development [MSMED] Act, 2006 are as under :		
	(₹ in lacs)		
	Sl no	Particulars	31.03.2016
			31.03.2015
	(a)	The principal amount remaining unpaid at the end of the year.	865.13
			238.03
	(b)	The delayed payments of principal amount paid beyond the appointed date during the year.	Nil
			Nil
	(c)	Interest actually paid under Section 16 of the MSMED Act .	Nil
			Nil
	(d)	Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms.	Nil
			Nil
	(e)	Total interest accrued during the year and remaining unpaid.	Nil
			Nil
	This information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
C.4	Consolidated Segment Report is presented in Annexure 2		
C.5	Financial information regarding the subsidiary/joint ventures is given in Annexure 3.		
C.6	In the case of GAPL, secondary geographical segment as required under Segment Reporting, has not been identified. Hence this is grouped as Domestic business.		
C.7	<p>The subsidiary company GAPL had marketing arrangements with M/s Goa food & Pharma (P) limited. The party owes the company an amount of ₹ 8.50 Cr as per the terms of Arbitration Award out of which ₹ 4.13Cr is towards substantive claims and ₹ 4.37 Cr towards interest.</p> <p>Provision for bad debts amounting to ₹2.65 Cr only is made towards interest. In case of two other parties M/s Emcee Enterprises and M/s Madhur Pharma, also the Company has preferred an appeal against them for recovering dues amounting to ₹ 55.27 lacs and ₹ 15.05 lacs respectively. No provision for bad debts has been created for the same.</p>		

C.8	GAPL has taken on sub-lease, two factories at Ajmer and Jaipur in Rajasthan for manufacture of Ayurvedic and Homeopathic products. The company accounts for all purchases and all expenses based on statements provided.
C.9	The consolidated Contingent liabilities forming part of the financial statements, is presented in Annexure 3.
C.10	On the land leased by Government of Goa in Survey no 47/0 of Village Tuem, over a period it is noticed that there are about 40 encroachments reported as on Balance Sheet date. The Company has taken up the matter with the Revenue /Appropriate Authorities for eviction of these illegal structures, encroaching around 15000 Sq.meter area.
C.11	Figures of the previous year have been rearranged and regrouped wherever necessary to suit current year's requirements and rounded off to the nearest Lacs.
C.12	Additional information as required under Schedule III of the Companies Act, 2013, of entities consolidated as Subsidiaries / Joint Venture is presented as Annexure -IV

Annexure1 Significant Accounting Policies of Parent Company	
Sl. No.	Particulars
	Corporate information
	HLL Lifecare Limited, incorporated in the year 1966, is a MiniRatna Enterprise, fully owned by Government of India, domiciled in India and governed by the provisions of the Companies Act, 2013. HLL Lifecare Ltd was converted into a Public Limited Company with effect from 21st February 2012. The company is engaged in the manufacturing and marketing of a range of Contraceptive products, Hospital products, Women Health Pharma products, providing Consultancy & Contract services for healthcare infrastructure, Procurement and Diagnostic services. The company caters to both domestic and international markets.
1	Significant accounting policies
	The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013 besides the pronouncements/guidelines of the Institute of Chartered Accountants of India. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years, unless specified separately.
1.1	Use of estimates
	The preparation of the financial statements, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialized.

1.2	Fixed Assets
	<p><u>Tangible Assets</u> Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes all incidental expenditure net of CENVAT credit wherever applicable. Revenue expenses incurred for identification of new projects/ new line of businesses are treated as capital work in progress. This will be absorbed into the project cost in the first year of commencing the business. If the new project/ new line of business do not materialize within a period of three financial years, the entire expenses shall be charged to Revenue in the 3rd year. The cost of fixed assets includes interest on borrowings (calculated at the weighted average rates) and administrative expenses specifically attributable to the acquisition of fixed assets. Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on the completion of construction. In respect of Pharmaceutical manufacturing facility, expenditure incurred are included under Capital Work in Progress till the validation process is completed.</p> <p><u>Intangible Asset</u> a) Cost of computer software and License fee incurred from 1.4.2003 are classified as intangible assets.</p>
1.3	<u>Trade Mark Expenses</u>
	<p>Expenses incurred on trade mark registrations will be treated as Capital work in progress and will be capitalized under 'intangible assets' when licenses are received. Subsequent expenditure incurred on those licences will be recognized as revenue expenses in the period in which such expenses are incurred.</p>
1.4	<u>Method of depreciation/Amortization</u>
	<p>Depreciation on tangible assets has been made in line with the requirement under Schedule II of the Companies Act 2013. Further, Depreciation has been charged on straight line method for all assets under Plant & Machinery and written down value method for other assets (other than intangible asset and lease hold assets) so as to write off the cost of the assets after retaining residual value of 5% of the cost, over the useful lives of the assets prescribed in the Act, except for those assets whose useful lives are determined based on any technical advice.</p> <p>Components of main assets were identified and determined separately, if they have a useful life that is materially different from that of the principal asset. 10% of original cost of the principal asset has been considered as threshold limit to determine whether component is material or not.</p> <p>With respect to Leasehold Assets, depreciation/amortization has been charged on straight line method over the primary period of lease or over the specified period, whichever is shorter. Depreciation/amortization in respect of leasehold</p>

	<p>improvements is provided on the straight line method over the primary period of the lease.</p> <p>The cost of computer software other than ERP Software Solution is amortized equally over a period of 3 years , whereas ERP software solution is amortized over a period of 8 years on pro-rata basis. License fee paid is amortized equally over the agreement period.</p> <p>Additions to Fixed Assets from 01.04.1993, costing Rs.5000/- each or less are fully depreciated during the year of purchase, irrespective of the date of addition retaining the residual vale of assets.</p> <p>Machinery spares acquired with the equipment are depreciated using the same rates and method applicable for the original machinery. In the case of Machinery spares procured separately for future use, rate equivalent to accumulated depreciation for the expired life of the relative machinery are charged in the year of acquisition along with depreciation for the year.</p> <p>Trade Mark expenses are amortized over a period of 5 years from the date of recognition of intangible asset.</p>
1.5	Leases
	<p>Fixed Assets acquired and given on lease are shown as part of fixed assets. In regard to operating leases, rentals are expensed with reference to terms of the lease agreement.</p> <p>Lease rental income is accounted on accrual basis.</p>
1.6	Impairment of assets
	<p>Impairment of assets is recognized when there is an indication of Impairment. On such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to recoverable amount.</p>
1.7	Investments
	<p>Investments are stated at cost less provision for diminution other than temporary, if any.</p>
1.8	Inventories
	<p>The weighted average formula is used for the valuation of raw materials, stores and spares. Work-in-progress, materials in transit/under inspection is carried at actual process cost. Unused Loose Tools are revalued every year taking into account the useful life of the tools and carried at the revalued cost. Finished goods manufactured/goods purchased for trading are valued at lower of cost/net realizable value, including excise duty, wherever applicable. Manufactured / traded finished goods in stock whose shelf life expires within three months from the Balance Sheet date are taken at NIL value.</p>

1.9	Cash and cash equivalents (for purposes of Cash Flow Statement)
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
1.10	Cash flow statement
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on audited financial statements.
1.11	Revenue recognition
	Sales comprise of value of sale of goods (net of returns) excluding sales tax and discounts but including excise duty. Insurance claims are accounted on receipt basis. Interest on investments is booked on a time proportion basis taking into account the amounts invested and the fixed rate of interest. Revenue from services business is recognized on accrual basis. Revenues from maintenance contracts are recognized pro rata over the period of the contract. Revenue from Infrastructure - development division and Procurement Consultancy division related activities are recognized as follows:
	a) In case of turnkey contracts ,on the basis of progress billing to the contract value under survey method.
	b) In the case of other contracts, on the basis of completion of obligation as per the terms of contract with the agencies concerned.
1.12	Other Operating Revenues
	The revenue against realization of waste latex, empty drums, rejected products and other scrap items are accounted on cash basis. Duty drawback/export incentive in respect of export sales are accounted in the year of export. The realization in respect of obsolete assets/materials written off is accounted on cash basis.
1.13	Other Income
	Interest income if any for delayed realization from sundry debtors as stipulated in invoices is not recognized, unless realized. Income other than the above are accounted on accrual basis.

1.14	Foreign currency transactions and translations
	<p>Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of transactions. Foreign currency receivables/payables are translated at the exchange rates as on the Balance Sheet date. Gain or losses arising out of such transactions are adjusted to the statement of Profit and Loss.</p> <p>Premium or discount on foreign exchange forward contracts booked for hedging existing assets/liabilities are amortised and recognised in the statement of profit and loss over the period of the contract. Foreign exchange forward contracts outstanding as at the year end on account of firm commitment transactions are marked to market and the losses, if any are recognised in the statement of profit and loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on Accounting of Derivatives issued in March 2008.</p>
	<p><u>Treatment of exchange differences</u></p> <p>Exchange differences on translation or settlement of long term foreign currency monetary items (i.e., whose term of settlement exceeds twelve months from the date of its origination) at rates different from those at which they were initially recorded or reported in the previous financial statements, in so far as it relates to acquisition of depreciable assets are adjusted to the cost of the assets as per GOI notification dated 31.03.2009 and 29.12.2011 and this will be amortized over the remaining life of the Asset.</p>
1.15	Government grants
	<p>a) Grants in the form of investment subsidy are credited to separate reserve.</p> <p>b) Revenue grants/subsidy (other than product subsidy) relating to sales are disclosed separately under other operating revenues, whereas product subsidy is disclosed under sales and services.</p>
1.16	Employee benefits
	<p>a) Gratuity and Leave Encashment</p> <p>The Gratuity liability and Leave Encashment liabilities are determined under separate group schemes maintained with LIC of India. The liabilities towards these schemes are estimated yearly, based on actuarial valuation.</p>
	<p>b) Voluntary Retirement Benefits</p> <p>The entire liability on account of payments under VRS, if any is charged off to the Profit and Loss Account in the same year.</p>
	<p>c) Post Employment Medical Benefits</p> <p>The Employees (including their spouse) on the rolls of the Company from 01.07.2005 are covered under Group Medical Insurance Scheme maintained with Insurance Company.</p>

	d) Bonus/ Performance Related Payment
	Provision for bonus for the employees is made on the basis of Productivity Linked Incentive Scheme as per the Long Term Agreement entered into with the recognized trade unions. Executives at the Board level and below the Board level are covered for Performance Related Pay (PRP) as per the guidelines issued by the Department of Public Enterprise.
	e) Pension Scheme
	Company has introduced a contributory pension scheme from 1-4-2011 for the permanent employees who are on the rolls of the company as on 9-10-2012. Company contributes 3% of basic plus DA with a matching contribution from employees. The pension scheme is managed by LIC of India.
	f) Encashment of Half Pay Leave on Superannuation
	Company has introduced (w.e.f 15.05.2014) the facility of encashment of Half Pay leave to the permanent employees at the time of superannuation, subject to an overall ceiling of 300 days along with Earned Leave. The liability towards the same has been estimated and provided for in the statement of profit and loss.
1.17	Borrowing costs
-	The borrowing cost incurred / attributable to the acquisition for the purpose of obtaining a qualifying asset is capitalized. Interest on loan taken specifically for the acquiring assets and the interest thereon are proportionately allocated to respective assets based on asset value.
1.18	Segment reporting
	<p>The Company has identified its reportable segments for Segment Reporting, in accordance with Accounting Standard 17, as Contraceptive Products, Healthcare Products, Trading Products, Services and Contracts which are the primary groups. In addition, the following specific accounting policies have been followed for Segment Reporting.</p> <p>(a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment, including inter segment revenue.</p> <p>(b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment results. Expenses which relate to the company as a whole and not allocable to segments are included under "Unallocable expenditure".</p> <p>(c) Income which relates to the company as a whole and not allocable to segments is included in "Unallocable Income".</p> <p>(d) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable Corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.</p>

1.19	Taxes on income
	<p>Provision for current Tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961</p> <p>Deferred Tax resulting from timing difference between book and taxable profit for the year is accounted for using the Tax rates and laws that are applicable as on the Balance sheet Date .The deferred Tax asset is recognized and carried forward only to the extent there is a reasonable certainty of its realization in future.</p> <p>Minimum Alternative Tax (MAT) paid in accordance with the provisions of Income Tax Act 1961, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as asset in the balance sheet.</p>
1.20	Research and development expenses
	Capital expenditure on Research and Development is treated in the same manner as Fixed Assets. The revenue expenditure on Research and development is charged off in the year in which it is incurred.
1.21	Provisions and contingencies
	<p>A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.</p> <p>Contingent liabilities are disclosed separately. Contingent assets are neither recognized nor disclosed in financial statement.</p>
1.22	Prepaid Expenses
	Prepaid expenses of items of ₹10000/- each and below are charged off to the revenue.
1.23	Prior Period Expenses/Income
	Income and expenditure relating to prior period exceeding ₹25000/- in each case only is accounted under prior period.
1.24	General Stores/Spares/ Raw Materials/ Finished Products
	The provision for loss if any in respect of slow moving items of materials/finished products are accounted after obtaining the technical opinion regarding the usability/marketability.
1.25	Classification of Assets and Liabilities as Current and Non-Current
	All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current or non-current classification of assets and Liabilities.

Annexure II -- Referred to in Note No B.7						
Disclosure Under Accounting Standard - 17 SEGMENT REPORTING (CONSOLIDATED)						
	Particulars					₹. Lacs
1. Primary Segment Information						
Segment Revenue						
	Contraceptives	Health Care	Trading	Procurement and consultancy services	Contract Services	Total
Net Sales & Services	42,058.43	28,714.30	15,394.50	18,700.60	6,538.72	111,406.54
Other Unallocable Revenue						2,145.44
Total						113,551.98
Capital Employed						
	Contraceptives	Health Care	Trading	Procurement and consultancy services	Contract Services	Total
						-
Profit before Interest & Tax	7,009.94	754.17	1,029.16	3,201.33	1,328.18	13,322.77
Less:- Interest	-	-	-	-	-	2,940.78
Less: Other unallocable expenditure	-	-	-	-	-	6,298.34
Prior period items			-	-	-	0.47
Add:-Other unallocable income			-	-	-	119.28
Profit before tax	7,009.94	754.17	1,029.16	3,201.33	1,328.18	4,202.47
	Contraceptives	Health Care	Trading Products	Procurement and consultancy services	Contract Services	Total
Capital Employed						
Allocated Fixed Assets (a)	17,289.44	33,976.42	1,114.22	1,990.88	0.75	60,751.54
Allocated Current Assets (b)	42,672.69	30,629.34	15,619.33	19,020.97	6,634.21	114,576.56
(a+b)	59,962.13	64,605.76	16,733.55	21,011.86	6,634.96	175,328.10
Allocated Current Liabilities	18,502.72	16,086.17	6,772.49	8,208.77	2,876.57	52,446.71
Capital Employed Allocation	41,459.41	48,519.59	9,961.07	12,803.09	3,758.39	122,881.39
Unallocable portion of Capital Employed						(63,903.91)
Total Capital Employed						58,977.48
2. Secondary Segment Information - Geographical Revenue						
India						102,719.57
Outside India						10,832.40
						113,551.98
Capital Employed						
India						58,353.32
Outside India						624.16
						58,977.48
For and on behalf of the Board				Vide our report of even date attached For M/s Abraham & Jose Chartered Accountants Firm No. 000010S		
sd/-	sd/-	sd/-	sd/-	sd/-		
Dr. M.Ayyappan Chairman & Managing Director	Dr.Babu Thomas Director (Marketing)	P. Sreekumar Company Secretary & SVP(HR)	R.Ganesan SVP(F) & CFO	CA.Mukesh K.P Partner Membership No: 214773		
Newdelhi 26.05.2016						

ANNEXURE III NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016 (REFER NOTE C.9)

Contingent liabilities and commitments (to the extent not provided for)	2015-16	2014-15
	₹ lacs	₹ lacs
(I) Contingent Liabilities		
(i) Income Tax (a) Income Tax demands against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal and exclusive of the similar matters in respect of pending assessments and interest.	268.63	344.57
(b) Sales Tax Claims against the Co. not acknowledged as debt	430.02	702.08
(ii) Claims against the Company not acknowledged as debts	9,442.71	5,426.23
(iii) Guarantee	-	
(a) Company's guarantee for Employees Housing Loan for Officers	1.07	0.53
(b) Company's guarantee for Employees Housing Loan for others	0.95	2.73
(iv) Bank Guarantees to Govt. Departments. (Net of Margin Money)	4,552.35	363.09
(v) Bank Guarantees to others(net of margin money)	560.54	3,091.83
(vi) Corporate Guarantees issued	3,979.94	2,579.94
(vii) Letter of Credits (net of Margin Money)	397.77	789.28
(viii) Provision for Customs Duty	38.02	53.10
(ix) Bond cum legal undertaking in favour of Cochin Special Economic Zone Encumbrance/Amount payable, existing on the property acquired in auction.	-	
(x)	465.92	465.92
(xi) Rate increase of chartered contract Bus services- NWKRTC Hubli.	3.13	
TOTAL	20,137.92	13,819.30
(II) Commitments		
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	17,715.57	20,140.14
(ii) Pending rebate claim for which appeals filed	41.40	6.00
(iii) Capital Work in Progress for Training Hall	35.00	
TOTAL	2,329.84	20,146.14
GRAND TOTAL	22,467.77	33965.44
Notes:		

"Contingent liability has been calculated as Principal plus Interest @ 12% p.a. The claims made by the claimants have ranged from 8-24%. However, keeping in view the statutory interest levies like Income Tax and principle of Natural Justice, the rate of interest for all claims have been taken @ 12% p.a. in cases where the interest is above 12% p.a.

Ministry has recently sought recovery from HLL towards rate difference, amounting Rs.19.56 crore towards condoms for the years 2012-13 & 2013-14, Rs.5.22 crore towards Emergency Contraceptive Pills for the years 2008-09 to 2011-12 and Rs.5.87 crore towards Pregnancy Test Kit for the year 2014-15.

Annexure IV: Additional Information as per Schedule III of Companies Act, 2013 of Subsidiaries & Joint Venture (Refer Note. C.12)

Name of Entity	Net Assets ie, Total assets-Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (in lacs)	As % of Consolidated Profit or Loss	Amount (` in lacs)
Parent				
HLL Lifecare Limited	66.10	54,739.20	90.31	2,888.27
Subsidiaries (Indian)				
HLL Biotech Ltd	33.10	27,407.85	(1.96)	-62.63
HLL InfraTech Services Ltd	0.09	77.66	3.64	116.46
Goa Antibiotics & Pharmaceuticals Ltd	0.77	641.52	7.69	245.98
Joint Venture				
Life Spring Hospitals (P) Ltd	(0.07)	(57.75)	0.31	10.04
Total	100.00	82,808.48	100.00	3,198.11
(a) Adjustments arising out of consolidation		(28,326.56)		(28.07)
(b) Minority Interest		(151.07)		(63.95)
Consolidated Net Assets/Profit after tax		54,330.85		3,106.09
For and on behalf of the Board	Vide our report of even date attached For M/s Abraham & Jose Chartered Accountants Firm No. 000010S			
sd/- Dr. M.Ayyappan Chairman & Managing Director	sd/- Dr.Babu Thomas Director (Marketing)	sd/- P. Sreekumar Company Secretary & SVP(HR)	sd/- R.Ganesan SVP(F) & CFO	sd/- CA.Mukesh KP Partner Membership No: 214773
New Delhi 26.05.2016				

Annexure V : Additional Informationn as per Companies Act ,2013
(pursuant to section 129 (3) (1) read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

PART "A" SUBSIDIARIES (FY 2015-16)

Rs. In Lacs

	Name of the subsidiary company	Goa Antibiotics & Pharmaceuticals Limited	HLL Infra Tech Limited	HLL Bio Tech Limited
1	Reporting Currency	INR	INR	INR
2	Share Capital	1,902.00	5.00	27,489.00
3	Reserves & Surplus	(1,260.48)	72.66	(81.15)
4	Total Assets	3,406.61	7,174.62	31,791.90
5	Total Liabilities	3,406.61	7,174.62	31,791.90
6	Investments	0.25	-	-
7	Turnover	5,059.06	1,953.81	5.76
8	Profit Before Tax	376.70	174.97	-66.52
9	Provision for Tax	160.00	58.56	-
10	Profit/loss After Tax	245.98	116.46	-62.63
11	Proposed Dividend	Nil	Nil	Nil
12	Percentage of Shareholding	74%	100%	100%

Names of subsidiaries which are yet to commence operations:

Nil

Names of subsidiaries which have liquidated or sold during the year:

None

PART "B" ASSOCIATES & JOINT VENTURES

Name of Joint Venture Company : Life Spring Hospital (P) Limited

1	Latest audited Balance Sheet Date			31.03.2016
2	No. of shares of Associate / Joint Ventures held by the company on the year end			7,834,188
3	Amount of Investment in Associates/Joint Ventures			783.42
4	Extend of Holding %			50%
5	Description of how there is significant influence	50% Equity Share holding and equal Board representation along with Acumen		
6	Reason/why the associate /joint ventuure is not consolidated			N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet			(115.49)
8	Profit/Loss for the year			20.07
	(i) Considered in Consolidation			10.04
	(ii) Not Considered in Consolidation			10.04

For and on behalf of the Board

Vide our report of even date attached

For M/s Abraham & Jose
Chartered Accountants
Firm No. 000010S

sd/-
Dr. M.Ayyappan
Chairman
& Managing Director

sd/-
Dr.Babu Thomas
Director (Marketing)

sd/-
P. Sreekumar
Company Secretary
& SVP(HR)

sd/-
R.Ganesan
SVP(F) & CFO

sd/-
CA.Mukesh KP
Partner
Membership No: 214773

New Delhi
26.05.2016