

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

Particulars	Included in notes to financial statements	₹ Lacs					
		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	Method of depreciation/Amortization
	<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>