

ase

Ambalal Sarabhai Enterprises Limited

**38th Annual Report
2015-16**

Board of Directors

Mr. Kartikeya V. Sarabhai
Chairman & Whole-time Director

Mr. B.V. Suryakumar

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. K. Mohandas

Mr. Ashwin P. Hathi

Ms. Chaula Shastri
Whole-time Director

Mr. Chandrashekhar Bohra

Company Secretary
Mr. Ketan Adhvaryu

Auditors

M/s. Sorab S. Engineer & Co.
Chartered Accountants
Ismail Building
381, Dr. D. Naorji Road
Fort, Mumbai-400 001

Registered Office :
Shanti Sadan
Mirzapur Road,
Ahmedabad-380 001

INDEX

Notice - - - - -	02
Directors' Report and its Annexure - - - - -	05
Auditor's Report - - - - -	25
Balance Sheet - - - - -	29
Statement of Profit and Loss - - - - -	30
Notes to the Accounts - - - - -	31
Cash Flow Statement - - - - -	44
Statement regarding Subsidiaries Form AOC-1 - - - - -	45
Consolidated Auditors Report - - - - -	47
Consolidated Financial Statements - - - - -	51
Consolidated Cash Flow Statement - - - - -	66

ase

Notice

Notice is hereby given that the Thirty-eight Annual General Meeting of the Company will be held on Thursday, the 29th September, 2016 at 10.30 a.m. at the auditorium of Ahmedabad Textile Mills Association (ATMA), Opp. Citigold Cinema, Ashram Road, Ahmedabad-380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March 2016, together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Miss Chaula Shastri (DIN:06404118) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:

Resolved that pursuant to provisions of section 139 of the Companies Act, 2013, and rules made thereunder, M/s. Sorab S Engineer & Co., Chartered Accountants, Mumbai, be and are hereby reappointed as Auditors of the Company to hold their office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration (including out of pocket expenses) as may be decided by the Board of Directors in mutual consultation with the said Auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED that pursuant to the provisions of section 13 of the Companies Act 2013, and Companies (Incorporation) Rules, 2014, and subject to approval of Central Government, the name of the company be changed from AMBALAL SARABHAI ENTERPRISES LIMITED

TO

SARABHAI LIMITED

or any other name as may be suggested, modified and granted for reservation by Registrar of Companies.

Resolved further that any one of Shri A H Parekh, Miss Chaula Shastri, directors of the Company or Mr. Ketan Adhvaryu, Company Secretary be and

are hereby severally authorised on behalf of the Company to make application alongwith requisite documents to Central Government and to do all other acts and deeds as may be necessary in obtaining approval to the said change of name and giving its effect on Memorandum and Articles of Association of the Company and all the stationeries including letterheads, signboards, rubberstamps, common seal of the company and intimating about the said change of name to Stock Exchange, Government Departments, Shareholders and all other Stakeholders of the company.

By Order of the Board of Directors,
Ketan Adhvaryu
Company Secretary

Date : 12.8.2016

Place : Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26-9-2016 to 29-9-2016 (both days inclusive).
3. Members who hold equity shares in dematerialized form are requested to bring their DPID and client ID numbers for easy identification of attendance at the meeting.
4. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer / transmission of shares in physical form. Therefore, the transferee(s) / legal heirs are requested to furnish copy of their PAN to the Registrar and Share Transfer Agents - MCS Limited.
5. The information relating to appointment/ re-appointment of Directors, as required to be given pursuant to the SEBI Regulations is given in Annexure A to the Explanatory Statement.
6. In accordance with MCA circular No. 18/2011 dated 29-04-2011, members who desire to receive their copy of Annual report through email, may register their email address to the Company Secretary at ketanadhvaryu@sarabhai.co.in or to our Registrar at mcsltbaroda@gmail.com.

Voting through electronic means:

The Company offers voting facility to members as per section 108 of the Companies Act, 2013 and Companies

(Management and Administration Rules)2014.

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on 26th September, 2016 at 10.00 a.m. and ends on 28th September, 2016 at 5.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2016., may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical form should enter folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical shareholders.) • Members who have not updated their PAN with the Company Depository Participant are requested to use the sequence number which is printed on attendance slip indicated in the PAN field.
Dividend Bank Details OR DOB	Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login If both the details are not recorded with depository or company please enter the member id/folio number in the dividend bank details field as mentioned in Instruction (iv).

- (viii) After entering these details appropriately. Click on 'SUBMIT' tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also

used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN of Ambalal Sarabhai Enterprises Limited.
 - (xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.
 - (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, Click on "OK", else to change your vote, click on 'CANCEL' and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
 - (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on forgot password and enter the details as prompted by the system.
 - (xviii) shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store. Please follow the instructions as prompted by the mobile app while voting on the mobile.
- Note for Non-Individual Shareholders and Custodians.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting @cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting , you may refer to the frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com. Under help section or write an email to helpdesk.voting@cdslindia.com

SECTION B - E-VOTING INSTRUCTIONS

- i The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii CS Ajay Parikh & Associates, Practising Company Secretary (Membership No: FCS 6075; CP No:6503, C-4, Yashpal Apartment-2, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad-380 009 has been appointed as Scrutinizer to scrutinize the e-voting Process.
- iv 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 favour or against, if any and submit forthwith to the Chairman of the Company.
- v. The Results shall be declared within 3 days of the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> and communicated to the BSE Limited , where the shares of the company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.

Company : Ambalal Sarabhai Enterprises Limited Regd. Office: Shanti sadan, Mirzapur Road, Ahmedabad-380001 Gujarat, India.

CIN: L52100GJ1978PLC0003159

E-mail ID: ketanadhvaryu@sarabhai.co.in
Registrar and Transfer Agent : MCS share Transfer Agents Limited

e-Voting Agency : Central Depository Services (India) Limited

E-mail ID: helpdesk.evoting@cdslindia.com,
Scrutinizer : CS Ajay Parikh & Associates, Practising Company Secretary

E-mail; ID : ajay_ajay21 @yahoo.com

Explanatory Statement pursuant to section 102 of the Companies Act 2013:

Your Company is a flagship company of wellknown Sarabhai group. Sarabhai is a family name which become wellknown in Industrial field due to establishment of various pharma and related industries by late Shri Ambalal Sarabhai and his son Dr. Vikram Sarabhai , a renowned Scientist. Thus the name Sarabhai is wellknown in pharmaceutical Industry for last more than 50 years. Sarabhai word and Sarabhai logo both are registered housemarks of your company. The products of the company are very well known by the name Sarabhai. Since the whole group is better known by the word Sarabhai in Industry and overall market, It is thought fit by the Board to change the name of the Company to "Sarabhai Limited". The Company has applied for reservation of name from the Registrar of Companies, Gujarat

The change of name is subject to approval of Central Government and passing of this resolution as SPECIAL resolution as required under provisions of Section 13 of the Companies Act, 2013.

None of the directors is concerned or interested in this Resolution.

By Order of the Board of Directors,
Ketan Advharyu
Company Secretary

Date : 12.8.2016

Place : Ahmedabad

Details of the Director(s) seeking re-appointment / Appointment at the thirty eight Annual General Meeting (In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director(s)	Ms. Chaula Shastri
Date of Birth	19-1-1959
Date of Appointment	16-10-2012
Experience in Specific Functional Areas	Having good experience in Administration, legal, Communication, Public Relation and liaisoning with people from different segment.
Qualification	B.Com. LL.B, Diploma in Business Management
List of Directorships	(1) Swetsri Investments Pvt. Ltd. (2) Haryana Containers Ltd.
Chairman /Membership of the Committees of the Board of Directors of the Company	NIL
Shareholding in the Company	NIL

Directors' Report

To
The Shareholders

The Directors hereby present their 38th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2016.

	(Rs.lakh)	
	2015-16	2014-2015
Turnover(Net)	699	1524
Other Income	9594	1417
Total Income	10293	2941
Financial Cost	199	791
Depreciation	1462	336
Profit/Loss before Extra		
Ordinary Income	5768	(915)
Profit/ (Loss) before taxation	5768	(915)
Net Profit/ (Loss)	4568	(915)

Your directors regret their inability to recommend payment of any dividend in view of carried forward loss till the year.

Consolidated Results :

The Company has 9 wholly owned Subsidiaries and a joint venture company which exhibit consolidated results of total business activities of the group. These companies mainly operate in pharma sector except one viz. Systronics India Ltd which is in the electronics field.. The combined revenue from Operations gone up from 12450 lakhs to 13198 lakhs showing a growth of nearly 6% consequently the profit for the year came to Rs. 4810 lakhs

Pharma Formulations :

The Company continues to manufacture formulations under license and market these through established companies in the market. The Company also manufactures and sells a wide range of Formulation through its distributors.

Sarabhai Chemicals (India) Pvt. Ltd.(SCPL).

Sarabhai Chemicals Specialities, a division of SCPL has been marketing speciality Pharmaceutical products under its three sub-divisions namely Oncology, Infertility and Uro-gynaec. In spite of adverse market scenario, the company has achieved a turnover of Rs. 761 Lakhs

Asence Inc

Asence Inc, a wholly-owned subsidiary of the Company, incorporated in US, specializes in the supply of quality pharmaceuticals preparations (Finished Dosage Forms

and Active Pharmaceutical Ingredients) to international market. The company has achieved a turnover of Rs. 361.69 lakhs for the year.

Asence Pharma Pvt.Ltd., (Asence)

Asence, a wholly owned subsidiary of Asence Inc. has achieved gross turnover of Rs 3884.83 Lakhs with a net profit of Rs.94.69 lakhs for the year ended 31st March, 2016. Although the company could not achieve the expected growth in its sales during the year, It is expected to grow well in the current year by making full efforts to boost up the international as well as domestic sales.

Vovantis Laboratories Pvt. Ltd., (Vovantis)

During the year, the Company has observed about 16% growth in the operational revenue as compared to previous year. Direct Exports has grown up by about 93% over previous year which is contributing 48% in the total revenue whereas Indirect Exports has been marginally declined by about 14% which is contributing 44% in the total revenue. However, there is no significant change in Domestic Sales which is contributing about 8% in the total revenue. Many new customers have been approached to the Company for supply of existing products as well as for development of new Products in the form of Effervescent Tablets and Granules. As a result, Company could achieve considerable orders from market and booked significant growth in Sales. In view of expecting much more demand in future from the existing as well as new customers, Company is planning to enhance its production capacity by creating additional plant facilities near the existing plant.

Suvik Hitek Private Limited (Suvik)

Suvik, a wholly owned subsidiary of the Company, after starting new business activities of marketing Generics products with effect from 1st January 2015 has achieved a significant growth in its overall business. Suvik expects to achieve better results in the current year due to increase in turnover from Generics business.

In the year under review, Suvik achieved a turnover of Rs. 14.26 lakhs in comparison to Rs. 3.99 lakhs in last year. Consequently the Company has shown net profit of Rs. 3.90 lakhs for the year.

Bulk Drugs:

SYNBIOTICS LIMITED (Synbiotics)

Operations:

During the year under report, there has been an

increase of about 17% in the Turnover of the Company over the previous year. This has been mainly due to increased demand of the Company's product-Amphotericin Oral grade in the overseas market. Increased off take by overseas parties has also helped in stabilizing the demand for the Company's products. Company's manufacturing facilities have got recognition from overseas authorities and also received approval from PMDA [Japan], WHO-GMP, EU, and USFDA. Recently USFDA has made inspection of Company's manufacturing facilities and Company has made compliance of their observations. Company's R & D department is constantly working for improving yield of EP Grade product for which there is a good potential market both at domestic and international level. With the capital investment of Rs.100.00 lacs, Company expects additional turnover of about Rs.200 lacs during the year 2016-17 .

ELECTRONICS:

Systronics (Inda) Limited: (Systronics)

During the year under report, the turnover of Sytronic, a wholly owned subsidiary of the Company has increased from Rs 4808 lakhs to Rs. 5601 lakhs and its Net profit has shoot up from Rs. 41.03 lakhs to Rs 105.50 lakhs. In spite of stiff competition Systronics has performed well and it continues to explore the possibilities of expansion/diversification to achieve better growth.

CORPORATE GOVERNANCE ETC :

Pursuant to provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding Compliance of Conditions of Corporate Governance are made part of the Annual Report.

Subsidiaries :

The company has nine wholly owned subsidiaries and one joint venture company. The details of their performance are highlighted in this report. M/s. Swetsri Investments Pvt. Ltd. became wholly owned subsidiary of the company during the financial year.

Consolidated Financial Statement:

In compliance of the Accounting Standard AS-21 on Consolidated Financial Statements, the Consolidated Financial Statements, which form part of the Annual Report and Accounts, are attached herewith.

Directors and Key Managerial Personnel :

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Chaula Shastri, who retires by rotation and being eligible, offers herself for re-appointment.

There is no change in directors or Key Managerial personnel of the company.

Declaration by Independent Directors :

The Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

Annual Evaluation

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

Particulars of Loans, Guarantees or Investments

Information regarding loans, guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are detailed in the financial statements.

Related Party Transactions

Since all the related party transactions are carried out in

the ordinary course of business on arm's length basis such transactions entered into by the Company during the financial year did not attract the provisions of Section 188 of the Companies Act, 2013. There is no 'material' related party transaction. The details to be disclosed in Form AOC-2 is attached.

During the year 2015-16, pursuant to section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 all RPTs were placed before Audit Committee for its prior/omnibus approval.

Material Changes and Commitments

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Number of Meetings of the Board

There were 6 meetings of the Board held during the year. Detailed information is given in the Corporate Governance Report.

Extract of Annual Return

Extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in the prescribed form MGT-9 is annexed to this Report.

Policy on Director's Appointment and Remuneration and other details

The Company's policy on directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been followed by Nomination and Remuneration Committee while recommending appointment of Directors or Key Managerial Personnel. They have fixed criteria for appointment of directors and key Managerial Persons. Every year their performance is evaluated by the committee and accordingly suitable recommendation is made.

Internal Financial control systems and their adequacy

The company has an Internal control System commensurate with size, scale and complexity of its operations. During the year the company got its Internal Audit done through its own Internal Audit Department. This department works according to policies and rules framed to monitor and control Financial transactions within the company. Since the Company has its own Internal Auditor, it has not appointed any outside Auditor for Internal Audit work.

Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report which forms part of this report.

Auditors' Report and Secretarial Auditors' Report

Auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an annexure which forms part of this report. Regarding appointment of CFO, the Company is in the process of selecting a suitable person for the post of CFO, after resignation of last CFO. Since the company is not able to offer appropriate remuneration package to the suitable candidate due to its adverse financial condition, the process of appointment of CFO is still not finalised. However it is expected that CFO will be appointed soon by the company.

The Company has its own Internal Audit Department which takes care of Internal Audit work.

Risk Management

The Audit committee of the Company is assigned the task to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

Corporate Social Responsibility

The company was incurring losses for last many years, however due to income from sale of land, the company has shown profit of about Rs. 45.68 crores for the year under review and hence the provisions relating to Corporate Social Responsibility are attracted. Accordingly the Company has set up a committee of following directors to frame an appropriate policy to decide the programmes / activities to be undertaken by the Company towards it.

Mr. Kartikeya Sarabhai - Chairman

Mr. A. H. Parekh - Member

Mr. Ashwin Hathi - Member

The company shall spend 2% of average net profit of preceding three financial years towards CSR activities as may be decided by the committee during the current year.

Particulars of Employees

The information required under Section 197 of the Act read with the rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of section 136 of the Act, the reports and accounts are being sent to the members and others excluding the information on employees' particulars, which is available for inspection by members at the registered office of the company during 11.00 to 4.00 p.m. on working days of the Company upto the date of AGM. If any member is interested in obtaining a copy thereof, he/she may write to Secretarial Department of the Company.

There is no employee drawing salary in excess of limit prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Fixed Deposits:

The Company has not accepted any fixed deposit during the year neither there was any unpaid/unclaimed amount of deposit at the beginning of the year or at the end of the year.

Details of Significant Orders passed by Regulators or Courts;

There is no significant or material orders passed by any regulators or courts during the financial year.

Disclosure Pursuant to section 197(14) of the Companies Act 2013:

No Whole time director of the company was in receipt of any remuneration or commission from the company's holding or subsidiary companies during the financial year.

Details of Establishment of Vigil Mechanism :

The company has formulated a whistle Blower Policy to establish a vigil mechanism for directors and employees of the company to report concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct policy.

Disclosure under Sexual Harrassment of women at wokplace (Prevention, Prohibition and Redressal) Act, 2013

The company has established Internal Complaints committee to redress the complaints received from any woman employee of the company as required under the provisions of Act.

Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo:

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo required to be given, are given in the Annexure to this Report in the prescribed format.

Directors' Responsibility Statement.

As required under Section 134(5) of the Companies Act, 2013 , we hereby state:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2016.
- (iii) That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.
- (v) That the directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- (vi) That the Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems are adequate and operating effectively.

Insurance:

Building, Plant and machinery and stocks, have been adequately insured. The company carries a risk for certain assets like goods in transit in respect of which any loss resulting from non-insurance is small because of fairly large drop in production and sales.

Statutory Auditors:

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the existing Auditors M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, (Reg.No. 110417W) were appointed by the shareholders at 37 th Annual General Meeting to hold

office until the conclusion of the 39th Annual General Meeting. They are recommended for appointment as auditors for one year till the conclusion of next Annual General Meeting.

Acknowledgement :

Your Directors would like to take this opportunity to express their deep sense of gratitude to the banks, Government Authorities, Customers and Shareholders for their continuous guidance and support. Further, they would also like to place on record their sincere appreciation for the dedication and hard work put in by one and all members of Sarabhai Pariwar including workers.

For and on behalf of the Board

Date : 12.8.2016

Kartikeya V. Sarabhai

Place : Ahmedabad

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Director's report for the year ended 31st March 2016.

(A) Conservation of Energy &

(B) Technology absorption.

During the year under report, there was no production activities carried out in the Company and therefore, details are not required to be given.

(C) Foreign exchange earnings and outgo

- i) The company is making all efforts to boost up the exports of its various products. In this direction, the company is endeavouring to improve the quality of various products for export market . Company is also forging ties with various foreign parties to strengthen the exports.
- ii) Total foreign exchange earned and used

	Rs. Lakh
Foreign exchange earned	--
Foreign exchange used	3.30

Management Discussions and Analysis Report

Overview Of Indian Pharmaceutical Industry

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of

value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 per cent of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector.

Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period.

The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size.

Government Support

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014, published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, is expected to play a significant role in enhancing the quality of medicines that would in turn promote public health and accelerate the growth and development of pharmaceutical sector.

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

Challenges

- Greater customer expectations
- Restricted discovery and developing process
- Effective product life-cycle management
- Increase in pricing policies
- Traditional management culture.
- Infrastructure challenges
- Talent retention

Road Ahead

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing

consumer spending, rapid urbanisation, and raising healthcare insurance among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Performance of your Company:

Your company operates in an area where a large market exists and other ample opportunities for growth. As per the statistics available, Indian pharmaceutical export will have potential to increase around 12% growth.

Indian pharmaceutical industry has significantly exported to regulated markets of US and Europe in Generic Drugs Market, wherein your company has also exported substantially its product through Asence Pharma Private Limited, a wholly owned subsidiary of the company.

Internal control systems and their adequacy:

The internal control systems are continuously being fine tuned in line with the changing requirements in the industry.

With regular review of the systems by the Audit Committee of the Board, the internal control within the organization continues to be further strengthened.

Human resources/Industrial relations:

The focus of the management is on the organizational development such as imbibing new entrepreneurship, team work relating to commitment to achieve targeted growth.

The relations between management and workmen continue to remain cordial.

As on date of the report, total employees strength of the company is 130

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2015-16

I) Corporate Governance Philosophy:

Good Corporate Governance calls for transparency and accountability of a Company's management. Your company remains committed to these basic tenets of good governance by full disclosure of its policies and operational practices as will be evident below.

a) Composition of the Board:

The Company's Board at present has 8 Directors, including one woman director, comprising of 3 Executive Directors and 5 Non executive Directors. Names and categories of the Directors on the Board and the numbers of Directorships and the Committee position held by them in other public limited companies are given below:

Name of Director	Category / Designation	No. of Directorships held in other Public ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	—	—
B.V. Suryakumar	Non-Executive/ Independent	3	1
G.D. Zalani	Non-Executive/ Independent	—	—
K. Mohandas	Non-Executive/	1	—
A.H. Parekh	Whole-time Director & President (Formulations)	—	—
Ashwin P. Hathi	Non-Executive/ Independent	—	—
Ms. Chaula Shastri	Whole-time Director	1	—
Chandra-shekhar Bohra	Non-Executive/ Independent	2	1

b) Board Meetings:

The Board met 6 times the following dates during the financial year 2015-2016 and the maximum time gap between the two meetings did not exceed 120 days.

30.5.2015	28.7.2015
14.8.2015	29.9.2015
5.11.2015	11.2.2016

The Agenda papers were circulated to the Directors in advance before the meetings with sufficient information. The details of attendance of each Director at the Board Meeting held during the financial year 2015-2016 and at the last Annual General Meeting held on 29-9-2015 together with the sitting fees paid to each Director are given below:

Name of Director	No. of Meetings held during the tenure	No. of Meetings attended	Sitting fees paid for Board Meetings & other Committee Meetings (Rs.)	Attendance at the last AGM	Date of Appointment
Kartikeya V.Sarabhai	6	6	--	Yes	30.07.1992
B.V. Suryakumar	6	6	52,000	-	18.05.2005
G.D. Zalani	6	5	43,000	Yes	01.04.1996
K. Mohandas	6	4	--	Yes	03.03.2011
A.H. Parekh	6	6	--	Yes	04.05.2005
Ashwin P. Hathi	6	4	37,000	Yes	24.06.2010
Ms. Chaula Shastri	6	6	--	Yes.	16.10.2012
Chandrashekhar Bohra	6	5	22,000	Yes	13.6.2013

II) Committees of Directors :

The involvement of non-executive Directors in providing guidance on policy matters to the operating management is formalized through constitution of committees of the Board. These committees provide periodical and regular guidance; have exchange of information and ideas between the Non-Executive Directors and the operating management.

The Board has accordingly, as required under the SEBI (LODR) Regulations ,2015, constituted the following Committees;

A) Audit Committee:

The Company has complied with requirements of SEBI (LODR) Regulations ,2015, with regard to composition of Audit Committee. The details of attendance of Audit Committee Meetings held

during the financial year 2015-2016 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
B.V. Suryakumar	Chairman	5	5
G.D. Zalani	Member	5	4
Ashwin Hathi	Member	5	3
K. Mohandas	Member	5	4

The broad terms of reference specified by the Board to the Audit Committee are as contained under the regulations of SEBI (Listing and Disclosure requirements) and under the Companies Act.

B) Stake holders Relationship Committee:

The details of attendance of Stake holders Relationship Committee Meetings held during the financial year 2015-2016 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Chandrashekhar Bohra	Chairman	1	1
Kartikeya V. Sarabhai	Member	1	1

C) Nomination and Remuneration Committee :

The details of attendance of Nomination and Remuneration Committee Meetings held during the financial year 2015-2016 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
G.D. Zalani	Chairman	2	1
B.V. Suryakumar	Member	2	2
Ashwin P. Hathi	Member	2	1

Independent Directors Meeting:

The details of attendance of Independent Directors Meeting held during the Financial year 2015-16 is as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
B. V. Suryakumar	Member	1	1
G. D. Zalani	Member	1	1
Ashwin P Hathi	Member	1	1
C. S. Bohra	Member	1	1

Details of Remuneration of Directors (2015-16)

Name of Director	Salary & perquisites	Sitting Fees	Total
Kartikeya Sarabhai	19,97,294	----	19,97,294
Anil H Parekh	17,64,353	----	17,64,353
Ms Chaula Shastri	11,54,063	----	11,54,063
BV Suryakumar	----	52,000	52,000
GD Zalani	----	43,000	43,000
Ashwin Hathi	----	37,000	37,000
C S Bohra	----	22,000	22,000
K Mohandas	----	----	-----

CODE OF CONDUCT:

In terms of Listing Regulations the Board of Directors of the Company has laid down a code of conduct for all Board members and senior management personnel of the company. The Board members and senior management personnel of the company have affirmed compliance with the code. The Chairman and Whole-time Director of the Company has given a declaration to the Company that all the Board members and senior management personnel have affirmed compliance with the code.

WHISTLE BLOWER POLICY:

The Company has a WHISTLE BLOWER (WB) policy that provides a secured avenue to directors, employees and other stakeholders for raising their concerns against unethical practices, if any, in the Company. The WB policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern

Protection against Sexual Harassment at work place:

The company is committed to creating a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment. Pursuant to provisions of "The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules made there under, the Company has constituted Internal Complaints Committee with majority of women members which looks after complaint, if any, with regard to sexual harassment in the organization.

IV) General Body Meetings:

The last three Annual General Meetings of the Company were held at Prof. C. C. Meta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara on the following dates and time:

Year	Date	Time	Location
2012-13	35th AGM 30th September, 2013 adjourned to 13th November 2013	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2013-14	36th AGM 25th September, 2014	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2014-15	37th AGM 29th September, 2015	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda

V) Disclosures:

- 1) As required under the Companies Act, the Directors disclose the name of the Companies / parties in which they are interested and accordingly the Register of Contracts under Section 189 of the Companies Act, 2013 is tabled and signed at the Board Meeting/s
- 2) Transactions with the "related parties" are disclosed in detail in note forming part of Accounts' annexed to the financial statements for the year ended 31st March 2016. Adequate care was taken by the Board to ensure that the potential conflict of interest did not harm the interest of the Company.
- 3) The Company has tried to comply with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2015-16 by the Company on any matter related to Capital Markets.
- 4) **Means of Communications:**
 - a) Quarterly /Half yearly Financial Result of the Company are being submitted to the BSE Limited and published in Jansatta (Gujarati Language) and the Business Standard (English Language)
 - b) Management Discussion & Analysis Report is a part of this Directors' Report to the Shareholders.

Postal Ballot:

During the year the company conducted Postal Ballot for the following matters:

- (i) To transfer and assign Undertaking known as "Sarabhai M chemicals" (SMC) to Sarabhai M

Chemicals Ltd

(ii) To authorise Board to give loans, guarantees, or provide security or acquire securities of other body corporates upto limit of Rs 100 crores.

(iii) To change the situation of registered office of the company from Sarabhai Campus, Gorwa Road, Vadodara-390023 to Shantisadan, Mirzapur Road, Ahmedabad-380001.

All the above resolutions have been passed by the members through Postal Ballot with the requisite majority.

Related Party Transactions:

The transactions with related parties are disclosed in Financial Statement for the year ended 31st March 2016.

VI) General Shareholder Information:

- 1 Registered Office Shantisadan, Mirzapur Road, Ahmedabad-380 001
- 2 Venue, Day & Date of 38th Annual General Meeting. Thursday. 29th September, 2016 at 10.30 a.m. at 'ATMA" Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380 009
- 3 Financial Calendar From 1st April 2015 to 31st March 2016
- 4 Book Closure dates From 26.09.2016 to 29.09. 2016 (both days inclusive)
- 5 Dividend Payment Date Not applicable
- 6 Listing on stock exchange: BSE Ltd. Stock Code No. 500009

VII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2015	5.86	3.5	29094.61	26897.54
May-2015	5.4	3.83	28071.16	26423.99
June-2015	4.39	3.32	27968.75	26307.07
July-2015	7.09	3.77	28578.33	27416.39
August-2015	9.69	5.11	28417.59	25298.42
September-2015	8.35	7.15	26471.82	28433.54
October-2015	8.35	7.06	27618.14	26168.71
November-2015	8.49	5.5	26824.3	25451.42
December-2015	8.48	6.42	26256.42	24867.73
January-2016	8.14	5.25	26197.27	23839.76
February-2016	6.85	4.15	25002.32	22494.61
March-2016	7.00	5.23	25479.62	23133.18

VIII) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form, with effect from 28-8-2000, as per SEBI/S directive. The Company has already appointed MCS LTD, Vadodara as its RTA for dematerialization purposes and has also set up the requisite facilities for dematerialization of share with National Securities Depositories Ltd. (NSDL) and Central Depository Securities (India) Ltd.(CDSL). For physical Share Transfer, if the share transfer documents are in order, share transfers are registered upon approval by the Share Transfer Committee of Directors, the meetings of which Committee of Directors are generally held at regular intervals of about 15 /20 days. Thereafter, duly transferred share certificates are dispatched to the respective shareholders.

Total shares transferred during financial year 2015-16	22884
Total Transfer Deeds received and processed during financial year 2015-16	186
Total No. of shares(s) Demated as on 31st March 2016	6,20,34,390
% of total Equity shares in Demat as on 31st March 2016	80.95%

IX) Distribution of Shareholding - as on 31st March, 2016:

Category	No. of Shares	%
Promoters	23561358	30.7456
FII/NRI	297405	0.39
Public Financial Institutions & Nationalized Banks	4912	0.01
Mutual Funds/UTI	-	-
Bodies Corporate	18291817	23.87
Indian Public	34477804	44.99
Total	76633296	100.00

X) Distribution of Shareholding as on 31st March, 2016 (both in physical & electronic form):

No. of Equity Shares held	No. of Share holders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	156249	93.4001	11317660	14.7686
501 to 1000	7258	4.3386	5547689	7.2393
1001 to 2000	2283	1.3647	3384409	4.4164
2001 To 3000	495	.2959	1261460	1.6461
3001 To 4000	213	.1273	763134	.9958
4001 To 5000	214	.1279	1022152	1.3338
5001 To 10000	272	.1626	2054524	2.6810
Over 10000	306	.1829	51282268	66.9190
Total.....	167290	100.00	76633296	100.00

XI) Dematerialization of Shares:

During the year under review, 1,13,747 (0.15%) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : E4322A01017

XII) Plant Locations:

XIII) Address for Correspondence:

Shareholders can correspond either at the office of its Share Transfer Agent viz. MCS share Transfer Agent Ltd. 10 Aram Apartment, 12 Sampatrao Colony, B/H. Laxmi Hall, Alkapuri, Vadodara-390 023 or at the registered office of the company at Shantisadan, Mirzapur Road, Ahmedabad-380001. Queries of shareholders shall be addressed to Mr. Ketan Adhvaryu, Company Secretary – Email: ketanadhvaryu@sarabhai.co.in. The Company Secretary is designated by the Company as “Compliance Officer”

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has in respect of financial year ended 31st March, 2016, received from the members of the Board and Senior Management of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For, Ambalal Sarabhai Enterprises Ltd.

Ahmedabad
12-8-2016

Kartikeya V Sarabhai
Chairman & Whole-time Director

COMPLIANCE CERTIFICATE BY AUDITORS

To the Members of
Ambalal Sarabhai Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Ambalal Sarabhai Enterprises Limited, for the year ended 31st March, 2016 as stipulated in schedule V of Sebi (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants
C.A. Chokshi Shreyas B.

Partner

Date : 12-08-2016
Place : Ahmedabad

Membership No. 100892

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To, The Members,

Ambalal Sarabhai Enterprises Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ambalal Sarabhai Enterprises Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Ambalal Sarabhai Enterprises Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during audit period)
 - (c) The Securities and Exchange Board of India

(Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period)

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period)

We are of the opinion that the management has complied with following laws specifically applicable to the Company:

1. The Drug and Cosmetics Act, 1940.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and made applicable from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited for a period up to November 30, 2015.
- (iii) The Uniform Listing Agreements into by the Company with BSE Limited pursuant to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 effective from December 1, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Non Compliance of Clauses of The Companies Act, 2013 (the Act) and the rules made there under;

1. As per Section-138 of Companies Act, 2013 read with Rule 13 of The Companies (Accounts) rules, 2014, company has not made appointment of Internal Auditor.
2. As per Section-203(1)(iii) of Companies Act, 2013, company has not made appointment of Chief Financial Officer.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the following events/actions has taken place which has major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,

1. The members of the Company granted their approval through postal Ballot Notice dated 29th September,2015 inter alia:
 - a. For approval of transfer the Sarabhai M. Chemicals (SMC) undertaking to Sarabhai M. Chemicals Limited, a Wholly owned Subsidiary Company as per Section 80(1)(a) of the Companies Act,2013.
 - b. For approval to give any loans or guarantee or provide securities of any other Body corporate up to the limit of Rs. 100 crores as per Section 186(3) of the Companies Act,2013.
 - c. For approval of shifting of Registered office from Vadodara to Ahmedabad (within same state) as per Section 12(5) of the Companies Act,2013.

I further report that during the audit period:

The Company has approved -

- 1) Appointment of Mr. Kartikeya Sarabhai, Mr. Anil Parekh and Ms. Chaula Shastri as Whole Time Directors of the Company.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For, **Ajay Parikh & Associates**
Company Secretaries
Ajay M. Parikh

Place: Ahmedabad

Proprietor

Date: 12/08/2016

FCS: 6075 C P No.:6503

'Annexure A'

(To the Secretarial Audit Report of M/s. Ambalal Sarabhai Enterprises Limited for the financial year ended 31/03/2016)

To, The Members,

Ambalal Sarabhai Enterprises Limited

Shanti Sadan, Mirzapur Road,

Ahmedabad -380001,

Gujarat.

Our Secretarial Audit Report for the financial year ended 31.03.2016 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Proprietor

Place: Ahmedabad

Date: 12/08/2016

FCS: 6075 C P No.:6503

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2016

[Pursuant to section 92(3) of the companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN:-	L52100GJ1978PLC003159
(ii) Registration Date -	27-06-1977
(iii) Name of the Company	Ambalal Sarabhai Enterprises Ltd.,
(iv) Category / Sub- Category of the Company	Public Limited Company
(v) Address of the Registered office and contact details	Shantisadan, Mirzapur Road, Ahmedabad- 380001
(vi) Whether listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Mcs Share Transfer Agent Limited 10, Aaram Apartment, 12 Sampatrao Colony, B/H. Laxmi Hall, Alkapuri, Vadodara – 390 007.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SI No	Name and Discription of main product/services	NIC Code of the Product/Service	% to total Turnover of the Company
1	NA		
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares held	Applicable Section
1	Synbiotics Ltd	U24232GJ1960PLC000992	Subsidiary	100%	2(87)
2	Systronics (I) Ltd	U32201GJ1973PLC002437	Subsidiary	100%	2(87)
3	Sarabhai Chemicals (India) Pvt. Ltd.	U24231GJ2004 PTC043478	Subsidiary	100%	2(87)
4	Asence Inc.	---	Subsidiary	100%	2(87)
5	Asence Pharma Pvt. Ltd.	U24230GJ2004PTC045141	Subsidiary	100%	2(87)
6	Sarabhai M Chemicals Ltd	U50101GJ2000PLC039109	Subsidiary	100%	2(87)
7	Haryana Containers Ltd	U25202GJ1970CLC037926	Subsidiary	100%	2(87)
8	Suvik Hitek Pvt Ltd	U24231GJ1977PTC003036	Subsidiary	100%	2(87)
9	Swetsri Investments Pvt. Ltd.	U67120MH1986PTC41664	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2015				No. of Shares held at the end of the year 31.3.2016				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Charge during the year
A. Promoters									
(I) Indian									
a) Individual/HUF	92047	384	92431	0.12	334838		334838	0.44	0.32
b) Central Govt	—	—	—	—	—	—	—	—	
c) State Govt.(s)	—	—	—	—	—	—	—	—	
d) Bodies Corp	23226520	-	23226520	30.31	23226520		23226520	30.31	
e) Banks / FI	—	—	—	—	—	—	—	—	
f) Any Other	—	—	—	—	—	—	—	—	
Sub Total (A)(1)	23318567	384	23318951	30.43	23561358		334818	30.75	0.32
(II) Foreign									
g) NRIs Individuals	—	—	—	—	—	—	—	—	
h) Other Individuals	—	—	—	—	—	—	—	—	
i) Bodies Corp	—	—	—	—	—	—	—	—	
j) Bank/FI	—	—	—	—	—	—	—	—	
k) Any Other	—	—	—	—	—	—	—	—	
Sub Total (A)(2)	—	—	—	—	—	—	—	—	
Total Shareholding Promoter (A)=(A)(1)+(A)(2)	23318567	384	23318951	30.43	23561358	—	23561358	30.75	0.32
B. Public Shareholding.									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	
b) Banks/FI	355,292	1420	356,712	0.47	1292	1420	2712	0.0034	0.46
c) Central Govts	—	—	—	—	—	—	—	—	
d) State Govt(s)	—	—	—	—	—	—	—	—	
e) Venture Capital Funds	—	—	—	—	—	—	—	—	
f) Insurance Companies	—	2,200	2200	.0028	—	2200	2200	.0028	—
g) FII	—	—	—	—	—	—	—	—	
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	
i) Others (specify)	—	—	—	—	—	—	—	—	
Sub Total (B)(1)	355292	3620	358912	0.47	1292	3620	4912	0.47	0.46

2) Non Institutions									
a) Body Corp									
i) Indian	19524171	142686	19666857	25.66	19348145	--	19348145	25.247	0.42
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	11416875	13467799	24884674	32.47	10775345	13273265	24048610	31.38	1.09
ii) Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh	6971472	1117786	8089258	10.55	8349525	1023341	9372866	12.23	1.68
c) Others (Specify) NRI	157170	157474	314644	0.42	141366	156039	297405	0.39	0.03
Sub Total (B)(2)	38089688	14885745	52955433	69.10	19266236	14452645	33718881	67.87	1.23
Total Public									
Shareholding (B)=(B)(1)+(B)(2)	38424980	14888365	53314345	69.57	38561673	14456265	53071938	69.25	--
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	--
Grand Total (A+B+C)	61743547	14889749	76633296	100.00	62177031	14456265	76633296	100.00	--

ii Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2015			Shareholding at the end of the year 31.03.2016			
		No of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Kartikeya V.Sarabhai	12250	0.016	-	115696	0.15	-	
2	G D Zalani	10	0	-	10	0	-	
3	B V Suryakumar	374	0	-	374	0	-	
4	Mallika Sarabhai	49960	0.065	-	118210	0.15	-	
5	Mohal Sarabhai	12610	0.017	-	41387	0.05	-	
6	Samvit Sarabhai	12655	0.017	-	44540	0.06	-	
7	Mrinalini Sarabhai	4995	0.006	-	14995	0.02	-	
8	Rajshree Sarabhai	77	0.00	-	--	-	-	
9	Sarabhai Holdings PL	19303972	25.19	-	19303972	25.19	-	
10	Rajka Designs PL	163850	0.214	-	163850	0.214	-	
11	Leena Invt. PL.	128217	0.167	-	128217	0.167	-	
12	Himalaya Invt.PL.	1911	0.002	-	1911	0.002	-	
13	Yudhisthir Inv. PL.	469305	0.612	-	469305	0.612	-	
14	Koshaliya In.PL.	456722	0.596	-	456722	0.596	-	
15	Medicinal Drugs Mfg.PL.	157716	0.206	-	157716	0.206	-	
16	Sahayog Inv.PL.	161011	0.21	-	161011	0.21	-	
17	Talimi Inv. PL.	163323	0.213	-	163323	0.213	-	
18	Vasantbahar Inv. PL.	200989	0.262	-	200989	0.262	-	
19	Adana Inv. PL.	157920	0.206	-	157920	0.206	-	
20	Kanda Inv. PL.	209288	0.273	-	209288	0.273	-	
21	Mrigank Inv. PL.	178669	0.233	-	178669	0.233	-	
22	Jonpuri Inv. Pvt.	178667	0.233	-	178667	0.233	-	
23	Bhadrapad Inv. PL.	157920	0.206	-	157920	0.206	-	
24	Bhilwal Inv. PL.	157920	0.206	-	157920	0.206	-	
25	Mahavbag Holdings PL.	178651	0.233	-	178651	0.233	-	
26	Ashavari Inv. PL.	182513	0.238	-	182513	0.238	-	
27	Vaishakhi Inv. PL.	181561	0.237	-	181561	0.237	-	
28	Todirag Holdings	185675	0.242	-	185675	0.242	-	
29	Khamaj Inv. PL.	159086	0.208	-	159086	0.208	-	
30	Sarabhai Management corp. Ltd.	91634	0.12	-	91634	0.12	-	
	Total	23318951	30.43	-	23561358	30.75	-	

iii Change in Promoter's Shareholding (Please specify, if there is any change)

SI No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	At the beginning of the year	23318951	30.43	23318951	30.43
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/Bonus/sweat equity etc):	242407	0.32	242407	0.32
	At the End of the year	23561358	30.75	23561358	30.75

iv Shareholding Pattern of ten Shareholders top (Other than Directors, Promoters and Holders of GDRs and ADRs):

SI No		Shareholding at the beginning of the year 1.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No of Shares	% of total Shares	No of Shares	% of total Shares
	For Each of the Top 10 Shareholders				
1	Caplin Viniyog Pvt Ltd	4222789	5.5104	4222789	5.5104
2	Navtech Farm Products Pvt Ltd	3646117	4.7579	3646117	4.7579
3	On Time Hire Purchase Agencies Pvt Ltd	3295625	4.3005	3295625	4.3005
4	Gyan Traders Ltd.	2740836	4.3005	--	--
5	The Methoni Tea Co. Ltd.	2470625	2.9784	2470625	2.9784
6	M.Prasad & co Ltd.	--	--	1000000	1.3
7	JVL Agro Industries Ltd.	834512	1.089	--	--
8	Monet Securitie s Pvt. ltd	--	--	1266906	1.6532
9	Aryavrat Savings Units Ltd	--	--	370000	.4828
10	Somani Stock Broking Pvt. Ltd.	--	--	110000	.1435
11	Manju Bhalotia Manju	633494	.8267	633494	.8267
12	Sarita Govind Yadav	556528	..7262	556528	.7262
13	Indi StockPvt. Ltd.	537691	0.7016	--	--
14.	Bank of India	354000	0.4619	--	--
	At the End of the year (or on the date of seperation, if seperated during the year				
1	Caplin Viniyog Pvt Ltd	4222789	5.5104		
2	Navtech Farm Products Pvt Ltd	3646117	4.7579		
3	On Time Hire Purchase Agencies Pvt Ltd	3295625	4.3005		
4	The Methoni Tea Co. Ltd.	2470625	2.9784		
5	M.Prasad & co Ltd.	1000000	1.3		
6	Monet Securitie s Pvt. ltd	1266906	1.6532		
7	Aryavrat Savings Units Ltd	370000	.4828		
8	Somani Stock Broking Pvt. Ltd.	110000	.1435		
9	Manju Bhalotia Manju	633494	.8267		
10	Sarita Govind Yadav	556528	..7262		

iv Shareholding of Directors and Key Management Personnel

SI No		Shareholding at the beginning of the year 1.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	Kartikeya V Sarabhai	12250	0.016	115696	0.15
2	Govind D Zalani	10	0.00	10	0.00
3	B. V. Suryakumar	374	0.00	374	0.00
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/Bonus/sweat equity etc):	103446 (Transfer)	0.13		
	At the End of the year (or on the date of the year)				
1	Kartikeya V Sarabhai	115696	0.15	115696	0.15
2	Govind D Zalani	10	0.00	10	0.000
3	B. V. Suryakumar	0.00	0.00	0.00	0.000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for Payment

	Secured Loans excluding Deposits	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the year 31-3-2015 financial				
(i) Principal Amount	936.98	1897.28	—	2834.26
(ii) Interest Due but not paid	171.47	4.16	—	175.63
(iii) Interest accrued but not due				
Total (i+ii+iii)	1108.45	1901.44	-	3009.89
Changes in Indebtedness during the financial year				
Addition	4.32	325.50	-	329.82
Reduction	119.31	265.70	-	385.01
Net Change	(-)114.99	(+)59.80	-	(-)55.19
Indebtedness at the end of the financial year 31-3-2016				
(i) Principal Amount	817.67	1631.58	--	2449.25
(ii) Interest Due but not paid	175.79	329.66	--	505.45
(iii) Interest accrued but not due				
Total (i+ii+iii)	993.46	1961.24	-	2954.70

VI. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No	Particulars	Name of MD/WTD/ Manager			Total Amount
		Kartikeya V Sarabhai	Anilkumar H Parekh	Chaula Shastri	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961	12,00,000	10,80,000	7,08,000.00	29,88,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,94,582.24	6,01,545	3,60,113	14,56,240.24
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit Others specify	—	—	—	—
5	Others, Please specify	3,02,712	82,808	85,950	2,31,470
	Total (A)	19,97,294.24	17,64,353	11,54,063	46,75,710.24
	Ceiling as per the Act	—	—	—	—

B. Remuneration of other Directors

Sl No	Particulars of Remuneration	Name of Directors				Total Amount
		B. V. Suryakumar	G. D. Zalani	A. P. Hathi	C. S. Bohra	
	Independent Directors Fees for attending Board committee meetings	52000	43000	37000	22000	154000
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (1)	52000	43000	37000	22000	154000
	Other Non-Executive Directors Fees for attending Board Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	52000	43000	37000	22000	154000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per Act	-	-	-	-	-

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

SI No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—	741983	—	741983
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit	—	—	—	—
5	Others specify	—	51361	—	51361
	Total	—	800104	—	800104

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made if any (give details)
	A. COMPANY Penalty Punishment Compounding	NA			
	B. DIRECTORS Penalty Punishment Compounding	NA			
	C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NA			

INDEPENDENT AUDITORS' REPORT

To the Members of
Ambalal Sarabhai Enterprises Limited
Report on the Financial Statements

We have audited the accompanying standalone financial statements of AMBALAL SARABHAI ENTERPRISES 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 significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 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 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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (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;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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 A".

(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 – Refer Note 28 (i) to the financial statements;
- ii. The Company did not have any material foreseeable losses on any long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of
For Sorab S. Engineer & Co.
 Firm Registration No. 110417 W
 Chartered Accountants
C.A. Chokshi Shreyas B.
 Partner
 Membership No. 100892

Date : 31-05-2016
 Place : Ahmedabad

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: AMBALAL SARABHAI ENTERPRISES LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the

size of the Company, and the same have been properly dealt with in the books of account.

- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- (vii)(a) The Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, following undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

Particulars	Rs. in Lakh
Income Tax	2.17
Sales Tax	1354.73

ESIC	66.47
PF	8.37
Service Tax	2.70
Professional Tax	59.97

(b) Following amounts have not been deposited as on March 31, 2016 on account of any dispute :

Nature of the Statute	Nature of the dues	Rs. in Lakh	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	18.90	1985-1986, 1989-1990, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006	Appellate Tribunal/ Commissioner
Central Excise Act	Excise Duty	54.36	1985-1986, 1986-1987, 1987-1988, 1988-1989	CESTAT
		8.62	2003-2004	Jt. DGFT
Finance Act	Service Tax	70.84	2006-2007, 2007-2008, 2008-2009, 2009-2010	CESTAT
Income Tax Act	Income Tax	3210.17	2007-2008, 2008-2009, 2009-2010, 2010-2011	ITAT
		134.47	2012-2013,	CIT(A)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section

197 read with Schedule V to the Act.

- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
For Sorab S. Engineer & Co.
 Firm Registration No. 110417 W
 Chartered Accountants
C.A. Chokshi Shreyas B.
 Partner
 Membership No. 100892

Date : 31-05-20165

Place : Ahmedabad

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AMBALAL SARABHAI ENTERPRISES LIMITED

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 Ambalal Sarabhai Enterprises Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 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 Act.

Auditors’ 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 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 applicable to an audit of Internal Financial Controls and, 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 was 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 auditor’s judgement, 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 detail, 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 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 Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Institute of Chartered Accountants of India”.

For and on behalf of
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date : 31-05-2016
Place : Ahmedabad

Balance Sheet

	Notes	As at March 31.2016 Rs. Lakh	As at March 31.2015 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(2,780.16)	(7,348.59)
Non-current liabilities			
Long Term Borrowings	-	-	-
Deferred Tax Liabilities (Net)	3	-	-
Long Term Provisions	4	366.10	607.57
Current liabilities			
Short Term Borrowings	5	2,954.71	3,009.90
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	6	939.43	1,200.79
Other Current Liabilities	7	4,734.54	8,268.19
Short Term Provisions	4	472.30	247.15
Total		<u>14,350.25</u>	<u>13,648.34</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	2,035.52	3,046.92
Intangible Assets	9	24.97	1,218.70
Capital Work-in-progress		-	10.09
Non-current Investments	10	8,290.53	5,628.69
Long Term Loans and Advances	11	40.22	516.11
Other Non-current Assets	12	6.68	5.73
Current assets			
Inventories	13	29.28	285.95
Trade Receivables	14	3.01	156.07
Cash and Bank Balances	15	657.04	336.11
Short Term Loans and Advances	11	1,952.12	2,429.83
Other Current Assets	12	1,310.88	14.14
Total		<u>14,350.25</u>	<u>13,648.34</u>

Significant Accounting Policies & Notes to Accounts 26

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 31.05.2016

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31.05.2016

Place : Ahmedabad

Statement of Profit & Loss

	Notes	Year Ended 31st March, 16 Rs. Lakh	Year Ended 31st March, 15 Rs. Lakh
Revenue from operations (Gross)	16	798.40	1,597.55
Less : Excise Duty		99.79	72.91
Revenue from operations (Net)		698.61	1,524.64
Other Income	17	9,594.19	1,416.82
Total Revenue		10,292.80	2,941.46
Expenses:			
Cost of materials consumed	18	409.94	316.33
Purchases of Stock in Trade	19	34.71	1,075.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	25.35	(24.63)
Employee benefits expense	21	1,078.86	880.37
Finance costs	22	199.45	790.92
Depreciation and amortization expense	23	1,462.12	336.15
Other expenses	24	1,313.94	482.18
Total Expenses		4,524.37	3,856.53
Profit/(Loss) before exceptional and extraordinary items and tax		5,768.43	(915.07)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		5,768.43	(915.07)
Extraordinary Items		-	-
Profit/(Loss) before Tax		5,768.43	(915.07)
Tax expense:			
Current Tax		1,200.00	-
Profit/(Loss) for the year		4,568.43	(915.07)
Earnings per equity share			
(Face Value per Share Rs. 10/- (Previous year Rs. 10/-)	25		
Basic and Diluted		5.96	(1.19)

**Significant Accounting Policies
& Notes to Accounts**

26

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership no. 100892
Date : 31.05.2016
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 31.05.2016
Place : Ahmedabad

SHARE CAPITAL

	NOTE 1	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share		
	<u>9,500.00</u>	<u>9,500.00</u>
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share		
	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share		
fully paid up	7,663.33	7,663.33
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	No. of	Rs.	No. of	Rs.
	Share	Lakh	Share	Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>	<u>7,663.33</u>

(b) Rights, Preferences and Restrictions attached to Shares**Equity Shares:**

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	NOTE 2	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Capital Reserve		
Balance as per last financial statements	492.98	511.74
Less: Transfer to General Reserve	307.85	18.76
Balance at the end of the year	185.13	492.98
General Reserve		
Balance as per last financial statements	5,140.16	5,121.40
Add: Transfer from Capital Reserve	307.85	18.76
	<u>5,448.01</u>	<u>5,140.16</u>
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(14,042.65)	(13,127.58)
Add: Profit / (Loss) for the year	4,568.43	(915.07)
Balance at the end of the year	(9,474.22)	(14,042.65)
Total	<u>(2,780.16)</u>	<u>(7,348.59)</u>

Deferred Tax Liabilities (Net)

	NOTE 3	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Deferred Tax Liability		
On account of Depreciation	185.53	271.16
Disallowance u/s 43(b)	(204.31)	(139.43)
Deferred Tax Assets		
On unabsorbed Depreciation	(18.78)	131.73
Total	<u>-</u>	<u>-</u>

PROVISIONS**NOTE 4**

	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Provision for Gratuity	318.13	525.88	90.63	206.35
Provision for Leave Encashment	47.97	81.69	17.88	40.12
Provision for Income tax (Net of Advance Tax of Rs.1,325.95 Lakhs)	-	-	363.11	-
Provision for Wealth tax	-	-	0.68	0.68
Total	366.10	607.57	472.30	247.15

SHORT TERM BORROWINGS**NOTE 5**

	As at	
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Interest bearing		
Secured:		
From Others	993.47	1,109.80
Unsecured:		
From Others	1,961.24	1,900.10
Total	2,954.71	3,009.90

Nature of Security &**Rate of Interest**

From Others	Rs. Lakh	Rate of Interest
Secured:		
1. Secured by Charge on one of the immovable properties of the company.	202.47	16 to 18 %
2. Secured by charge on one of the immovable property of the company & pledge of 80,946 Equity Shares of M/s Synbiotics Ltd.	791.00	20 to 24 %
Total	993.47	

TRADE PAYABLES**NOTE 6**

	As at	
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Total outstanding dues of micro enterprises and small enterprises (Note a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	939.43	1,200.79
Total	939.43	1,200.79

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

OTHER CURRENT LIABILITIES**NOTE 7**

	As at	
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Interest accrued and due	432.29	433.32
Advance against Sale of Property	135.31	2,429.31
Statutory dues	2,119.50	2,711.64
Due to related Parties	337.50	341.18
Payable to Employees	1,073.77	1,922.88
Due to Directors	30.60	30.06
Security Deposits	107.65	109.07
Book Overdraft	-	0.05
Others	497.92	290.68
Total	4,734.54	8,268.19

TANGIBLE ASSETS**NOTE 8****Rs. Lakh**

Particulars	Gross Block				Depreciation / Amortization					Net Block	
	As on 01.04.15	Additions	Deductions	As on 31.03.16	As on 01.04.15	Adjustment*	for the year	Deductions	As on 31.03.16	As on 31.03.16	As on 31.03.15
Own Assets											
Freehold Land	2,156.05	-	759.93	1,396.12	-	-	-	-	-	1,396.12	2,156.05
Building	769.84	-	3.93	765.91	547.08	-	23.01	0.46	569.63	196.28	222.76
Plant and Machinery	3,958.31	8.58	1,140.76	2,826.13	3,300.85	-	240.77	1,140.76	2,400.86	425.27	657.46
Furniture and Fixtures	314.76	11.52	144.03	182.25	311.16	-	2.07	144.03	169.20	13.05	3.60
Vehicles	53.66	-	25.32	28.34	46.93	-	1.41	24.56	23.78	4.56	6.73
Computer Data Processing	18.07	0.11	-	18.18	17.75	-	0.19	-	17.94	0.24	0.32
Library	0.10	-	0.10	-	0.10	-	-	0.10	-	-	-
Total	7,270.79	20.21	2,074.07	5,216.93	4,223.87	-	267.45	1,309.91	3,181.41	2,035.52	3,046.92
Previous Year	7,310.02	0.56	39.79	7,270.79	3,904.72	41.67	277.48	-	4,223.87	3,046.92	-

* Refer Note No: 26 (II) (1)

INTANGIBLE ASSETS**NOTE 9****Rs. Lakh**

Particulars	Gross Block				Amortization / Impairment					Net Block	
	As on 01.04.15	Additions	Disposals	As on 31.03.16	As on 01.04.15	for the year	Impairment	Deductions	As on 31.03.16	As on 31.03.16	As on 31.03.15
Own Assets											
Goodwill	2,277.62	-	-	2,277.62	1,100.00	-	1,177.62	-	2,277.62	-	1,177.62
Know how	85.00	-	-	85.00	43.92	17.00	-	-	60.92	24.08	41.08
Software	-	0.94	-	0.94	-	0.05	-	-	0.05	0.89	-
Total	2,362.62	0.94	-	2,363.56	1,143.92	17.05	1,177.62	-	2,338.59	24.97	1,218.70
Previous Year	2,362.62	-	-	2,362.62	1,126.92	17.00	-	-	1,143.92	1,218.70	-

NON CURRENT INVESTMENTS**NOTE 10**

Particulars	Face Value Per Share (Rs.)	No. of Share	Rs. in Lakh	Rs. in Lakh
			As at March 31, 2016	As at March 31, 2015
I Trade Investments (At Cost)				
Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	1,559,340	156.30	156.30
Less: Diminution in Value of Investment (3,00,000 Ordinary Shares pledged)			(156.30)	(140.70)
			--	15.60

**II Other Investments
(Unquoted)**

Ordinary shares each fully paid of Co-operative Bank of Baroda Limited	25	1100	0.28	0.28
---	----	------	------	------

Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd	1000	1	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd	25	1204	0.30	0.30
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1 Pound	73498	36.33	36.33
Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445)	US 1 \$	9		
Ordinary shares of Belgium Satellite Services s.a.* (Shares acquired during the year)	Euro 1	437,733	656.60	-
Ordinary shares of each fully paid of Sardar Vallabh bhai Sahkari Bank Ltd	25	40	0.01	0.01
			693.53	36.93

III Investments in Equity Shares**In Subsidiaries****Unquoted**

Ordinary shares each paid of Synbiotics Limited (Rs.100 paid up) (Shares pledged)	1000	35,000	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited. (Shares pledged)	1000	80,946	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd	10	50,000	5.00	5.00
Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	8.53	8.53
Non-assessable shares of Asence Inc. US\$10		500	2.34	2.34
Ordinary shares fully paid of Systronics (India) Limited	10	11,985,018	1,198.50	1,198.50
Ordinary shares fully paid of Sarabhai Chemicals(I) Pvt. Ltd	10	984,000	98.40	98.40
Ordinary shares each fully paid of Suvik Hitek P Limited	100	250,000	1.00	1.00
Ordinary shares each fully paid of Swetsri Investments Pvt. Ltd (1000 Shares accquired during the year)	100	1,000	1.00	-

IV In Joint**Venture Company (Unquoted)**

Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	4,229,258	422.93	422.93
			5,577.16	5,576.16
Share Application money			2,019.84	-
Total			8,290.53	5,628.69

a Aggregate amount of quoted investments			—	—
Market value of quoted investments			—	—
Aggregate amount of unquoted investments			6,270.69	5,628.69
Aggregate provision for diminution in value of investments			156.30	140.70

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	6,270.69	5,628.69
Current Investments	—	—
Total	6,270.69	5,628.69

* Shares are in the process of transfer in the name of the Company.

LOANS AND ADVANCES**NOTE 11**

	Long Term		Short Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Security Deposits	40.22	45.48	—	—
Advance tax paid (Net of Provision of Nil, Previous Year Rs. 3,302.72 Lakhs)	—	470.62	—	—
Loans and Advances: To Related Parties Considered good	—	—	951.52	1,688.31
Advances recoverable in cash or in kind or for value to be received				
Considered good	—	0.01	980.34	692.28
Considered doubtful	—	—	375.79	486.77
Less: Provision	—	—	375.79	486.77
Prepaid Expenses	—	—	4.86	3.36
Balances with Government Authorities	—	—	2.10	2.10
Cenvat/Custom Duty Receivable	—	—	13.30	43.78
Total	40.22	516.11	1,952.12	2,429.83

OTHER ASSETS**NOTE 12**

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 15)	6.68	5.73	—	—
Interest Accrued	—	—	7.64	14.14
Debtors other than Trade	-	-	1,303.24	-
Total	6.68	5.73	1,310.88	14.14

INVENTORIES	NOTE 13	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	29.15	252.47
Stores and Spares	-	8.00
Work-in-Progress	0.13	20.66
Finished Goods	-	4.82
Total	29.28	285.95

a. Details of Inventory

	NOTE 13	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Raw Material and Packing Material		
Antibiotics	4.25	4.85
Anti Cancer	3.77	5.13
Board and Paper	1.20	0.60
Other Therapeutic Agents	0.31	214.84
Others	8.70	3.08
Packing Materials	10.92	23.97
Total	29.15	252.47
Work-in-Progress		
Tablets & Capsules	0.13	1.48
Injections	—	19.18
Total	0.13	20.66
Finished Goods		
Injections	—	4.82
Total	—	4.82

TRADE RECEIVABLES (Unsecured, considered good unless otherwise stated)	NOTE 14	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Outstanding for a period exceeding six months from the date they became payable		
Considered good	—	125.28
Considered doubtful	416.49	306.16
Less: Provision for Doubtful Debts	416.49	306.16
Others	3.01	30.79
Total	3.01	156.07

CASH AND BANK BALANCES	NOTE 15	
	Non Current	Current
	As at March 31, 2016	As at March 31, 2015
	Rs. Lakh	Rs. Lakh
Cash and Cash Equivalents:		
Cash on Hand	—	0.49
Cheques on Hand	—	—
Balances with Banks		
In Current Accounts	—	266.61
In Deposits Accounts		
With original maturity less than 3 months	—	77.57
	—	344.67

Other Bank Balances:			
In Deposits Accounts			
With original maturity more than 3 months but less than 12 months			
(Rs. 300.91 Lakhs under lien with Bank as Security Guarantee Facility, Margin Money and Income Tax Department; Previous year Rs. 263 Lakhs)			
Lodged with Industrial Court			
With original maturity more than 12 months			
Held as Margin Money (Under lien with bank as Security for Guarantee Facility) Lodged with Sales Tax/Excise Department			
Amount disclosed under the head "Other Non Current Assets"			
(Note 12)			
Total			
—	—	312.16	307.10
—	—	0.21	—
0.01	0.01	—	11.34
—	2.00	—	—
6.67	3.72	—	2.53
6.68	5.73	312.37	320.97
6.68	5.73	—	—
—	—	657.04	336.11

REVENUE FROM OPERATIONS	NOTE 16	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	796.18	1,595.33
Less : Excise Duty	99.79	72.91
	696.39	1,522.42
Sale of Services	2.22	2.22
Total	698.61	1,524.64

a Details of Sales and Services

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Sale of Products (including Excise Duty)		
Tables/Capsules	232.66	687.89
Liquid	15.10	402.72
Injectable	496.68	335.65
Ointment	-	36.38
Powder	51.74	132.69
	796.18	1,595.33
Sale of Services		
Income on EDP Charges	2.22	2.22
	2.22	2.22
Total	798.40	1,597.55

OTHER INCOME

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Interest Income	145.19	143.79
Service Income	90.00	90.00
Dividend Income on :		
Long Term Investments	—	0.04
Provision no longer required (net)	0.19	—
Profit on sales of Assets (net)	9,294.83	1,116.71
Miscellaneous Income	43.01	19.27
Sale of Scrap	15.18	11.92
Royalty	5.79	35.08
Foreign Exchange Gain	—	0.01
Total	9,594.19	1,416.82

COST OF MATERIALS CONSUMED

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Stock at the beginning of the year	252.47	11.95
Purchases	186.62	556.85
	439.09	568.80
Less: Stock at the end of the year	29.15	252.47
Total	409.94	316.33

a. RAW MATERIAL AND PACKING MATERIAL CONSUMED

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Antibiotics	19.51	12.50
Board and Paper	2.64	2.00
Other Therapeutic Agents	214.53	219.12
Anti Cancer	53.40	32.12

Others	15.08	0.82
Packing Materials	104.78	49.77
Total	409.94	316.33

b Value of imported and indigenous materials consumed

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Raw Materials and Packing Materials		
Imported	221.54	219.12
	54.04%	69.27%
Indigenous	188.40	97.21
	45.96%	30.73%
Total	409.94	316.33

PURCHASE OF STOCK IN TRADE

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Drug and Pharmaceuticals formulations		
1. Injectable	—	129.53
2. Liquid	—	379.94
3. Ointments	—	34.32
4. Powders	34.71	116.29
5. Tablets & Capsules	—	415.13
Total	34.71	1,075.21

CHARGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	—	4.82
Work-in-Progress	0.13	20.66
	0.13	25.48
Stock at the beginning of the year		
Finished Goods	4.82	—
Work-in-Progress	20.66	0.85
	25.48	0.85
(Increase) in stocks	25.35	(24.63)

EMPLOYEE BENEFITS EXPENSE	NOTE 21	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Salaries and Wages	944.23	730.09
Contribution to Provident Fund and Other Funds	51.18	67.61
Staff Welfare Expenses	32.73	42.76
	1,028.14	840.46
Directors' Remuneration	50.72	39.91
Total	1,078.86	880.37

FINANCE COST	NOTE 22	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Interest		
Others	199.45	788.33
Other Borrowing Costs	-	2.59
Total	199.45	790.92

DEPRECIATION EXPENSE AND AMORTIZATION EXPENSE	NOTE 23	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Depreciation of Tangible Assets	267.45	319.15
Amortisation of Intangible Assets	17.05	17.00
Impairment of Intangible Assets	1,177.62	-
Total	1,462.12	336.15

OTHER EXPENSES	NOTE 24	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Power and fuel	25.02	23.81
Insurance	1.12	1.46
Rent	5.87	5.87
Rates and taxes	266.35	39.49
Repairs:		
To Buildings	40.01	17.85
To Machineries (Note a)	8.47	0.36
To others	6.76	2.02
Factory Over Heads	102.47	47.24
Royalty paid	4.15	2.69
Sundry Debit Balance		
Written Off (net)	461.24	0.65
Directors' Fees	1.54	1.02
Excise Duty - others	0.30	0.94
Legal Charges	195.99	186.90
Travelling Expenses	33.95	22.62

Diminution of value of Investment	15.60	15.59
Payments to the auditor as		
(a) Auditor	5.70	5.70
(b) For Others	7.93	5.77
(c) For reimbursement of expenses	2.63	2.23
Miscellaneous Expenses	128.84	99.97
Total	1,313.94	482.18

SPARE PARTS	NOTE 24-A	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Imported	—	—
Indigenous	8.47	0.36
	100%	100%
Total	8.47	0.36

EARNING PER SHARE (EPS)	NOTE 25	
Year Ended	Year Ended	
March 31, 2016	March 31, 2015	
Rs. Lakh	Rs. Lakh	
Calculation of EPS (Basic & Diluted)		
Profit/ (Loss) available to Equity Shareholder	4,568.43	(915.07)
Weighted average no. of Equity Shares for Basic and Diluted EPS	76,633,296	76,633,296
Nominal value of Equity Shares (Rs.)	10	10
Basic and Diluted Earning per Equity Share (Rs.)	5.96	(1.19)

NOTE 26**NOTES TO FINANCIAL STATEMENTS****I. SIGNIFICANT ACCOUNTING POLICIES:****(A) BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts. Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

(B) USE OF ESTIMATES

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts. These costs are not adjusted to reflect the changing value in the

purchasing power of money.

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products, income from job work services. Sales are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. The company presents sales net of returns, excise duty and Sales tax.

Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts. Dividend is accounted for as and when right to receive payment is established.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

(E) VALUATION OF INVENTORY

The stock of Raw Material and finished goods has been valued at the lower of cost and net realizable value. Cost is measured on weighted average for the year and includes cost of materials and cost of conversion.

All other inventories of stores, consumables are valued at cost. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

(F) FIXED ASSETS AND DEPRECIATION/ AMORTISATION/ TANGIBLE ASSETS

Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition.

Subsequent expenditure related to an item of fixed assets are added to its book value only if they increase future benefits from the existing assets beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from

active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss except to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilized, it is charged directly to that account.

INTANGIBLE ASSETS

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Gains or losses arising from disposal or retirement of intangible assets are recognised in the Statement of Profit and Loss.

DEPRECIATION OF TANGIBLE ASSETS

The carrying value of the tangible fixed assets as on April 1, 2014 is depreciated over remaining useful life of the assets.

Depreciation on additions to tangible fixed assets is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased / sold during a period is proportionately charged for the period of use.

AMORTISATION OF INTANGIBLE ASSETS

Software is depreciated over management estimate of its useful life of 5 years and Patent/Knowhow is depreciated over its useful validity period.

(G) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash

generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(H) INVESTMENTS

Investments are classified as Long Term Investments. Long term investments are stated at cost less permanent diminution in value, if any.

Investments in subsidiaries are valued at cost less any provision for impairment

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable

(I) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction

Foreign currency monetary items are restated using exchange rate prevailing at the reporting date.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation other than as mentioned above is recognised in the Statement of Profit and Loss.

(J) EMPLOYEE BENEFITS

(J.1) The Company has Defined Contribution Plans for post-employment benefits namely (a) Superannuation Fund which is administered through trustees and (b) Provident Fund which is administered through trust and / or to the Government. The Company's contribution thereto are charged to revenue every year. The Company's contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

(J.2) The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental

liability, if any, is provided for in the books. Gratuity scheme is unfunded.

(J.3) Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss as income or expense.

(K) TAXES ON INCOME

Tax expense consists of both current as well as deferred tax. Current tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

Minimum Alternate Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period. The said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(L) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

II. NOTES TO ACCOUNTS

- 1 Effective from April 1, 2014, the Company has revised useful lives of tangible fixed assets as specified in Schedule II to the Companies Act-2013. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the remaining useful lives. Further, an amount of Rs. 41.67 Lakh representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to Statement of Profit & Loss during the previous year.
- 2 Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.
3. No Provision is considered necessary for following contingent liabilities:

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
(i) Disputed demand in respect of Customs and Excise		
(a) Customs and Excise	133.82	133.82
(b) Sales Tax	18.90	18.90
(c) Income Tax	3,344.64	3,383.34
(d) Employees' State Insurance Corporation	10.23	10.23
(e) Provident Fund	10.56	10.56
(ii) Claims not acknowledged as debt	38,880.05	39,324.98
(iii) Claims by Government for payment in to DPEA	39.25	39.25
(iv) Guarantee given by banks on behalf of the Company	268.64	268.64
(v) Guarantee given by company on behalf of other Companies	913.79	1,083.49

NOTES :

(a) Future cash outflows in respect of (i) above are determinable only on receipt of judgements/decisions pending with various forums/authorities.

(b) Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the Single Judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division While allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by them which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee.

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the demand made of Rs. 37,770.51 Lakh and based on legal advice, the Company has taken necessary action required in the matter at various legal forum.

4. Capital and Other Commitments

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	—	—
Other Commitments	—	—

5.. Employee benefits AS-15 (Revised)

(I) Define Benefit Plans Gratuity Liability (Unfunded) - As per Actuarial Valuation as on 31-03-16

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
I Expense recognized in the Statement of Profit & Loss for the year ended		
1. Current Service Cost	15.85	17.64
2. Interest Cost	57.85	67.16
3. Expected Return on plan Assets	—	—
4. Past Service cost		

(Non vested Benefit) Recognized	—	—
5. Past Service cost (Vested Benefit) Recognized	—	—
6. Actuarial (Gain) / Loss	22.52	14.92
7. Total Expenses	96.22	99.72

II Amount recognized in the Balance Sheet as on		
1. Liability at the end of the year	408.76	732.23
2. Fair Value of Plan Assets	—	—
3. Amount recognized in the Balance Sheet under "Provision for Gratuity"	(408.76)	(732.23)

III Change in Obligation during The year ended		
1. Liability at the beginning of the year	732.23	743.80
2. Interest Cost	57.85	67.16
3. Current Service Cost	15.85	17.64
4. Benefit paid	(419.69)	(111.29)
5. Actuarial (Gain) / Loss obligation	22.52	14.92
6. Liability at the end of the year	408.76	732.23

IV Change in Fair value of Plan Assets during the year ended		
1. Fair value of plan Assets at the beginning of the year	—	—
2. Expected return of plan Assets	—	—
3. Contribution by Employer	419.69	111.29
4. Actual Benefit paid	(419.69)	(111.29)
5. Actuarial Gain / (Loss) of plan Assets	—	—
6. Fair value of plan Assets at the end of the year	—	—
7. Actuarial Gain / (Loss) to be recognized	(22.52)	(14.92)

V Balance Sheet Reconciliation		
1. Opening Net Liability	732.23	743.80
2. Expenses Recognized in the statement of profit & Loss	96.22	99.72
3. Employer's Contribution	(419.69)	(111.29)
4. Amount Recognized in the Balance Sheet	408.76	732.23

(II) Actuarial Assumption:

1. Discount Rate:	7.55%	7.95%
2. Salary Growth Rate:	4%	4%

6. Segment Reporting:

Information About Primary and Secondary Business Segments.

The Company is in the business of manufacturing, trading and dealing in the Pharmaceuticals only operating in India. In view of above the Company has only one reportable business Segments i.e. Pharmaceuticals.

7. Related Party Disclosures:

As per the Accounting Standard on "Related Party disclosures (AS 18)" the related parties of the Company are as follow :

A List of Related Parties Relationship**(1) Name of Related Party Description of relationship**

Synbiotics Limited	Subsidiary Company
Haryana Containers Limited	Subsidiary Company
Asence Inc USA	Subsidiary Company
Asence Pharma Pvt. Ltd	Subsidiary of Subsidiary Company
Sarabhai M Chemicals Ltd	Subsidiary Company

Systronics (I) Ltd	Subsidiary Company
Suvik Hitek Pvt. Ltd	Subsidiary Company
Sarabhai Chemicals(I) Private Limited	Subsidiary Company
(Formerly known as Senaru Formulations Private Limited)	
Swetsri Investments Private Limited	Subsidiary Company
Vovantis Laboratories Private Limited	Joint Venture Company
Mr. Kartikeya V Sarabhai, Chairman	Key Management Personnel
Mr. A. H. Parekh, Whole Time Director	Key Management Personnel
Ms. Chaula Shastri, Whole Time Director	Key Management Personnel

Note:

Related party relationship is as identified by the Company and relied upon by the Auditors.

B Related Party Transactions:

Rs. in Lakh

Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
EXPENSES						
Purchase of Goods/Services	22.78	20.01	2.52	2.38		
Interest paid	31.75	12.96	-	-		
INCOME						
Recovery of salaries etc. of seconded employees	-	-	10.28	15.56		
Sales of Goods	156.93	66.91	-	-		
Royalty	5.79	35.08	-	-		
Recovery of share in cost of various utilities and expenditures etc.	107.68	107.30	0.48	2.36		
Remuneration to key managerial personnel					50.71	39.91
Interest received	110.65	113.47	-	-		
Investment		28.40	-	-		
Share Application Money	2,019.84	-	-	-		
Loan Given	-	47.75	-	-		
Loan Repaid	736.79	411.50	-	-		
Receivable in respect of Loans	951.52	1,688.31	-	-		
Payable in respect of Current Liabilities	319.03	324.05	18.47	17.13	30.60	30.06
Gurantee Given	913.79	1,083.49	-	-		

C Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013.

Loans and Advances in the nature of loans to subsidiaries

Rs. in Lakh

Name of Subsidiary	Purpose	Closing Balance		Maximum Outstanding	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loans and Advances					
Systronics (I) Limited	General Business Purpose	911.24	891.33	891.33	891.33
Suvik Hitek Private Limited	General Business Purpose	0.51	646.84	646.84	646.84
Haryana Containers Limited	General Business Purpose	26.18	25.75	25.75	25.75
Asence Inc USA	General Business Purpose	13.14	13.14	13.14	13.14
Sarabhai Chemicals(I) Private Limited	General Business Purpose	0.45	111.25	111.25	111.25
Total(A)		951.52	1,688.31	1,688.31	1,688.31
Corporate Gurantee					
Asence Pharma Private Limited	Facilitate Trade Finance	372.52	335.33	372.52	335.33
Synbiotics Limited	Facilitate Trade Finance	474.78	498.99	474.78	498.99
Systronics (I) Limited	Facilitate Trade Finance	41.49	61.17	41.49	61.17
Suvik Hitek Private Limited	Facilitate Trade Finance	25.00	-	25.00	-
Vovantis Laboratories Private Limited	Facilitate Trade Finance	-	188.00	188.00	188.00
Total(B)		913.79	1,083.49	1,101.79	1,083.49
Total(A+B)		1,865.31	2,771.80	2,790.10	2,771.80

Note : No repayment schedule has been fixed in case of above mentioned Loans & Advances in the nature of loans given to Subsidiary Companies and are repayable on demand.

8 CIF Value of Imports

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
Raw Materials	-	376.75
Purchase of Stock in Trade	34.71	-

9 Expenditure in Foreign Currency

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
Others	3.30	3.21

10 Earing in Foreign Currencies

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs. Lakh	Rs. Lakh
FOB Value of Exports	—	—

11 Impairment of Fixed Assets

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets', the Company has reassessed its fixed assets and is of the view that no further impairment/ reversal is considered to be necessary in view of its expected realisable value.

12 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

13 Figures less than Rs. 500/- which are required to be shown separately, have been shown as actual in brackets.

14 Previous year's figures have been regrouped to made then comparable with those of the current year.

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 31.05.2016

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31.05.2016

Place : Ahmedabad

Cash Flow Statement

	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	5,768.43	(915.07)
Adjustments for:		
Depreciation /Amortization	1,462.12	336.15
Interest Income	(145.19)	(143.79)
Interest Expenses	199.45	788.33
Dividend Income	-	(0.04)
Provision for Diminution in value of Investments	15.60	15.59
Sundry Credit Balances Appropriated	461.24	0.65
Provision written Back	(0.19)	-
Foreign Exchange Gain	-	(0.01)
Profit on Sale of Tangible/Intangible assets	(9,294.83)	(1,116.71)
Loss on sale of Investment	-	-
	<u>(7,301.80)</u>	<u>(119.83)</u>
Operating Profit before Working Capital Changes	(1,533.37)	(1,034.90)
Working Capital Changes:		
Changes in Inventories	256.67	(265.15)
Changes in trade payables	(261.36)	(257.19)
Changes in other current liabilities	(3,532.43)	422.71
Changes in provisions	(379.43)	(17.04)
Changes in loans and advances	21.74	104.67
Changes in trade receivables	153.06	180.30
Changes in Other Assets	(1,303.24)	-
Changes in Other Bank Balances	(7.65)	9.39
Net Changes in Working Capital	<u>(5,037.34)</u>	<u>177.69</u>
Cash Generated from Operations	(6,570.71)	(857.21)
Direct Taxes paid (Net of Income Tax refund)	(366.27)	(348.18)
Net Cash Flow from Operating Activities	(6,936.98)	(1,205.39)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(11.06)	(0.56)
Sale of tangible assets	10,058.99	1,156.50
Purchase of Investments	(2,676.44)	(28.40)
Dividend Income	-	0.04
Interest Income	151.69	142.58
Net cash flow before Extra Ordinary Item	7,523.18	1,270.16
Net cash flow from Investing Activities	7,523.18	1,270.16
C Cash Flow from Financing Activities		
Changes in short term borrowings	(55.19)	282.73
Interest Paid	(200.48)	(357.96)
Net Cash flow from Financing Activities	<u>(255.67)</u>	<u>(75.23)</u>
Net Increase/(Decrease) in cash & cash equivalents	329.53	(10.46)
Cash & Cash equivalents at the beginning of the period	15.14	25.60
Cash & Cash equivalents at the end of the period	349.67	15.14
a Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents comprise of: (Note 15)		
Cash on Hand	0.49	0.38
Balances with Banks	266.61	14.76
In Deposit Account	77.57	--
Total	<u>344.67</u>	<u>15.14</u>

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 31-05-2016

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31-05-2016

Place : Ahmedabad

FORM AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / JOINT VENTURES**Part "A": Subsidiaries****Rs. in Lakh**

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment	Turn Over	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Synbiotics Ltd	March 31, 16	INR	844.46	(103.47)	2,251.31	1,510.32	6.50	1,426.10	120.85	-	120.85	Nil	100%
2	Haryana Containers Ltd	March 31, 16	INR	5.00	(31.37)	881.81	908.18	-	-	(0.38)	-	(0.38)	Nil	100%
3	Sarabhai M Chemicals Ltd	March 31, 16	INR	5.00	(3.43)	4.07	2.50	-	-	(0.38)	-	(0.38)	Nil	100%
4	Asence Inc.	Dec. 31, 16	"1 USD= Rs.66.33"	3.32	72.40	215.01	139.29	81.16	361.69	14.56	0.24	14.32	Nil	100%
5	AsencePharma Pvt. Ltd	March 31, 16	INR	9.96	668.05	2,188.75	1,510.74	30.29	3,884.83	148.86	54.17	94.69	Nil	100%
6	Systronics India Ltd	March 31, 16	INR	1,198.50	237.70	3,344.64	1,908.44	43.98	5,534.21	155.92	50.42	105.50	Nil	100%
7	Suvik Hitek Private Ltd	March 31, 16	INR	250.00	(1,124.18)	611.54	1,485.72	0.48	1,426.09	4.03	0.13	3.90	Nil	100%
8	Sarabhai Chemicals (India) Pvt Ltd	March 31, 16	INR	269.40	(295.02)	243.95	269.57	-	760.58	(130.26)	(2.11)	(128.15)	Nil	100%
9	Swetsri Investments Pvt. Limited	March 31, 16	INR	1.00	(0.87)	230.19	230.06	-	-	0.67	0.18	0.49	Nil	100%

FORM AOC-1**Rs. in Lakh**

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

Part "B": Joint Venture

Sr. No.	Particulars	Vovantis Laboratories Pvt Ltd
1	Latest Audited Balance Sheet Date	March 31, 2016
2	Shares of Joint Ventures held by Company on the year end	
	I) Number	4,532,166
	II) Amount of Investment in Joint Ventures	453.31
	III) Extent of Holding %	33.34%
3	Description of how there is significant influence	Note A
4	Reason why the Joint Venture is not consolidated	Not applicable
5	Net worth attributable to shareholding as per latest Audited Balance Sheet	10
6	Profit/(Loss) for the year	
	I) Considered in Consolidation	50.15
	II) Not Considered in Consolidation	—

Note: A There is significant influence due to percentage (%) of Share Capital

Kartikya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary

Date : 12-8-2016
Place : Ahmedabad

FORMAOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis- N. A.
2. Details of material contracts or arrangement or transactions at arm's length basis

No	Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of Contracts Arrangements /transactions	Salient terms of the contract or arrangements or transactions including the value, if any	Date(s) Of approval by the Board, if any:	Amount paid as advances, if any:
1.	Synbiotics Ltd	-	-	-	-	-
2.	Systronics (I) Ltd.	-	-	-	-	-
3.	Sarabhai Chemicals (India)Pvt. Ltd.	-	-	-	-	-
4.	Asence Inc.	-	-	-	-	-
5.	Asence Pharma Pvt. Ltd.	-	-	-	-	-
6.	Sarabhai M Chemicals Ltd	-	-	-	-	-
7.	Haryana Containers Ltd.	-	-	-	-	-
8.	Suvik Hitek Pvt. Ltd.	-	-	-	-	-
9.	Vovantis Laboratories Pvt. Ltd.	-	-	-	-	-
10	Swetsri Investments Pvt.Ltd.	-	-	-	-	-

Date : 31-05-2016
Place : Ahmedabad

For, Ambalal Sarabhai Enterprises Limited
Kartikeya V Sarabhai
Chairman & Whole-Time Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMBALAL SARABHAI ENTERPRISES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Ambalal Sarabhai Enterprises Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Companies (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity; comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Board of Directors of the Holding Company is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the matter 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Basis for Qualified Opinion

The Group has not provided for doubtful debts of Rs. 114.73 Lakh (Previous year ended 31st March, 2015: Rs. 123.15 Lakh) and doubtful advance of Rs. 15.08 Lakh (Previous year ended 31st March, 2015: Rs. 15.09 Lakh). Accordingly, expenses would have been increased and net profit would have been decreased by Rs. 129.81 Lakh (Previous year ended 31st March, 2015: Rs. 138.24 Lakh) and shareholders' funds would have been reduced to that extent. This matter was also qualified in our report on the financial statements for the year ended 31st March, 2015.

Opinion

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

Other Matter

We did not audit the financial statements of one

subsidiary company and one joint controlled entity, whose financial statements reflect total assets of Rs.922.60 Lakhs as at 31st March, 2016, total revenues of Rs.669.52 Lakh and net cash flows amounting to Rs.37.06 Lakh for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 and taken on record by the Board of Directors of the Holding Company and the reports

of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A"; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity— Refer Note 28 (i) to the Consolidated Financial Statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled company incorporated in India.

For and on behalf of
For Sorab S. Engineer & Co.
 Firm Registration No. 110417 W
 Chartered Accountants
C.A. Chokshi Shreyas B.
 Partner
 Membership No. 100892

Date : 12-08-2016
 Place : Ahmedabad

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AMBALAL SARABHAI ENTERPRISES LIMITED

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 Ambalal Sarabhai Enterprises Limited ("the holding Company") and its subsidiary companies and its jointly controlled entity incorporated in India, for the year ended March 31, 2016 in

conjunction with our audit of the Consolidated Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of 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 Act.

Auditors' 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 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 applicable to an audit of Internal Financial Controls and, 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 was 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 auditor's judgement, 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 detail, 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 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 Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 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 Institute of Chartered Accountants of India”.

For and on behalf of
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants
C.A. Chokshi Shreyas B.
Partner
Membership No.100892

Date : 12-08-2016
Place : Ahmedabad

Consolidated Balance Sheet

	Notes	As at March 31.2016 Rs. Lakh	As at March 31.2015 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(3,790.14)	(8,603.66)
Non-current liabilities			
Long Term Borrowings	3	574.74	575.85
Deferred Tax Liabilities (Net)	4	20.88	-
Long Term Provisions	5	674.65	985.42
Current liabilities			
Short Term Borrowings	6	3,950.15	3,891.52
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	2,693.07	2,754.29
Other Current Liabilities	8	5,669.70	9,184.60
Short Term Provisions	5	577.69	446.34
Total		<u>18,034.07</u>	<u>16,897.69</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	4,674.94	5,379.70
Intangible Assets	10	2,501.06	3,698.09
Intangible Assets under development		0.60	-
Capital Work-in-progress		896.00	82.89
Non-current Investments	11	809.82	62.10
Long Term Loans and Advances	12	200.94	774.98
Other Non-current Assets	13	70.89	45.24
Deferred Tax Assets (Net)	4	-	17.83
Current assets			
Current Investments	11	0.20	26.67
Inventories	14	1,441.15	1,710.10
Trade Receivables	15	3,010.92	2,529.38
Cash and Bank Balances	16	1,640.58	1,385.28
Short Term Loans and Advances	12	1,451.50	1,151.46
Other Current Assets	13	1,335.47	33.97
Total		<u>18,034.07</u>	<u>16,897.69</u>

Notes to Accounts & Significant Accounting Policies 26

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 12-8-2016

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 12-8-2016

Place : Ahmedabad

Consolidated Statement of Profit & Loss

	Note	March 31, 2016 Rs. Lakh	March 31, 2015 Rs. Lakh
Revenue from operations (Gross)	17	13,522.55	12,736.82
Less : Excise Duty		<u>324.78</u>	<u>287.17</u>
Revenue from operations (Net)		13,197.77	12,449.65
Other Income	18	<u>9,507.67</u>	<u>1,298.71</u>
Total Revenue		22,705.44	13,748.36
Expenses:			
Cost of materials and accessories consumed	19	1,367.77	1,258.94
Purchases of Stock in Trade	-	5,756.76	5,948.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	135.17	35.54
Employee benefits expense	21	3,218.32	2,922.16
Finance costs	22	410.04	983.19
Depreciation, Amortization and Impairment expense	23	1,654.25	480.91
Other expenses	24	<u>3,988.94</u>	<u>2,717.49</u>
Total Expenses		16,531.25	14,346.74
Profit/(Loss) before exceptional and extraordinary items and tax		6,174.19	(598.38)
Exceptional items		<u>-</u>	<u>-</u>
Profit/(Loss) before extraordinary items and tax		6,174.19	(598.38)
Extraordinary Items		<u>-</u>	<u>-</u>
Profit/(Loss) before tax and after extraordinary items		6,174.19	(598.38)
Tax expense:			
Current Tax		1,315.42	90.56
Deferred Tax		<u>38.72</u>	<u>(15.26)</u>
Profit/(Loss) after Tax		4,820.25	(673.68)
(Excess)/Short Provision for Taxation of earlier years		<u>6.53</u>	<u>(6.62)</u>
Profit/(Loss) for the year		4,813.52	(667.06)
Earnings per equity share			
Face Value per Share Rs. 10/-			
(Previous year Rs. 10/-):	25		
Basic and Diluted		6.28	(0.87)
Notes to Accounts & Significant Accounting Policies	26		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date attached			
For Sorab S. Engineer & Co.		Kartikeya V. Sarabhai	
Firm Registration No. 110417W		Chairman	
Chartered Accountants		B. V. Suryakumar	
CA. Chokshi Shreyas B.		Director	
Partner		Ketan Adhvaryu	
Membership no. 100892		Company Secretary	
Date : 12-8-2016		Date : 12-8-2016	
Place : Ahmedabad		Place : Ahmedabad	

SHARE CAPITAL

	NOTE 1	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Authorised Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share		
	9,500.00	9,500.00
Issued Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share		
	7,663.33	7,663.33
Subscribed and fully paid up Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share fully paid up	7,663.33	7,663.33
Total	7,663.33	7,663.33

(a) Reconciliation of Number of Equity Shares

	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	No. of Share	Rs. Lakh	No. of Share	Rs. Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	76,633,296	7,663.33	76,633,296	7,663.33

(b) Rights, Preferences and Restrictions attached to Shares**Equity Shares:**

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972		
% of Share holding	25.19%	25.19%		
b. Caplin Viniyog Pvt. Ltd.	42,22,789	42,22,789		
% of Share holding	5.51%	5.51%		

RESERVES AND SURPLUS

	NOTE 2	
	As at	As at
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Capital Reserve		
Balance as per last financial statements	492.98	511.74
Less: Transfer to General Reserve	307.85	18.76
Balance at the end of the year	185.13	492.98
General Reserve		
Balance as per last financial statements	5,140.55	5,121.79
Add: Amount Transfer from Capital Reserve	307.85	18.76
	5,448.40	5,140.55
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(15,298.11)	(14,573.86)
Add: Adjustment on Consolidation	—	(57.19)
	(15,298.11)	(14,631.05)
Add: Profit/(Loss) for the year	4,813.52	(667.06)
Balance at the end of the year	(10,484.59)	(15,298.11)
Total	(3,790.14)	(8,603.66)

LONG TERM BORROWINGS

	Non- Current portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Secured:				
Term Loans :				
From Banks	572.30	575.85	188.64	175.63
Unsecured:				
From Others	2.44	—	1.60	—
	574.74	575.85	190.24	175.63

Amount disclosed under the head "Other Current Liabilities" (Note 8)

Total	574.74	575.85	—	—
--------------	---------------	---------------	----------	----------

Deferred Tax Liabilities/(Assets) (Net) NOTE 4

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Deferred Tax Liabilities		
Depreciation	512.45	598.77
Deferred Tax Assets		
Disallowance u/s 43B	(288.90)	(233.87)
Unabsorbed Depreciation	(202.67)	(382.73)
Total	20.88	(17.83)

PROVISIONS NOTE 5

	Long Term		Short Term	
	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Provision for Accrued Gratuity Liabilities	610.24	854.70	181.99	281.29
Provision for Accrued Leave Liabilities	64.41	130.72	140.29	164.37
Provision for Income Tax (Net of Advance Tax of Rs. 2,360.35 Lakh)	-	-	254.73	-
Provision for Wealth tax	-	-	0.68	0.68
Total	674.65	985.42	577.69	446.34

SHORT TERM BORROWINGS NOTE 6

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Secured:		
Working Capital Loans repayable on demand from Banks	733.51	714.69
From Others	993.47	1,109.80
	1,726.98	1,824.49
Unsecured:		
From Others	2,223.17	2,067.03
Total	3,950.15	3,891.52

TRADE PAYABLES NOTE 7

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
--	-------------------------------------	-------------------------------------

Total outstanding dues of micro enterprises and small enterprises (Note a)

	2,693.07	2,754.29
Total	2,693.07	2,754.29

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the suppliers beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

OTHER CURRENT LIABILITIES NOTE 8

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Current maturities of long-term borrowings (Note 3)	190.24	175.63
Payable in respect of Capital Goods	1.45	1.87
Interest accrued and due on borrowings	432.29	433.32
Income received in advance	-	5.89
Advances against sales of property	135.31	2,429.31
Advances from Customers	189.31	61.60
Statutory dues	2,332.40	2,941.82
Due to Director	30.60	30.06
Security Deposits	268.52	213.15
Payable to employees	1,400.63	2,211.70
Book Overdraft	15.00	122.05
Others	673.95	558.20
Total	5,669.70	9,184.60

Tangible Assets**NOTE 9****Rs. Lakh**

Asset	Gross Block					Depreciation						Net Block	
	As on 01.04.15	Adjust- ment on consol- idation	Addi- tions	Deduc- tions	As on 31.03.16	As on 01.04.15	Adjust- ment on consol- idation	Opening adjust- ments	for the year	Deduc- tion	As on 31.03.16	As on 31.03.16	As on 31.03.15
Leasehold Land	16.74	-	-	0.33	16.41	-	-	-	-	-	-	16.41	16.74
Own Assets													
Freehold Land	2,219.72	-	227.10	759.93	1,686.89	-	-	-	-	-	-	1,686.89	2,219.72
Building	1,918.36	-	3.93	3.93	1,918.36	751.77	-	-	69.31	0.46	820.62	1,097.74	1,166.59
Plant and Machinery	5,602.12	-	109.13	1,142.42	4,568.83	3,796.25	-	-	335.26	1,141.54	2,989.97	1,578.86	1,805.87
Computer Server & Network	91.44	-	6.16	0.07	97.53	71.21	-	-	9.05	0.04	80.22	17.31	20.23
Furniture and Fixtures	521.62	-	134.12	146.52	509.22	434.22	-	-	27.76	145.45	316.53	192.69	87.40
Library Books	0.10	-	-	0.10	-	0.10	-	-	-	0.10	-	-	-
Vehicles	146.56	-	37.80	29.05	155.31	83.41	-	-	12.90	26.04	70.27	85.04	63.15
Total	10,516.66	-	518.24	2,082.35	8,952.55	5,136.96	-	-	454.28	1,313.63	4,277.61	4,674.94	5,379.70
Previous Year	10,405.81	0.19	155.17	44.51	10,516.66	4,678.64	0.04	(14.48)	474.32	1.56	5,136.96	5,379.70	

Note : Amortization of Lease hold Land is shown as deduction

Intangible Assets**NOTE 10****Rs. Lakh**

Asset	Gross Block					Amortization/ Impairment					Net Block	
	As on 01.04.15	Adjust- ment consolidation	Addi- tions	Deduc- tions	As on 31.03.16	As on 01.04.15	for the year	Impair- ment Loss/ (Reversal)	Deduc- tion	As on 31.03.16	As on 31.03.16	As on 31.03.15
Own Assets												
Goodwill on consolidation	2,454.76	1.36	-	-	2456.12	-	-	-	-	-	2,456.12	2,454.76
Goodwill	2,277.62	-	-	-	4,732.38	1,100.00	1,177.62	-	-	2,277.62	-	1,177.62
Know How	55.94	-	-	-	55.94	29.00	11.25	-	-	40.25	15.69	26.94
Software	53.81	-	1.25	-	55.06	15.04	10.77	-	-	25.81	29.25	38.77
Brand Value	5.00	-	-	-	5.00	5.00	-	-	-	5.00	-	-
Total	4,847.13	1.36	1.25	-	4,849.74	1,149.04	1,199.64	-	-	2,348.68	2,501.06	3,698.09
Previous Year	4,832.88	-	14.25	-	4,847.13	1,128.16	20.88	-	-	1,149.04	3,698.09	

INVESTMENTS**NOTE 11**

	As at 31-3-16		As at 31-3-15		As at 31-3-16		As at 31-3-15	
	Face Value Per Share (Rs.)	No. of Share	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
I Trade Investments (Unquoted)								
Ordinary shares of each fully paid of ORG Informatics Limited	10	1559340	156.30	156.30	—	—	—	—
Less: Diminution in Value of Investment			(156.30)	(140.70)	—	—	—	—
			—	15.60	—	—	—	—
II Investments in Government Securities (Unquoted)								
National Saving Certificate			—	0.20	0.20	—	—	—
Other Investments (Unquoted)								
Ordinary shares each fully paid of Co-operative Bank of Baroda Ltd.	25	1100	0.28	0.28	—	—	—	—
Ordinary share fully paid of Baroda Ind.Dev. Corp.Ltd	1000	1	0.01	0.01	—	—	—	—

Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd.	25	1204	0.30	0.30	—	—	—	—
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1	pound	73498	36.33	36.33	—	—	—
Ordinary shares of Belgium Satellite Services s.a*	Euro 1	555066	763.53	—	—	—	—	—
Ordinary shares of each fully paid of Sardar Vallabh Bhai Sahakari Bank Limited	25	9540	2.36	2.40	—	—	—	—
Ordinary shares of each fully paid of Kalupur Commerical Co. Op. Bank Limited	25	26000	6.50	6.00	—	—	—	—
In Mutual Fund (Unquoted, Non trade)								
Bank of India			—	—	—	—	—	26.67
Axa Liquid Fund			—	—	—	—	—	26.67
Gold Coins			0.48	0.48	—	—	—	—
Total			809.82	62.10	0.20	26.67	26.67	26.67

* Shares are in the process of transfer in the name of the group companies.

a Disclosure as per**AS 13 - Accounting for Investments**

Long Term Investments	809.82	62.10	—	—
Current Investments	—	—	0.20	26.67
Total	809.82	62.10	0.20	26.67

LOANS AND ADVANCES**NOTE 12**

(Unsecured, Considered good unless otherwise stated)

	Long Term		Short Term	
	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Capital Advances	20.76	26.52	—	—
Security Deposits				
Considered Good	166.31	171.44	1.80	0.05
Considered Doubtful	9.21	9.11	—	—
Less: Provision	9.21	9.11	—	—
	—	—	—	—
Advance tax paid (Net of Provision of Rs. 4,191.48 lakhs)	—	555.64	—	—
Advances:				
To Employees	2.59	2.83	30.63	14.02
To Others	—	—	33.96	29.27
Advances recoverable in cash or in kind or for value to be received				
Considered good	—	11.02	1,079.46	761.14
Considered doubtful	5.00	5.10	388.30	499.29
Less: Provision	—	0.10	378.22	489.20
	5.00	5.00	10.08	10.09
Prepaid Expenses	5.88	2.33	13.50	10.75
Balances with Government Authorities				
Considered good	0.40	0.20	66.82	65.00
Considered doubtful	—	—	1.09	1.09
Less: Provision	—	—	1.09	1.09
	—	—	—	—
CENVAT/Custom Duty Receivable	—	—	215.25	261.14
Total	200.94	774.98	1,451.50	1,151.46

OTHER ASSETS**NOTE 13**

	Non Current		Current	
	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
Non Current Bank Balances (Note 16)	70.89	45.07	—	—

Debtors Other than Trade	—	—	1,303.24	—
Interest Accrued	—	0.17	22.55	25.33
Income Receivable	—	—	9.68	8.64
Total	70.89	45.24	1,335.47	33.97

INVENTORIES**NOTE 14**

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
	Raw Materials and Packing Materials	341.08
Raw Materials in Transit	23.60	—
Stores and Spares	12.49	19.32
Work-in-Progress	327.26	430.93
Finished Goods	224.60	159.11
Stock in Trade in Transit	15.94	—
Stock in Trade	496.18	594.38
Total	1,441.15	1,710.10

TRADE RECEIVABLES**NOTE 15**

	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh
	(Unsecured, considered good unless otherwise stated)	
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	518.99	778.07
Considered doubtful	572.66	460.75
Less: Provision for Doubtful Debts	457.93	337.60
	114.73	123.15
Others	2,377.20	1,628.16
Total	3,010.92	2,529.38

CASH AND BANK BALANCES**NOTE 16**

	Non Current		Current	
	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2015 Rs. Lakh

Cash and Cash Equivalents:

Cash on Hand	—	—	8.26	10.38
Cheques on Hand	—	—	—	—
Balances with Banks				
In Current Accounts	—	—	910.79	686.89
In Exchange Earners				
Foreign Currency A/c	—	—	—	0.03
In Deposit Account (with original maturity up to 3 months)	—	—	—	132.11
Held as Margin Money (with original maturity up to 3 months)	—	—	83.57	10.97
(Under lien with bank as Security for Guarantee Facility)	—	—	994.36	830.00
	—	—	—	—

Other Bank Balances:**In Deposits Accounts**

With original maturity more than 3 months but less than 12 months	—	—	595.90	257.53
With original maturity more than 12 months	0.01	7.70	41.85	273.00
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	63.71	33.65	0.21	11.34
Lodged with Sales Tax / Excise Department	7.17	3.72	-	3.03
	<u>70.89</u>	<u>45.07</u>	<u>637.96</u>	<u>544.90</u>

Amount disclosed under the head

"Other Non Current Assets" (Note 13)	70.89	45.07	—	—
Total	<u>—</u>	<u>—</u>	<u>1,640.58</u>	<u>1,385.28</u>

REVENUE FROM OPERATIONS**NOTE 17**

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	13,141.86	12,418.02
Less : Excise Duty	<u>324.78</u>	<u>287.17</u>
	12,817.08	12,130.85
Sale of Services	227.31	213.58
Other Operating Revenues		
Export Incentives	44.43	34.70
Others	108.95	70.52
Total	<u>13,197.77</u>	<u>12,449.65</u>

OTHER INCOME**NOTE 18**

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Interest Income	83.91	69.68
Dividend Income on:		
Long Term Investments	1.03	1.26
Exchange Difference (Net)	7.58	3.69
Sundry Credit Balances		
Appropriated (Net)	—	24.53
Provision no longer required (Net)	0.42	28.32
Profit on sales of Assets (Net)	9,293.40	1,113.99
Profit on sales of Investment	0.92	1.31
Scrap Income	17.44	15.22
Miscellaneous Income	49.98	34.37
Insurance Claim	—	0.92
Cash Discount	18.77	—
Excise Duty Refund	13.58	—
Claim realised	7.54	0.74

Recoveries	—	4.48
Bad Debts recovered	13.10	0.20
Total	<u>9,507.67</u>	<u>1,298.71</u>

Cost of Materials and Accessories Consumed

Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
---	---

Stock at the beginning of the year	506.36	266.47
Purchases	<u>1,202.48</u>	<u>1,498.83</u>
	1,708.84	1,765.30
Less: Stock at the end of the year	<u>341.07</u>	<u>506.36</u>
Total	<u>1,367.77</u>	<u>1,258.94</u>

Changes in Inventories of Finished Goods, Work-in-progress and Stock in Trade**NOTE 20**

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	224.60	159.11
Stock-in-trade	496.18	594.38
Work-in-Progress	<u>327.26</u>	<u>430.93</u>
	1,048.04	1,184.42
Stock at the beginning of the year		
Finished Goods	159.11	286.22
Stock-in-trade	594.38	579.95
Work-in-Progress	<u>430.93</u>	<u>358.41</u>
	1,184.42	1,224.58
Excise duty in value of stock	(1.21)	(4.62)
(Increase)/Decrease in stocks	<u>135.17</u>	<u>35.54</u>

EMPLOYEE BENEFITS EXPENSE**NOTE 21**

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
Salaries and Wages	2,860.03	2,555.30
Contribution to Provident Fund and Other Funds	151.13	159.75
Staff Welfare Expenses	<u>118.18</u>	<u>131.67</u>
	3,129.34	2,846.72
Directors' Remuneration	<u>88.98</u>	<u>75.44</u>
Total	<u>3,218.32</u>	<u>2,922.16</u>

FINANCE COSTS	NOTE 22	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Interest		
On Term Loans	116.37	101.30
On working capital loans	70.98	71.76
Others	213.20	797.42
Interest on shortfall of advance tax	—	0.03
Other Borrowing Costs	9.49	12.68
Total	410.04	983.19

DEPRECIATION / AMORTIZATION AND IMPAIRMENT EXPENSE	NOTE 23	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	454.38	459.71
Amortization/ Impairment of Intangible Assets	1,199.54	20.87
Amortization of Lease hold Land	0.33	0.33
Total	1,654.25	480.91

OTHER EXPENSES	NOTE 24	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Power and fuel	366.88	280.38
Stores Consumed	69.21	73.93
Insurance	15.10	13.80
Processing Charges	246.10	183.43
Rent	124.62	103.08
Rates and taxes	322.18	89.17
Repairs:		
To Buildings	106.74	40.86
To Machineries	28.55	19.38
To others	42.26	27.82
Factory Over Head	165.12	151.60
Integration & Installation Expense	3.21	8.43
Selling Commission	188.76	188.11
Selling Expenses	386.75	368.79
Distribution Expenses	66.70	50.90
Fixed Asset Written Off	0.81	—
Research and Development	2.78	2.36
Excise Duty - Others	27.48	30.27
Legal and Professional Fees	312.93	270.25
Conveyance and Travelling Expenses	379.86	353.15
Directors' sitting fees	1.54	1.02
Provision for Doubtful Debts & Advances	10.00	0.74
Bad Debts written off	72.34	12.30

Communication Expenses	20.46	22.19
ETP Expenses	10.00	8.84
Hire Charges (Transportation Services)	26.99	33.35
Product Development Expenses	8.40	8.28
Royalty paid	4.15	6.04
Labour Charges	44.64	38.77
Provision for Diminution in Value of Investment	15.60	15.59
Investment written off	—	0.01
Project Expense Written Off	72.80	—
Sundry Debit Balances Appropriated (Net)	444.14	—
Payments to the auditor as		
(a) Auditor	12.24	12.12
(b) For tax audit matters	0.68	0.67
(c) For Other Certification work	10.87	8.22
(d) For reimbursement of expenses	3.83	3.18
Miscellaneous Expenses	374.22	290.46
Total	3,988.94	2,717.49

EARNING PER SHARE (EPS)	NOTE 25	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Calculation of EPS (Basic & Diluted)		
Profit/ (Loss) available to Equity Shareholder (Rs. Lakh)	4,813.52	(667.06)
Weighted average no. of Equity Shares for Basic and Diluted EPS	76,633,296	76,633,296
Nominal value of Equity Shares (Rs.)	10.00	10.00
Basic and Diluted Earning per Equity Share (Rs.)	6.28	(0.87)

NOTE 26**Notes to consolidated financial statement :****Basis of Consolidation**

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements" and relevant clarifications issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statements of Ambalal Sarabhai Enterprises Limited, its Subsidiaries and Joint Ventures Entities (collectively referred to as "the Group")
- (ii) The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies, which represent the needed disclosure.

Principles

- (i) Subsidiaries are consolidated from the date of which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra - group transactions and unrealised Profits or losses are fully eliminated.
- (II) The difference between cost to the Company of its investments in the subsidiary companies and its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as Goodwill or Capital Reserve as the case may be.
- (III) Minority interest in the net asset consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.
- (IV) In case of Foreign Subsidiary, revenue item are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

(V) The company's interest in the Joint Venture has been consolidated on line to line basis by adding together the value of assets, liabilities, income and expenses, after eliminating the unrealised profits/ losses of intra group transactions. Joint Venture accounts have been included in segments to which they relate.

- (a) The List of Subsidiaries included in the Consolidated Financial Statements are as under :

Sr No	Name of Subsidiary	"Country of incorporation"	"Proportion of ownership as on 31st March 2016"
a)	Synbiotics Limited	India	100%
b)	Haryana Containers Limited	India	100%
c)	Sarabhai M Chemicals Ltd	India	100%
d)	Asence Inc.	USA	100%
e)	Asence Pharma Private Limited	India	100%
f)	Systronics India Limited	India	100%
g)	Suvik Hitek Private Limited	India	100%
h)	Sarabhai Chemicals (India) Pvt Ltd.	India	100%
i)	Swetsri Investments Pvt Limited	India	100%
(b)	The following Joint Venture entity have been included in the Consolidated		
Sr No	Name of Joint venture	"Country of incorporation"	"Proportion of ownership as on 31st March 2016"
a)	Vovantis Laboratories Private Limited	India	33.34%

NOTE 27**SIGNIFICANT ACCOUNTING POLICIES:****(A) BASIS OF PREPARATION**

These Consolidated Financial statements have been prepared in accordance with the generally accepted accounting principles in

India (Indian GAAP) under the historical cost convention on accrual basis. Indian GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hereto in use.

The Accounts of the foreign subsidiary have been prepared in accordance with local laws and applicable accounting standard/generally accepted accounting principles.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.

A summary of applicable accounting policies which have been applied consistently are set out below.

(B) USE OF ESTIMATES

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products, income from job work services. Sales are recognised based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. Revenue from export sales are recognised on shipments basis. Sales are stated net of return, excise duty & sales Tax/VAT. Export incentives are accounted on cash basis. Revenue from job work services and Rental income are recognised based on the services rendered in accordance with the terms of contracts.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is accounted for as and when right to receive payment is established.

Profit or Loss on sale of investments is recorded on transfer of title from the company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Claims receivable on account of insurance are accounted for to the extent the company is reasonably certain of their ultimate collection.

(E) VALUATION OF INVENTORY

The stock of Raw Material and finished goods has been valued at the lower of cost and net realizable value. Cost is measured on weighted average for the year and includes cost of materials and cost of conversion.

All other inventories of stores, consumables are valued at cost. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

(F) FIXED ASSETS AND DEPRECIATION /AMORTISATION**Tangible Assets**

Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition.

Subsequent expenditure related to an item of fixed assets are added to its book value only if they increase future benefits from the existing assets beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit & Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss except to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilized, it is charged directly to that account.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Gains or losses arising from disposal or retirement of intangible assets are recognised in the Statement of Profit and Loss.

(G) Depreciation of Tangible Assets

The carrying value of the tangible fixed assets as on April 1, 2015 is depreciated over remaining useful life of the assets. Depreciation on additions to tangible fixed assets is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased / sold during a period is proportionately charged for the period of use.

Amortisation of Intangible Assets

Software is depreciated over management estimate of its useful life of 5 years and Patent/Knowhow is depreciated over its useful validity period.

(H) For Foreign Subsidiaries

In the case of foreign subsidiary, depreciation has been provided as per the rates permitted under the local Laws/at such rate so as to write off the assets over its useful life.

(I) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(J) INVESTMENTS

Investments are classified as Long Term Investments. Long term investments are stated at cost less permanent diminution in value, if any.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

(K) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Foreign currency monetary items are restated using exchange rate prevailing at the reporting date.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation other than as mentioned above is recognised in the Statement of Profit and Loss.

(L) EMPLOYEE BENEFITS

The Company has Defined Contribution Plans for post-employment benefits namely (a) Superannuation Fund which is administered through trustees and (b) Provident Fund which is administered through trust and / or to the Government. The Company's contribution thereto are charged to revenue every year. The Company's contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. Gratuity scheme is unfunded.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Statement of Profit and Loss as income or expense.

(M) TAXES ON INCOME

Tax expense consists of both current as well

as deferred tax. Current tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

Minimum Alternate Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period. The said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(N) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities (to the extent not provided for)	NOTE 28	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Disputed demand in respect of		
(a) Customs and Excise	137.90	137.57
(b) Sales Tax	65.28	81.89
(c) Income Tax	3,563.25	3,593.83
(d) E.S.I.C.	93.88	94.54
(e) Provident Fund	10.56	10.56
Claims not acknowledged as debt	38,905.23	39,350.16
Claims by Government for payment in to DPEA	39.25	39.25
Guarantee given by banks on behalf of the Company	339.09	306.81
Guarantee given by the Company on behalf of Other Companies	1.25	1.25

NOTE 29

Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the Single Judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division While allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by them which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee.

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the demand made of Rs. 37,770.51 lakh and based on legal advice, the Company has taken necessary action required in the matter at various legal forum.

Capital and Other Commitments	NOTE 30	
	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	19.66	—
Other Commitments	—	—

Segment Reporting : A. Primary Segment (Business Segments)	NOTE 31	
	Rs. in Lakh	Rs. in Lakh
	March 31, 2016	March 31, 2015
Particulars		
Segment Revenue		
a) Pharmaceuticals	7,663.56	7,707.10
b) Electronics	5,534.21	4,742.55
Total Sales	13,197.77	12,449.65
Less: Inter Segment Revenue	—	—
Net Sales	13,197.77	12,449.65
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	6,330.82	233.75
b) Electronics & Broadcast Equipments	253.41	151.06
Total Segment Results	6,584.23	384.81
Less: Interest & Finance Cost	410.04	983.19
Profit/(Loss) from ordinary Activities	6,174.19	(598.38)
Extra ordinary Items (Net)	—	—
Profit/(Loss) before Tax	6,174.19	(598.38)
Other Information		
Segment Assets		
a) Pharmaceuticals	14,660.90	13,838.58
b) Electronics & Broadcast Equipments	3,373.17	3,059.11
c) Unallocable	—	—
Total Assets	18,034.07	16,897.69
Segment Liabilities		
a) Pharmaceuticals	13,163.68	16,994.34
b) Electronics & Broadcast Equipments	997.20	843.68
c) Unallocable	—	—
Total Liabilities	14,160.88	17,838.02
Segment and Depreciation/Impairment		
a) Pharmaceuticals	1,620.08	495.88
b) Electronics & Broadcast Equipments	34.17	(14.97)
c) Unallocable	—	—
Total Depreciation /Impairment	1,654.25	480.91
Capital Expenditure		
a) Pharmaceuticals	496.21	216.11
b) Electronics & Broadcast Equipments	23.28	15.29
c) Unallocable	—	—
Total Capital Expenditure	519.49	231.40

Non Cash Expenses other than Depreciation		
a) Pharmaceuticals	25.60	19.05
b) Electronics & Broadcast Equipments	73.15	9.59
c) Unallocable	—	—
Total Non Cash Expenses other than Depreciation	98.75	28.64

B Secondary Segment (Geographical by customers)

Particulars	Rs. in Lakh	Rs. in Lakh
	March 31, 2016	March 31, 2015
Segment Revenue		
a) In India	9,038.59	8,359.31
b) Out side India	4,159.18	4,090.34
Total Sales	13,197.77	12,449.65
Carrying Cost of Assets by location of assets		
a) In India	17,833.88	16,780.19
b) Out side India	200.19	117.50
Total	18,034.07	16,897.69
Addition to Assets		
a) In India	519.49	231.27
b) Outside India	—	0.13
Total	519.49	231.40

Notes:

- The company has disclosed business segments as the primary segment. Segments have been identified taking into account the nature of the products, differential risks and returns, the Organizational structure and internal reporting system. The Company's operations predominantly relate to manufacturing of Drugs, Formulation, Electronics Instruments and Services.
- Types of Products and Services in each business segment :
Pharmaceuticals : Drugs, Formulations
Electronics & : Electronics Instruments
Broadcast : and Services
Equipments
- Inter-segment Revenues are recognised at sales price.
- Geographical segment is considered based on sales within India and outside India.

NOTE 32

Related Party Disclosures:

As per the Accounting Standard on " Related Party disclosures (AS 18) " the related parties of the Company are as follow :

Name of Related Parties and Nature of Relationship :

a	Name of the party	Nature of relationship
	Key Managerial Personnel:	
	Mr. Kartikeya V. Sarabhai	Chairman
	Mr. A.H. Parekh	Whole time Director
	Ms Chaula Shastri	Whole time Director
	Mr. K Mohandas	Managing Director

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

b Transactions and Balances :

Nature of Transactions

Transactions	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Remuneration to key management personnel	88.98	75.44
Balances as at year end		
Payable in respect of Current Liabilities	30.60	30.06

C Disclosure in respect of Related Party Transections :

Transactions	Year Ended	Year Ended
	March 31, 2016	March 31, 2015
	Rs. Lakh	Rs. Lakh
Remunerations		
Mr. Kartikeya V Sarabhai	19.97	13.48
Mr. AH Parekh	17.64	17.07
Ms Chaula Shastri	13.10	9.36
Mr. K Mohandas	38.27	35.53
Payable in respect of Current Liabilities		
Mr. Kartikeya V Sarabhai	4.27	3.69
Mr. AH Parekh	18.32	19.30
Ms Chaula Shastri	8.01	7.07

Additional Information as required under Schedule III to the Companies Act, 2013

NOTE 33

Name of the Entity	2015-16				2014-15			
	Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)		Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)	
	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh
Parent:								
Ambalal Sarabhai Enterprises Ltd	(23.18%)	(897.63)	88.24%	4,247.26	443.82%	(4,173.35)	180.18%	(1,201.93)
Subsidiaries								
Synbiotics Limited	16.82%	651.50	(25.60%)	(1,232.08)	(66.94%)	629.46	149.88%	(999.80)
Haryana Containers Limited	22.76%	881.44	(0.01%)	(0.38)	0.02%	(0.22)	(0.08%)	0.53
Sarabhai M Chemicals Ltd	0.02%	0.90	(0.01%)	(0.38)	0.57%	(5.40)	0.42%	(2.80)
Asence Inc.	3.78%	146.46	0.35%	17.08	(6.61%)	62.20	(1.91%)	12.72
Asence Pharma Private Limited	10.78%	417.42	31.55%	1,518.66	(22.65%)	212.95	(185.36%)	1,236.49
Systronics India Limited	60.45%	2,341.23	6.36%	306.03	(235.60%)	2,215.43	(47.46%)	316.62
Suvik Hitek Private Limited	(5.01%)	(193.91)	0.09%	4.15	24.58%	(231.08)	4.62%	(30.81)
Sarabhai Chemicals (India) Pvt Ltd	(1.09%)	(42.05)	(0.34%)	(16.46)	(1.04%)	9.79	(1.23%)	8.21
Swetsri Investments Pvt. Limited	5.84%	226.03	0.01%	0.49	-	-	-	-
Joint Ventures:								
Vovantis Laboratories Pvt. Ltd	8.82%	341.80	(0.64%)	(30.85)	(36.15%)	339.89	0.94%	(6.29)
	100.00%	3,873.19	100.00%	4,813.52	100.00%	(940.33)	100.00%	(667.06)

NOTE 34

Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

NOTE 35

No Provision is made for doubtful debts Rs. 114.73 Lakh (Rs. 123.15 Lakh) and doubtful advances of Rs. 15.08 Lakh (Rs. 15.09 Lakh).

NOTE 36

Impairment of Fixed Assets

In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets', the Company has reassessed its fixed assets and is of the view that no further impairment\ reversal is considered to be necessary in view of its expected realisable value.

NOTE 37

In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

NOTE 38

Figures less than Rs. 500/- which are required to be shown separately, have been shown as actual in brackets.

NOTE 39

Previous year figure have been regrouped or recast wherever necessary to make them comparable with those of the current year.

As per our report of even date attached

For, Sorab S. Engineer & Co.	Kartikeya V. Sarabhai
Firm Registration No. 110417 W	Chairman
Chartered Accountant	B. V. Suryakumar
CA. Chokshi Shreyas B.	Director
Partner	Ketan Adhvaryu
Membership No. 100892	Company Secretary
Date : 12-8-2016	Date : 12-8-2016
Place : Ahmedabad	Place : Ahmedabad

Consolidated Cash Flow Statement

	Year Ended March 31, 2016 Rs. Lakh	Year Ended March 31, 2015 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	6,174.19	(598.38)
Adjustments for:		
Depreciation /Amortization	1,654.25	480.90
Interest Income	(83.91)	(69.68)
Interest Expenses	400.55	983.19
Dividend Income	(1.03)	
Income from Investments	-	(1.26)
Provision for Diminution in value of Investments	15.60	15.59
Sundry Debit Balance Written Off	444.14	
Sundry Credit Balances Appropriated	-	(24.53)
Project Expenses Written Off	72.80	
Fixed Assets Written Off	0.81	
Bad Debts Written Off	72.34	12.30
Provisions no longer Required	(0.42)	(28.32)
Provisions for Bad Debts/Advances	10.00	0.74
Foreign Exchange Gain	(4.14)	(3.69)
Investment Written off	-	0.01
Profit on Sale of Tangible/Intangible assets	(9,293.40)	(1,113.99)
Profit on sale of Investment	(0.92)	(1.31)
	<u>(6,713.33)</u>	<u>249.95</u>
Operating Profit before Working Capital Changes	(539.14)	(348.43)
Working Capital Changes:		
Changes in Inventories	268.95	(196.64)
Changes in Current liabilities	(4,004.68)	7.69
Changes in Current Assets,Loans & advances	(2,030.06)	67.88
Changes in trade receivables	(563.88)	175.25
Changes in Other Bank Balances	(118.88)	(93.62)
Net Changes in Working Capital	(6,448.55)	(39.44)
Cash Generated from Operations	(6,987.69)	(387.87)
Direct Taxes paid (Net of Income Tax refund)	(511.58)	(444.18)
Net Cash Flow from Operating Activities	(7,499.27)	(832.05)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(1,408.17)	(231.40)
Sale of tangible assets	10,061.79	1,156.61
Change in Investments	(763.53)	(10.26)
Proceeds from Sale of Investment	27.59	
Dividend Income	1.03	1.26
Interest Income	86.86	63.73
Net cash flow from Investing Activities	8,005.57	979.94
C Cash Flow from Financing Activities		
Changes in borrowings	57.52	491.94
Interest Paid	(401.58)	(552.82)
Net Cash flow from Financing Activities	(344.06)	(60.88)
Net Increase/(Decrease) in cash & cash equivalents	162.24	87.01
Cash & Cash equivalents at the beginning of the period	840.38	753.37
Cash & Cash equivalents at the end of the period	1,002.62	840.38
Particulars	As at Year Ended March 31, 2016	As at Year Ended March 31, 2015
a Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	8.26	10.38
Balances with Banks	994.36	830.00
Total	1,002.62	840.38

As per our report of even date attached
For Sorab S Engineer & Co.
Firm Registration No 110417 W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Date : 12-08-2016
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 12-08-2016
Place : Ahmedabad

ase**Ambalal Sarabhai Enterprises Limited**

Regd. Office : Shanti Sadan, Mirzapur Road, Ahmedabad-380 001.

CIN No. : L52100GJ1978PLC003159

**PROXY FORM
MGT-11**

Name of the member (s) :	
Registered address :	
E-mail id :	
Folio No. / Client Id :	
DP Id :	

I / We, being a member(s) of..... shares of the above named company, hereby appoint.

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on 29.09.2016 at 10.30 a.m. at ATMA, Ashram Road, Ahmedabad-380009. and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	Resolution
1	Adoption of Annual Accounts for the year ended 31.3.2016
2	Re-appointment of Miss Chaula Shastri, who retires by rotation.
3	Re-appointment of M/s. Sorab S. Engineer & Co. Chartered Accountants, Mumbai as Auditors.
4	Approval to Change of Name of Company

Signed this _____ day of _____ 2016

Signature of shareholder : _____

Signature of Proxy holders : _____

Affix Rupee 1 Revenue Stamp here
--

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the meeting. -----



Ambalal Sarabhai Enterprises Limited
Regd. Office : Shanti Sadan, Mirzapur Road, Ahmedabad-380 001.

ATTENDANCE SLIP

**Annual General Meeting
to be held on**

Thursday, 29th September 2016 at 10.30 A.M.

at

**Auditorium of Ahmedabad Textile Mills' Association
Ashram Road, Navrangpura, Ahmedabad-380 009**

DP Id*	
Client Id*	

No. of Shares	
Folio No.	

Name of Shareholder/Proxy Holder

Signature

*Applicable for investors holding shares in electronic form.

Only Shareholders or their proxies are allowed to attend meeting. Shareholders are requested to bring their Annual Reports along with them to the Meeting, as extra copies will not be supplied due to high cost of paper and printing.

Book-Post

If undelivered please return to :
Ambalal Sarabhai Enterprises Limited
Share Department,
Shanti Sadan, Mirzapur Road,
Ahmedabad-380001