



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

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/-	sd/-	sd/-	sd/-	sd/-
Dr. M.Ayyappan	Dr. Babu Thomas	P. Sreekumar	R. Ganesan	CA. Mukesh K.P
Chairman & Managing Director	Director (Marketing)	Company Secretary & SVP(HR)	SVP(F) & CFO	Partner Membership No: 214773

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 Equitable Mortgage as collateral over the land with building at Poojappura.Trivandrum	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
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 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 Interest accrued and due on the above loans is 25.36 ₹ lacs	817.38	1,592.97	825.90	2,389.40
		174.37	339.82	176.19	509.73
	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