

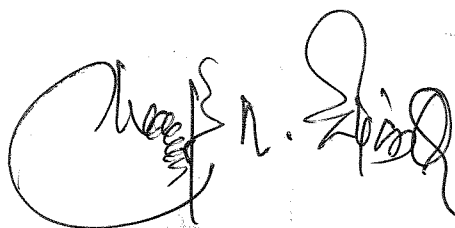
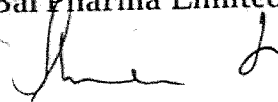
FORM-A

Covering letter to the Annual Audit Report to be filed with the Stock Exchanges.

1	Name of the Company	Bal Pharma Limited
2	Audited Financial Statements for the year ended	31.03.2015
3	Type of Audit Qualifications	Unqualified
4	Frequency of observations	Not Applicable

For TD JAIN and DI SAKARIA
Chartered Accountants
Firm Registration Number : 0024915

For Bal Pharma Limited

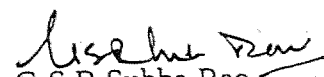


Dhanpal I Sakaria
Partner
Membership No. 213666
Place: Bangalore
Date: 29/05/2015.

Shailesh Siroya
Managing Director

Murali.V

AVP Finance


Dr.G.S.R Subba Rao
Chairman -Audit
Committee.

28TH ANNUAL REPORT 2014-15

Your Preferred
Partner in
**QUALITY
HEALTH
CARE**



Bal Pharma Limited

**Board of Directors**

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

Company Secretary & Compliance Officer :

Mr. Sanjay Kumar Agarwal (From 13.8.2015)

Mr. Murali.V (Up to 9.7.2015)

Bankers

Canara Bank
Punjab National Bank
EXIM Bank
Corporation Bank

Plant Locations**Unit 1 : Formulations**

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

Unit 2 : API's

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

Unit 3 : Parenterals

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

Unit 4 : Formulations

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

Unit 5 : API's and Intermediates

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

Statutory Auditors

M/s. TD Jain & DI Sakria
Chartered Accountants

Internal Auditors

M/s. Abhishek Jain & Dheeraj Bafna
Chartered Accountants

Cost Auditor

Mr. M. R. Krishnamurthy
Cost Accountants

Secretarial Auditors

Mr. Parameshwar.G.Bhat
Practising Company Secretary

Registrar & Share Transfer Agent

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

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

ORDINARY BUSINESS

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

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

8. **To ratify the remuneration fixed by the Board of Directors to Mr. M.R Krishna Murthy, Cost Auditor, appointed for the year 2015-16 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 be paid the remuneration as set out in the statement annexed to the notice convening this Meeting.

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

By the order of the Board of Directors

Place : Bangalore
Date : 13th August 2015

Shailesh D Siroya
Managing Director



NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll instead of him / her. A proxy need not be a member of the Company. Proxy, in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy Form is forwarded as detachable part of Annual Report.
2. Dividend, if any, that may be declared at the Meeting will be paid on or before 14.10.2015 to those Members entitled there to, whose names appear in the Register of Members of the Company at the close of business hours on 17th September 2015 and for those holding the Shares in demat mode, the dividend will be paid to the Members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners on that date and the bank particulars registered with the respective Depository Accounts will be used for this purpose.
3. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2015 to 22nd September, 2015 (both days inclusive).
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID numbers for easier identification of attendance at the Meeting and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
8. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the Meeting, so that, the required information can be made available at the Meeting.
9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent; TSR Darashaw Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
10. Members holding more than one Share Certificate in different folios are requested to apply for consolidation of the folios and send the relative Share Certificates to the Company's Registrar and Share Transfer Agent, TSR Darashaw Limited, # 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011.
11. Members are requested to bring Annual Report 2014-15 along with them to the Annual General Meeting, since extra copies will not be supplied at the Meeting.
12. Electronic copy of the Annual Report 2014-15 is being sent to all the Share holders, whose email ID's are registered with the Company/D.P for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of Annual Report 2014.15 is being sent. Soft copy of the Annual Report along with the notice for the Meeting will also be available on the Company's website www.balpharma.com for their download. Members who desire to get the printed version of the Annual Report may get the same free of cost, upon making a request for the same.
13. Pursuant to Section 205 A of the Companies Act, 1956, as amended, any money transferred to Unpaid Dividend Account and remaining unclaimed for a period of 7 (Seven) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, and thereafter, the Shareholders shall not be able to claim any Unpaid Dividend amount from the Company. The Company has since transferred the amount lying in the credit of Unpaid Dividend Account for the financial year 2007-08 to Investor Education and Protection Fund as stipulated under Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The members who have not encashed the Dividend Warrants for the financial years 2007-08 on wards are requested to write to the Company directly or to TSR Darashaw Limited, the Registrar and Share Transfer Agents of the Company.
14. The Members may now avail of the facility of nomination, by nominating in the prescribed form, a person to whom your shares in the Company shall vest in the event of death of the member. Interested members may write to the Company's Registrar & Share Transfer Agent for the prescribed form.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agents, TSR Darashaw Limited.
16. As regards to re-appointment of Mrs. Sarika Bhandarias independent Director, referred to in item No. 5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

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



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

17. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing to its members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL)

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Open email and open PDF file viz; "Bal Pharma e-Voting.pdf" with your Client ID or Folio No. as password.

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

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" (E-Voting Event Number) of Bal Pharma Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to parameshwar@vjkt.in or secretarial@balpharma.com with a copy marked to evoting@nsdl.co.in

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

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

Other Instructions:

- (i) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- (iii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (iv) The e-voting period commences on 19th September, 2015 (9:00 am) and ends on 21st September, 2015 (5:00 pm). During this period, share holders' of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of 15.09.2015, may cast their vote electronically.

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

- (v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 15th September, 2015.
- (vi) If the share holder exercises his vote both electronically and physically, then the vote cast by him electronically will supercede.
- (vi) Mr. Parameshwar G Bhat, Practising Company Secretary (Membership No. 25167) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



(vii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

(viii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.balpharma.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and also communicated to BSE and NSE.

(ix) Further, members may note the following:

- a. Remote e-voting shall not be allowed beyond the said date and time.
- b. The Company is providing facility to vote on a poll to the members present at the meeting.
- c. The members who have casted their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
- d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the

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

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

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

By the order of the Board of
Directors

Place : Bangalore
Date : 13th August, 2015

Shailesh D Siroya
Managing Director



Annexure to Notice

Explanatory statement pursuant to Section 102 (I) of the Companies Act, 2013:

Item No. 5:

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

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

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

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

Item No. 6:

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

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

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

Item no 7:

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

Brief resume of Mrs. Sarika Bhandari, nature of her expertise in specific functional areas and names of Companies In which she holds Directorships and Memberships / Chairmanships of Board Committees, Share holding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

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

The Resolution seeks the approval of Members.

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

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

Item No. 8:

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

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

By the order of the Board of Directors

Place : Bangalore
Date : 13th August, 2015

Shailesh D Siroya
Managing Director



To the Members,

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

FINANCIAL RESULTS

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

(` in Crores)

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

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

2. DIVIDEND & APPROPRIATIONS

Your Directors are pleased to recommend dividend of ` 1.00/- (i.e. 10%) on each Equity Share of ` 10/- each, thereby absorbing an amount of ` 1.28 Crores excluding Dividend Distribution Tax of ` 0.26 Crores. The balance amount of profit is retained as surplus

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

3. SHARE CAPITAL:

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

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

4. MANAGEMENT DISCUSSION AND BUSINESS ANALYSIS:

Indian Pharmaceutical Industry scenario and opportunities:

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

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

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

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



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

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

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

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

5. BUSINESS OPERATIONS

(i) Turnover and Net profit:

During the financial year 2014-15, your Company has achieved a gross turnover of ` 190.67 Crores as against ` 182.01 Crores achieved during the previous financial year, thus registering a top line growth of 5%.

The net profit after tax of the Company during the financial year 2014-15 stands at ` 4.02 Crores as against the net profit of ` 5.07 Crores achieved in the previous financial year, 2013-14. The decline in profits is due to additional provision for depreciation of ` 1.73 Crores, which was resented as for Schedule II of Companies Act, 2013.

(ii) Formulations' Business:

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

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

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

(iii) Bulk Drug Business:

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

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

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

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

(iv) Export Performance:

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

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

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

(v) Domestic Performance:

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

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

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

There are no material changes and commitments between the end of the Financial Year and the date of the Report, which affect the financial position of the Company.

7. RESEARCH & DEVELOPMENT

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

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