ase

Ambalal Sarabhai Enterprises Limited

Registered Office : Shantisadan, Mirzapur Road, Ahmedabad-380001.
Telephone : +9179-25507671 / 25507073, Fax : +9179-25507483, E-mail : ase@sarabhai.co.in

Ref. No. :

Date :

September 8, 2020

To,
Corporate Relationship Department
BSE Limited,
P. J. Towers,
Dalal Street, Fort,
Mumbai-400 001
SCRIP CODE: 500009

Dear Sir/ Madam,

Sub: Notice of 42nd Annual General Meeting ("AGM") along with Annual Report of the Company for FY 2019-20
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform that AGM of the Members of the Company is scheduled to be held on Wednesday, September 30, 2020 at 11:00 a.m. IST through Video Conferencing / Other Audio Visual Means in terms of general circulars dated April 08, 2020 and April 13, 2020 and May 05, 2020 issued by the Ministry of Corporate Affairs, to transact the business, as set out in the Notice of AGM.

We enclose herewith Notice of AGM along with the Annual Report of the Company for FY 2019-20 for your kind records. The same is also available on Company's website at www.ase.life.

Further, the Company is pleased to provide e-voting facility to its Members holding shares in physical or dematerialised form, as on the cut-off date i.e. Wednesday, September 23, 2020 to cast their votes by electronic means on the resolutions set forth in the Notice of AGM.

Kindly find the same in order.

Thanking you,

Yours faithfully,

For **Ambalal Sarabhai Enterprises Limited**

Damodar H. Sejpal
Company Secretary & Compliance Officer

Encl: As above

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Ambalal Sarabhai Enterprises Limited

42nd Annual Report 2019-20

www.ase.life

Group Companies – Existing

synbiotics® LIMITED

asence® Pharma Private Limited

COSARA™ DIAGNOSTICS PVT. LTD

SYSTRONICS®

vovantis™ LABORATORIES

TELERAD®

suvik™

SARABHAI®

SARABHAI CHEMICALS®

Board of Directors

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

Mr. Govinddas G. Zalani
(till 31st January,2020)

Mr. Anil H. Parekh
(Whole-time Director up to 30th November, 2019)
(Non-Executive Director w.e.f. 1st December, 2019)

Mr. Mohandas K. Nair
(till 20th August,2020)

Mr. Ashwin P. Hathi

Ms. Chaula M. Shastri
Whole-time Director

Mr. Chandrashekhar B. Bohra

Mr. Mayur K. Swadia
(w.e.f. 20th August,2020)

Key Managerial Personnel

Mr. Navinchandra R. Patel
Chief Financial Officer

Mr. Ketan K. Adhvaryu
Company Secretary & Compliance Officer
(till 13th March,2020)

Mr. Damodar H. Sejpal
Company Secretary & Compliance Officer
(w.e.f. 14th March,2020)

Practising Company Secretaries
Ajay Parikh & Associates

Auditors
M/s. Khandhar &Asscociates
Chartered Accountants
311, Dhiraj Avenue,
Opp. Chhadawad Police Chowki,
Ambawadi, Ahmedabad-380006

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Registered Office :
Shanti Sadan, Mirzapur Road,
Ahmedabad – 380001, Gujarat, India
CIN: L52100GJ1978PLC003159
Email: dsejpal@ase.life
Website: www.ase.life

Registrar & Transfer Agent:
MCS Share Transfer Agent Limited
88, Sampatrao Colony, 1st Floor,
Neelam Apartment, Above Chhapan Bhog Sweets,
Alkapuri, Vadodara-390007
Email: mcsstabaroda@gmail.com
Website: www.mcsregistrars.com

Notice

Notice is given that the **42nd Annual General Meeting ("AGM") of AMBALAL SARABHAI ENTERPRISES LIMITED** will be held on Wednesday, 30th September, 2020 at 11 A.M. Indian Standard Time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") Facility to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year 2019-20 including Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kartikeya V. Sarabhai (DIN: 00313585), who retires by rotation and being eligible, offers himself for re-appointment by passing the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Kartikeya V. Sarabhai (DIN: 00313585), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. To regularise the appointment of Mr. Anil H. Parekh (DIN: 00312504) as Director who was appointed as an Additional Non-Executive Director.

   To consider and if thought fit, to pass with or without modification(s), the following resolution **as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil H. Parekh (DIN: 00312504), who has been appointed as an Additional Non-Executive Director of the Company by the Board of Directors with effect from 1st December, 2019 in terms of Section 161(1) of the Companies Act, 2013 and Article 76 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director (Non-Executive Non- Independent) and the period of his office shall be liable to determination by retirement of directors by rotation.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To regularise the appointment of Mr. Mayur K. Swadia (DIN: 01237189) as Director who was appointed as an Additional Independent Director.

   To consider and if thought fit, to pass with or without modification(s), the following resolution **as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Mayur K. Swadia (DIN: 01237189), who has been appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 20th August, 2020 in terms of Section 161(1) of the Companies Act, 2013 and Article 76 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director (Non-Executive Independent) to hold office for a term upto five consecutive years from the date of ensuing general meeting."

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and approve the payment of professional fees to Mr. Anil H. Parekh (DIN: 00312504) Non-Executive Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the consent of the Members of the Company be and is hereby accorded for payment of fees, for the services been rendered under professional capacity by Mr. Anil H. Parekh (DIN: 00312504), Non-Executive Director of the Company, over and above the sitting fees to which he is entitled as a Director, from the financial year 2020-21 onwards till the time he acts as a Director of the Company.

   RESOLVED FURTHER THAT the Board (including any Committee thereof), be and is hereby authorised to determine the payment of such fees or any other form of compensation, if any, to Mr. Anil H. Parekh (DIN: 00312504), Non-Executive Director on such terms and conditions, as may be decided by the Board of Directors of the Company for providing professional services to the Company during his tenure as Director. "

6. To make investments, give loans, guarantees and security in excess of limits specified under Section 186 of the Companies Act, 2013.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession of all the earlier resolutions passed, pursuant to the provisions of Section 186 and Section 179 of the Companies Act, 2013 read with relevant rules made thereunder, as amended from time to time and any other applicable provisions, if any, and subject to Memorandum and Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to:

   a) make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;

   b) give on behalf of any person, body corporate, any guarantee or provide security in connection with a loan made by any person or other bodies corporate; and

   c) acquire by way of subscription, purchase or otherwise the securities of any other body corporate,

   In excess of the limits prescribed under Section 186 of the Companies Act, 2013 up to an aggregate of

   INR Rs. 300 Crores (Indian Rupees Three Hundred Crores only) notwithstanding that the aggregate of loans and investments, so far made the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantees or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and security premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate the terms and conditions of the above said investments, loans, securities, guarantees as they deem fit and in the best interest of the Company and take all steps as may be necessary in that regard.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as it may, in the absolute discretion, deem necessary to give effect to this resolution."

7. To increase Borrowing Powers of the Board.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT in supersession of all the resolution passed by the Members of the Company at the General Meeting and pursuant to the provisions of Section 180(1)(c) and Section 179 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is INR Rs. 300 Crores (Indian Rupees Three Hundred Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose).

   "RESOLVED FURTHER THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. Transfer of up to 100% equity shares of Synbiotics Limited, a wholly owned subsidiary to Asence Pharma Private Limited, subsidiary of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder, Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board for transfer of up to 100% stake in Synbiotics Limited ("Synbiotics") (Wholly Owned Subsidiary of the Company), to Asence Pharma Private Limited,("Asence") (a Subsidiary of the Company) at the fair value of shares as certified by a Chartered Accountant in practice in accordance with the applicable provisions of the Income tax Act, 1961 and Rules framed thereunder and on such other terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of Directors of the Company may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and are hereby authorised to do all such acts, deeds, things, matters and take all such steps as may be deemed necessary, proper or expedient in the interest of the Company to give effect to this resolution, including finalizing the manner and method of transfer and executing all necessary agreements (including execution of a share purchase agreement with such representations, warranties, indemnities and covenants as may be customary in such transactions), deeds and documents, and subsequent modification thereto, for the purpose of giving effect to this resolution. The Board shall also settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and also delegate power from time to time, to any Committee of the Board or individuals."

By Order of the Board of Directors,

Damodar H. Sejpal
Company Secretary & Compliance Officer

Date: 20th August, 2020
Place: Ahmedabad

IMPORTANT NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted holding of Annual General Meeting ("AGM" or "meeting") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company for FY 2019-20 is being held through VC / OAVM. The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 22.
2. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
4. Members of the Company who are Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate Members intending to authorize their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution / authorization letter to the Company.
5. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The statement pursuant to section 102 of the Act and Regulation 36(3) of the Listing Regulations is annexed hereto and forms part of this Notice.

7. Nomination facility is available for the Members as per section 72 of the Act. As a Member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail this facility especially by the Members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. In case the shares are held in dematerialised form, the nomination form needs to be forwarded to your Depository Participant (DP).

8. **Trading in equity shares of the Company is compulsorily in dematerialised mode by all the Members. Also, as per provisions of Listing Regulations, transfer of listed securities shall not be processed unless the securities are in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.**

9. With a view to conserve natural resources, we request Members to update and register their email addresses with their DPs or RTA, as the case may be, to enable the Company to send communications including Annual Report,Notices, Circulars, etc. electronically. Members may register their email addresses by following below process:

   Physical Holding Send a request to the Registrar and Transfer Agents of the Company, MCS Share Transfer Agent Ltd. 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chhappan Bhog Sweets, Alkapuri, Vadodara-390 007 at mcsltdbaroda@gmail.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.

   Demat Holding Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

10. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names, are requested to send the share certificates to the RTA, for consolidation of such multiple folios into a single folio.

11. The SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone /mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

13. All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to dsejpal@ase.life

14. In compliance with the MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with theCompany / DPs. Members may note that the Notice and Annual Report will also be available on the Company's websitei.e. www.ase.life, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of Central Depository ServicesLimited (CDSL) at www.evotingindia.com.

15. In terms of section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, Regulation44 of Listing Regulations and MCA Circulars, the Company has provided the e-voting facility through CDSL. This facilities being provided to Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice. The information and other

instructions regarding remote e-voting and e-voting at AGM are detailed in Note No. 21 and 22 respectively.

16. Mr. Ajay Parikh, Practicing Company Secretary (Membership No. F6075) has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

17. The results shall be declared by the Chairperson or a person so authorised by him in writing on receipt of consolidated report from Scrutinizer. The results declared along with Scrutinizer's Report shall be placed on the Company's website i.e. www.ase.life and on the website of CDSL and shall also be communicated to the stock exchanges where the shares of the Company are listed.

18. The resolutions shall be deemed to have been passed on the date of the AGM, subject to the same being passed with requisite majority.

19. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

20. Voting Process and other instructions regarding remote e-voting:

i.. The voting period begins on Sunday, 27th September, 2020 at 9:00 am and shall end on Tuesday, 29th September, 2020 at 5:00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

iii. The Members should log on to the e-voting website www.evotingindia.com.

iv. Click on 'SHAREHOLDERS'.

v. 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.

vi. Next enter the Image verification as displayed and click on Login.

vii. 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.

viii. 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 (applicable for both demat as well as physical Members) • Members who have not updated their PAN with the Company / DPs are requested to use the sequence number indicated in the PAN field of the email sent to them. • Members who have not registered their email address may obtain the sequence number from the Company after registering their email address as per the process defined in Note No. 9.

ix. After entering these details appropriately, click on 'SUBMIT' tab.

x. 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 tomandatorily 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions containedin this Notice.

xii. Click on the EVSN for AMBALAL SARABHAI ENTERPRISES LIMITED on which you choose to vote.

xiii. On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. Select the option 'YES / NO' as desired. The option YES implies that you assent to the resolution andoption NO implies that you dissent to the resolution.

xiv. Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire resolution details.

xv. 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 modifyyour vote.

xvi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on 'Click here to print' option on the voting page.

xviii. If a demat account holder has forgotten the login password, then enter the User ID and the image verification codeand click on Forgot Password & enter the details as prompted by the system.

xix. Members can also cast their vote using CDSL's mobile app m-voting. The m-voting app can be downloadedfrom Google Play Store. Apple and Windows phone users can download the app from the App Store andthe Windows Phone Store respectively. Please follow the instructions as prompted by the mobile appwhile voting on your mobile.

xx. Note for Non – Individual Members and Custodians

- Non-Individual Members (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 linked in the login 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 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.
- Alternatively, Non Individual Members are required to send the relevant Board resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions('FAQs') and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

21. Instructions for Members voting on the day of AGM on e-voting system:

a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not cast their voteon the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available at the AGM.

c) If any votes are casted by the members through e-voting available during the AGM and if the same

Membershave not participated in the meeting through VC / OAVM facility, then the votes casted by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members participating in the meeting.

d) Members who have voted through remote e-voting will be eligible to attend the AGM.

However, they will not be eligible to vote at the AGM.

22. Instructions for Members for attending the AGM through VC / OAVM:

a) Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at https://www.evotingindia.com under Shareholders / Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Shareholder / Members login where the EVSN of Company will be displayed.

b) Members are encouraged to join the meeting through Laptops / Desktops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

c) Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via

Mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

d) Members who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at dsejpal@ase.life and register themselves as a speaker. Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the meeting.

23. In terms of provisions of Section 152 of the Companies Act, 2013, Mr. Kartikeya V. Sarabhai, Director, retires by rotation at the Meeting. Nomination and Remuneration Committee & Board of Directors of the Company recommend his appointment. Mr. Kartikeya V. Sarabhai is interested in the Ordinary Resolution setout as Item No. 2 of the Notice with regards to his appointment.

The relatives of Mr. Kartikeya V. Sarabhai may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company save & except above, name of the directors / KMP of the Company / their relative are, in any way, concerned / interested, financially or otherwise.

By Order of the Board of Directors,

Damodar H. Sejpal
Company Secretary

Date: 20th August, 2020
Place: Ahmedabad

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors had appointed Mr. Anil H. Parekh (DIN: 00312504) as an Additional Non-executive Director w.e.f. 01.12.2019. In terms of Section 161(1) of the Companies Act, 2013 Mr. Anil H. Parekh (DIN: 00312504) holds office as an Additional Non-executive Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 from one of the members signifying his intention to propose the appointment of Mr. Anil H. Parekh (DIN: 00312504) as a Director of the Company (Non-executive – Non-Independent). Board of Directors recommends the shareholders to adopt the proposed resolution as an Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the said Resolution except himself.

Item No. 4

Mr. Mayur K. Swadia (DIN:01237189) has been appointed as an Additional Independent Director of the Company w.e.f. 20th August, 2020. Mr. Swadia is a Fellow Member of The Institute of Chartered Accountants of India and also holds the degree of ISA (Certified Information System Auditor) by The Institute of Chartered Accountants of India. He holds extensive and varied experience of over 30 years as a corporate advisor.

Mr. Swadia is Senior Partner of K.M. Swadia & Co., Chartered Accountants rendering professional services to the clients across India and other countries. He has been on the Board of various Companies over the years. He has been a regular speaker at professional forums. He is rendering services as Honorary Trustee to charitable organizations.

The Board of Directors has been appointed Mr. Mayur K. Swadia (DIN: 01237189) as an Additional Non-executive Director w.e.f. 20th August, 2020. In terms of Section 161(1) of the Companies Act, 2013 Mr. Mayur K. Swadia (DIN: 01237189) holds office as an Additional Non-executive Director only up to the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 from one of the members signifying his intention to propose the appointment of Mr. Mayur K. Swadia (DIN: 01237189) as a Director of the Company (Non-executive – Independent). Board of Directors recommends the shareholders to adopt the proposed resolution as an Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the said Resolution except himself.

Item no. 5

Mr. Anil H. Parekh had rendered his resignation from the post of Whole-time Director w.e.f. 30th November, 2019 after closure of office hours and had been appointed as an Additional Non-executive Director of the Company w.e.f. 1st December, 2019. Mr. Anil H. Parekh is M. Pharm., and holds extensive and varied experience of over 48 years in various areas of Production and Management. He has been associated with the Company for more than 4 decades. At present, he is advising the Company for carrying out all day to day management functions related to Pharmaceuticals (formulations) production, subject to the superintendence and control of the Board of Directors. The Board believes that Mr. Anil H. Parekh possesses the necessary qualification for the practice of the profession and also considers his inputs towards the Company in professional capacity decides to provide him professional fees.

In view of the involvement and contribution manifested by Mr. Anil H. Parekh Board of Directors Board of Directors recommends the shareholders to adopt the proposed resolution as an Ordinary Resolution.

None of the Directors, Manager, Key Managerial Personnel of the Company and/or any relatives of such Director, Manager, Key Managerial Personnel, except Mr. Anil H. Parekh and his relatives, are in anyway concerned or interested in the resolution set out as Item No. 5 of the Notice.

Item no. 6

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of this Annual General Meeting for an amount not exceeding INR Rs. 300 Crores (Indian Rupees Three Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

Item No. 7

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution.As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the paid up capital and free reserves of the Company.

The Board is of the view that the in order to do corporate restructuring, re-organizing for business developments of the Company and for meeting the expenses for capital expenditure, the Company may be further required to borrow money, either secured or unsecured, from the banks/financial institutions/other body corporate, from time to time, and to pledge, mortgage, hypothecate and/ or charge any or all of the movable and immovable properties of the Company and/or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to borrow money up to Rs. 300 Crores (Rupees Three Hundred Crores) and to secure such borrowings by pledging, mortgaging, hypothecating the movable or immovable properties of the Company amounting up to Rs. 300 Crores (Rupees Three Hundred Crores).

It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company and to create charge on the assets over the Company under the Companies Act, 2013.

The Board recommends the Resolution at Item No 7 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No 7 of the Notice.

Item No.8

As part of the restructuring program of the Company, it is imperative to consolidate within the group the pharmaceutical related activities to ensure stronger growth. The pharmaceuticals export and manufacturing of bulk actives will therefore be accumulated within the Asence group through transferring up to 100% equity shares of Synbiotics Limited to Asence Pharma Pvt. Ltd.

Pursuant to Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no company can sell its shareholding in a material subsidiary which would reduce its shareholding to less than 50% without passing a special resolution. Further, shareholders' approval by way of special resolution is also required under the aforesaid Regulation 24 as well as under Section 180(1)(a) of the Companies Act, 2013 in the event of sale or disposal of assets amounting to more than 20% of the value of the material subsidiary or undertaking of the company. Since, Synbiotics Limited is a 'material subsidiary' and 'undertaking' of the exchange, hence approval of shareholders by way of special resolution is required for the proposed transaction.

The Audit Committee in its meeting held on 20th August, 2020 has approved the transfer of stake of Synbiotics Limited to Asence Pharma Pvt. Ltd. and recommended the same to the Board. The Board in its meeting held on 20th August, 2020 has approved the proposal of transfer of stake to Asence Pharma Pvt. Ltd. subject to the approval of members at general meeting.

The Board recommends the Resolution at Item No 8 of the Notice for approval of the shareholders by a Special Resolution.

Except Mr. Kartikeya V. Sarabhai, to the extent that Mr. Mohal K. Sarabhai is the Shareholder of the Ambalal Sarabhai Enterprises Limited and relative of Mr. Kartikeya V. Sarabhai and CEO-Director of Asence Pharma Private Limited, none of the director, key managerial personnel or their relatives is/are interested, financially or otherwise in the aforesaid resolution.

ANNEXURE TO ITEM NO. 2, 3 & 4 OF THE NOTICE

Details of Director seeking reappointment at the 42nd Annual General Meeting (in pursuance of SEBI (LODR) Regulations, 2015:

Name of Director	Mr. Kartikeya V. Sarabhai	Mr. Anil H. Parekh	Mr. Mayur K. Swadia
Director Identification Number	00313585	00312504	01237189
Date of Birth	27.11.1947	18.10.1948	22.05.1961
Date of first appointment on the Board	30.07.1992	04.05.2005	20.08.2020
Qualifications	M.A.(Cantab), Post Graduate Studies at MIT – U.S.A.	M. Pharm (Pharmaceutical & Technology)	B. Com, FCA, ISA
Experience	Mr. Kartikeya V. Sarabhai has a long association with the Company and with pharmaceutical sector. He has been a member of the Board since 1992 and was appointed Chairman in 1995. He is also involved in a number of policies initiated by the Government of India particularly in the environment and education fields.	Mr. Anil H. Parekh has experience of Pharma production of more than four decades Technical Experience in : - Formulation, Production, planning -Inventory Control -Stores, Distribution & Logistic Knowledge of Quality Control	Mr. Mayur K. Swadia holds extensive and varied experience of over 30 years as a corporate advisor. He is Senior Partner of K.M. Swadia & Co., Chartered Accountants rendering professional services to the clients across India and other countries. He has been on the Board of various Companies over the years. He has been a regular speaker at professional forums. He is rendering services as Honorary Trustee to charitable organizations.
List of Directorship	Chidambaram Pvt. Ltd. Utpal Investments Pvt. Ltd. Darpana Investments Pvt. Ltd. Suvik Electronics Pvt. Ltd. Sarabhai Chemicals (India) Pvt. Ltd. Paryavaran Edutech Biblio Publishing Pvt. Ltd. Revanta Publishing Pvt. Ltd. Rajka Designs Pvt. Ltd. Suvik Investments Pvt. Ltd. Ambalal Sarabhai Enterprises Ltd. Sarabhai Holdings Pvt. Ltd. Vyavahar Investments Pvt. Ltd. Vividh Investments Pvt. Ltd. Vahini Investments Pvt. Ltd. Vibhuti Investments Pvt. Ltd. Vimal Investments Pvt. Ltd. Vichar Investments Pvt. Ltd. Vidatha Investment Pvt. Ltd.	Suvik Hitek Private. Ltd.. Ambalal Sarabhai Enterprises Ltd. Sarabhai Chemicals (India) Pvt. Ltd. Vovantis Laboratories Pvt. Ltd.	Panasonic Energy India Company Ltd. Dhawami Power Systems Pvt. Ltd. JND Mantech Services Pvt. Ltd.
Chairman/ Membership of the Committees of the Board of Directors	Stakeholders Relationship Committee – Member	-	-

DIRECTORS' REPORT

To
The Shareholders

The Directors hereby present their 42nd Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2020.

(Rs. in Lakhs)

	2019-20	2018-19
(Consolidated Accounts)		
Turnover (Net)	13350	15188
Other Income	2439	547
Total Income	15789	15735
Financial Cost	332	325
Depreciation	257	210
Profit/Loss before extra ordinary Income	1494	821
Net Profit/ (Loss) before Taxation	1494	821
Net Profit (Loss)	1377	410

Your directors regret their inability to recommend payment of any dividend.

Consolidated Results:

The Company's strategy of moving each business in a focused subsidiary has led to better growth and has been a success over the past few years. The Company has shown an overall increase in both turnover and net profit and the company strives to perform even better in the future.

Asence Group:

Asence Inc., a wholly – owned subsidiary of the Company and Asence Pharma Pvt. Ltd., it's subsidiary, specializes in the supply of quality pharmaceutical preparation (Finished Dosage Forms and Active Pharmaceutical Ingredients) to the international markets.

Asence is developing some novel products for the European and US markets using the infrastructure of the group companies.

Sarabhai Chemicals (India) Pvt. Ltd.:

Sarabhai Chemicals, a subsidiary Company, has made inroads in the domestic market with key strategic products in Oncology, Infertility and Uro-gynaec areas. These three subdivisions of the company are marketing speciality pharmaceutical products under the Sarabhai house mark across India.

Suvik Hitek Pvt. Ltd.:

Suvik, a wholly owned subsidiary of the Company, is manufacturing Pharmaceuticals products and marketing Generics and Veterinary products in the domestic market.

Synbiotics Limited:

Synbiotics is a USFDA inspected manufacturing Company in the fermentation area. It manufactures an antifungal active ingredient product which has an expanding global market.

Systronics (India) Limited:

It has two divisions Systronics & Telerad.

SYSTRONICS is a leading manufacturer of Analytical and Test & Measuring instruments distributing its products across India.

TELERAD promotes Broadcast and Professional Video/ Audio products of various International Companies across India

Sarabhai M. Chemicals Ltd.:

Sarabhai M. Chemicals Ltd, a wholly owned subsidiary company has started its Vitamin C coated products manufacturing in August 2019.

Joint Venture Companies:

Vovantis Laboratories Pvt. Ltd.:

Vovantis, a joint venture Company, is an USFDA inspected effervescent product manufacturing company with increased focus on the USA and European markets. It has recently set up a state of the art manufacturing facility to expand its business.

CoSara Diagnostics Pvt. Ltd.:

CoSara, a joint venture company, has the exclusive manufacturing rights in India for the complete menu of its US partner - Co-Diagnostics Inc.- infectious disease molecular diagnostics kits. CoSara manufactures Saragene™ COVID-19 IVD Real-Time PCR Test Kit across India as well as many other tests.

Corporate Governance:

Pursuant to provisions of SEBI (LODR), 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 8 (eight) subsidiaries and 2 (two) joint venture and one associate company.Their performance is integrated in the consolidated accounts.

Consolidated Financial Statement:

In compliance of the Accounting Standard AS-21 on Consolidated Financial Statement, 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, Mr. Kartikeya V. Sarabhai, who retires by rotation and being eligible, offers himself for the appointment.

Mr. Govinddas G. Zalani (DIN: 00308492), Director of the Company has expired on 31st January, 2020. The Board of Directors had expressed their condolence for sad demise of the Director Mr. Govinddas G. Zalani. The Board of Director placed on record the invaluable contributions of Mr. Govinddas G. Zalani towards the progress of the Company.

Mr. Anil H. Parekh (DIN:00312514), Director of the Company has resigned as Whole time Director w.e.f. 30th November,2019 and re-appointed as an Additional Director (Non-Executive Non-Independent) w.e.f. 1st December,2019.

During the year under review, Mr. Ketan K. Adhvaryu has retired from the post of Company Secretary w.e.f. 13th March,2020 and Mr. Damodar H. Sejpal has been appointed as Company Secretary w.e.f. 14th March, 2020.

Mr. K. Mohandas had resigned as Director of the Company w.e.f. 20th August, 2020 and Mr. Mayur Swadia was appointed as Additional Independent Director of the Company w.e.f. 20th August, 2020.

Declaration by Independent Directors:

The Independent Director 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 & Exchange Board of India (SEBI) under Listing Regulation.

The performance of the Board was evaluated by the Board after seeking inputs from the Directors on the basis of the criteria such as 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 the Committees Meeting, 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 issues 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 detail to be disclosed in Form AOC-2 is attached.

During the year 2019-20, 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 five 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 is available on the website of Company www.ase.life

Policy of Director's Appointment and Remuneration and other details:

The Company's policy on director's appointment and remuneration and other matters provided in Section 178(3) of the Act has been followed by Nomination and Remuneration Committee 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 recommendations are made.

Internal Financial Control Systems and their adequacy:

The Company has an Internal Control System commensurate with size, scale and complexity of its operations. The Company has appointed an Independent Internal Auditor who carries out Internal Auditing works according to policies and rules framed to monitor and control financial transactions within the Company and submits his report at every quarter which is put before the Audit Committee for their perusal.

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 it.

Risk Management:

The Audit Committee of the Company is assigned the task to frame, implement and monitor the risk management plan of 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 (CSR):

Since Company had incurred loss in the immediately preceding financial year (2018-19) and has no profits from its business operations during the last three years, the provisions relating to CSR are not attracted.

Particular of Employees:

The information required U/s. 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Management 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 other excluding the information on employees' particulars, which is available for inspection by members at the registered office of the Company during 2:00 p.m. to 4:00 p.m. on working days of the Company up to 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 order 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/ commission from the company's holding/ subsidiary companies during the financial year.

Details of Establishment of Vigil Mechanism:

The Company has formulated Whistle Blower policy to establish a vigil mechanism for directors and employees of the Company to report concerns about unethical behavior, actual or suspended fraud or violation of Company's code of conduct policy.

Details under Sexual Harassment of Women at Workplace (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 the Act.

Fraud Reporting:

There was no fraud reporting by the Auditors of the Company u/s. 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors during the year under review.

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:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

In the preparation of the annual accounts for the year ended 31st March,2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

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 a true and fair view of the state of affairs of the Company as on31.03.2020 and of the profit of the Company for the year ended on that date.

The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.

The Directors have prepared the annual accounts on a 'going concern' basis.

The Company has laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

Insurance:

Building, Plant and Machinery and Stocks, have been adequately insured.

Statutory Auditors:

Pursuant to section 139 of the Companies Act, 2013 and the Rules made there under, M/s. Khandhar & Associates, Chartered Accountants, (Firm Registration No. 118940W), are appointed as Auditors by the Members in the AGM held on 29th September,2017 to hold office until the conclusion of 44th Annual General Meeting, to be held in the year 2022.

Acknowledgement:

Your Directors would like to take 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 dedication and hard work put in by one and all Members of Sarabhai Pariwar including workers.

For and on behalf of the Board,

Kartikeya V. Sarabhai
Chairman

Date: 20th August, 2020
Place: Ahmedabad

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 Directors' Report for the year ended 31.03.2020.

Conservation of Energy &

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.

Foreign Exchange Earnings and Outgo

The Company is making all efforts to boost up the exports of its various products.

Total Foreign Exchange Earned and Used:

	Rs. in Lakhs
Foreign Exchange Earned:	Nil
Foreign Exchange Used:	5.58 lakhs

Management Discussions and Analysis Report

Overview of Indian pharmaceutical industry

Introduction: Indian Pharmaceutical Industry is poised for a rapid growth in the near future.

Indian pharmaceutical sector is expected to grow to US$ 100 billion, while medical device market is expected to grow US$ 25 billion by 2025. Pharmaceuticals export from India stood at US$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical.

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics is expected grow at an average growth rate of around 30 per cent to reach US$ 100 billion by 2025. India's domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US$ 20.03 billion) in 2019, up 9.8 per cent from Rs 129,015 crore (US$ 18.12 billion) in 2018.

During December 2019, on moving annual total (MAT) basis, industry growth was at 9.8 per cent, price growth was at 5.3 per cent, new product growth was at 2.7 per cent, and volume growth was at two per cent y-o-y.

Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20 per cent of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. Pharmaceutical export from India, which include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgical, reached US$ 20.70 billion in FY20.

Medical devices industry in India has been growing 15.2 per cent annually and is expected to reach US$ 8.16 billion by 2020 and US$ 25 billion by 2025.

Pharma Vision 2020 by the Government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery. The sector received cumulative Foreign Direct Investment (FDI) worth US$ 16.50 billion between April 2000 and March 2020. Under Union Budget 2020-21, allocation to the Ministry of Health and Family Welfare stands at Rs 65,012 crore (US$ 9.30 billion), whereas, Rs 6,429 crore (US$ 919 million) has been allocated to health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).

India plans to set up a nearly Rs 1 lakh crore (US$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

The Union Cabinet has given its nod for the amendment of existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth US$ 16.50 billion between April 2019 and March 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

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 such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which 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.

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

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 well be evident below.

Composition of the Board:

The Company's Board at present has 6 Directors including one woman director, comprising of 2 Executive Directors and 4 Non-Executive Directors. Names and categories of the Directors on the Board and the numbers of Directorship and the Committee position held by them in other public limited companies are given below:

Name of Director	Category / Designation	No. of Director-ship Held in other Public Ltd Companies	No. of Committee Member-ship In other companies
Mr. Kartikeya V. Sarabhai	Chairman and Whole-time Director	1	-
Mr. Govinddas G. Zalani*	Non-Executive/ Independent	-	-
Mr. Anil H. Parekh**	Non-Executive/ Non-Independent Director	-	-
Mr. Mohandas K. Nair#	Non-Executive	1	1
Mr. Ashwin P. Hathi	Non-Executive/ Independent	-	-
Ms. Chaula M. Shastri	Whole-time Director	-	-
Mr. Chandrashekhar B. Bohra	Non-Executive/ Independent	4	-
Mr. Mayur K. Swadia ##	Non-Executive/ Independent	-	-

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

**Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019.

\# Mr. Mohandas K. Nair has resigned from the Board w.e.f. 20th August, 2020

\## Mr. Mayur K. Swadia has been appointed as Additional Independent Director (Non-Executive) w.e.f. 20th August, 2020

Board Meetings:

The Board met 5 times on the following dates during the financial year 2019-20 and the maximum time gap between the two meetings did not exceed 120 days.

29th May, 2019	14th November, 2019
13th August, 2019	13th February, 2020
29th August, 2019	-

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 2019-20 and at the last Annual General Meeting held on 29th August, 2019 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	Atten-dance at the last AGM	Date of Appoint-ment
Mr. Kartikeya V. Sarabhai	5	5	-	Yes	30th July, 1992
Mr. Govinddas G. Zalani*	4	3	40000	Yes	1st April, 1996
Mr. Anil H. Parekh**	5	4	5000	Yes	4th May, 2005
Mr. Mohandas K. Nair#	5	4	-	Yes	3rd March, 2011
Mr. Ashwin P. Hathi	5	2	45000	No	24th June, 2010
Ms. Chaula M. Shastri	5	5	-	Yes	16th October, 2012
Mr.Chandrashekhar B. Bohra	5	3	35000	No	13th June, 2013
Mr. Mayur K. Swadia##	-	-	-	-	20th August, 2020

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

**Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019.

\# Mr. Mohandas K. Nair has resigned from the Board w.e.f. 20th August, 2020

\## Mr. Mayur K. Swadia has been appointed as Additional Independent Director (Non-Executive) w.e.f. 20th August, 2020

Committee 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 exchanged of information and ideas between the Non-Executive Directors and the operating management.

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

All the meetings as required under the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 were duly held.

I. 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 2019-20 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Mr. Chandrashekhar B. Bohra	Chairman	4	4
Mr. Govinddas G. Zalani*	Member	3	2
Mr. Ashwin P. Hathi	Member	4	3
Mr. Mohandas K. Nair#	Member	4	3

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

\# Mr. Mohandas K. Nair has resigned from the Board w.e.f. 20th August, 2020

The Broad terms of reference specified by the Board to the Audit Committee are as contained under regulations of SEBI (Listing and Disclosure requirements) Regulations,2015 and under the Companies Act, 2013.

II. Stakeholders Relationship Committee:

The details of attendance of Stake holders Relationship Committee Meetings held during the financial year 2019-20 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Mr. Chandrashekhar B. Bohra	Chairman	1	1
Mr. Kartikeya V. Sarabhai	Member	1	1
Ms. Chaula M. Shastri*	Member	-	-

* Ms. Chaula M. Shastri has been appointed as member of the Committee w.e.f. 1st April, 2020.

III. Nomination and Remuneration Committee:

The details of attendance of Nomination and Remuneration Committee Meeting held during the financial year 2019-20 are as under:

Name of Director	Status	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Govinddas G. Zalani*	Chairman*	2	2
Mr. Ashwin P Hathi**	Chairman	3	3
Mr. Mohandas K. Nair#	Member	3	1
Mr. Chandrashekhar B. Bohra	Member	2	0

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

** Mr. Ashwin P. Hathi had been appointed as Chairman of the Committee w.e.f. 13th February, 2020.

Mr. Mohandas K. Nair has resigned from the Board w.e.f. 20th August, 2020

Details of Remuneration of Directors (2019-20)

Name of Director	Salary & Perquisites	Sitting fees	Total
Mr. Kartikeya V. Sarabhai	40,24,669	-	40,24,669
Mr. Govinddas G. Zalani*	-	40,000	40,000
Mr. Anil H. Parekh**	18,67,558	5,000	18,72,558
Mr. Mohandas K. Nair#	-	-	-
Mr. Ashwin P. Hathi	-	45,000	45,000
Ms. Chaula M. Shastri	23,05,017	-	23,05,017
Mr. Chandrashekhar B. Bohra	-	35,000	35,000
Mr. Mayur K. Swadia ##	-	-	-

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

**Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019.

Mr. Mohandas K. Nair has resigned from the Board w.e.f. 20th August, 2020

Mr. Mayur K. Swadia has been appointed as Additional Independent Director (Non-Executive) w.e.f. 20th August, 2020

Code of Conduct:

In terms of SEBI (LODR) Regulations, 2015, 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:

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.

General Body Meetings:

The Annual General Meetings of the Company for the years 2016-17 , 2017-18and 2018-19 were held at The Auditorium of Ahmedabad Textile Mills Association (ATMA), Ashram Road, Ahmedabad on the following dates and time:

Year		Date	Time	Location
2016-17	39th AGM	29th September, 2017	10.30 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), Opp: Citi Gold Cinema, Ashram Road, Ahmedabad.
2017-18	40th AGM	27th September, 2018	11.00 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), Opp: Citi Gold Cinema, Ashram Road, Ahmedabad.
2018-19	41st AGM	29th August, 2019	11.00 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), Opp: Citi Gold Cinema, Ashram Road, Ahmedabad.

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, 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, 2019, 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 complied with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2019-20 by the Company on any matter related to Capital Markets.

4) Means of Communications:

a) Quarterly/ Half yearly financial Results of the Company are submitted to the BSE Limited and published in Newspapers (English and Gujarati Language).

b) Management Discussion & Analysis Report is a part of this Directors' Report to the Shareholders.

General Shareholder Information:

1	Registered Office	Shantisadan, Mirzapur Road, Ahmedabad-380 001.
2	Day/ Date/ Time	Wednesday, 30th September, 2020 at 11:00 AM (IST)
3	Mode	Video Conference and Other Audio Visual Means ("VC/ OAVM")
4	Date of Book closure	Monday, 28th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive)
5	Financial Calendar	from 1st April, 2019 to 31st March, 2020.
6	Dividend Payment Date:	Not Applicable
7	E-voting Dates	Commences at 09:00 hrs (IST) on Sunday, 27th September, 2020; Ends at 17:00 hrs (IST) on Tuesday, 29th September, 2020
8	Listing on stock Exchange	BSE Limited (Stock Code No. 500009)

viii) Stock Price Data:

Month	High (BSE) (Rs.)	Low (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2019	16.45	11.60	39,487.45	38,460.25
May-2019	15.50	12.60	40,124.96	36956.10
June-2019	15.00	11.50	40,312.07	38,870.96
July-2019	13.88	11.01	40,032.41	37,128.26
August-2019	12.90	10.70	37,807.55	36,102.35
September-2019	11.84	9.91	39,441.12	35,987.80
October-2019	11.40	9.05	40,392.22	37,415.83
November-2019	12.99	9.95	41,163.79	40,014.23
December-2019	19.89	10.01	41,809.96	40,135.37
January-2020	21.60	15.50	42,273.87	40,476.55
February-2020	20.70	17.60	41,709.30	38,219.97
March-2020	19.25	12.50	39,083.17	25,638.90

viii) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form, with effect from 28th August, 2000, as per SEBI'S directive. The Company has appointed MCS Share Transfer Agent 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 Services (India) Ltd. (CDSL). For physical Share Transfer, if the share transfer documents are in order, share transfer 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 2019-20	3161
Total Transfer Deeds received and processed during financial year 2019-20	18
Total No. of Share(s) Demated as on 31st March 2020	6,37,16,629
% of total Equity shares in Demat as on 31st March 2020	83.14%

ix) Distribution of Shareholding – as on 31st March, 2020:

Category	No. of Shares	%
Promoters	23571244	30.7585
FII/NRI	422403	0.5512
Public Financial Institutions & Nationalized Banks	4412	0.0058
Mutual Funds/UTI	-	-

Category	No. of Shares	%
Bodies Corporate	15524916	20.2587
Indian Public	37110321	48.4258
Total	**76633296**	**100%**

x) Distribution of Shareholding as on 31st March, 2020 (Both in physical & electronics form):

No. of Equity shares held	No. of shares	% of shareholding	No. of shares held	% of shareholders
1 to 500	10591628	13.8212	149819	93.6105
501 to 1000	5066040	6.6108	6671	4.1682
1001 to 2000	3057901	3.9903	2082	1.3009
2001 to 3000	1084064	1.4146	425	0.2656
3001 to 4000	700516	0.9141	196	0.1225
4001 to 5000	964300	1.2583	204	0.1275
5001 to 10000	2068329	2.6990	273	0.1706
Over 10000	53100518	69.2917	375	0.2343
Total	**76633296**	**100.0000**	**160045**	**100.0000**

xi) Dematerialization of Shares:

During the year under review, 6,48,059 (0.85%) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No: INE432A01017

XII) Plant Locations: (subsidiary companies)

1. 89-92, Naroda Industrial Area, Naroda, Ahmedabad - 382330, Gujarat (India)
2. Opp. Ranoli Railway Station, Near. GACL Plant, Ranoli, Vadodara-391 350, Gujarat, India
3. 416, GIDC, Engineering Estate, Sector – 28, Gandhinagar – 382028, Gujarat (India)
4. Maitry marg, ECP Canal Road, Village Luna, Vadodara.

XIII) Address for Correspondence:

Shareholders can correspond either at the office of its Share Transfer Agent viz. MCS Share Transfer Agent Ltd. 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chhappan Bhog Sweets, Alkapuri, Vadodara-390 007or at its registered office at Shantisadan, Mirzapur Road, Ahmedabad-380 001. Queries of shareholders shall be addressed to Mr. Damodar H. Sejpal, Company Secretary-Email-dsejpal@ase.life.

The Company Secretary is designated by Company as “Complain 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, 2020, 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 and on behalf of the Board,

Kartikeya V. Sarabhai
Chairman

Date: 20th August, 2020
Place: Ahmedabad

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, 2020 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 ensuing 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 Khandhar & Associates
Chartered Accountants
Firm Registration No. 118940W

CA. Vipul B. Khandhar
Partner
Membership No.105986
UDIN: 20105986AAAAHD3161

Date : 20-08- 2020
Place : Ahmedabad

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2020

[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:

CIN	L52100GJ1978PLC003159
Registration Date	27-6-1977
Name of the Company	Ambalal Sarabhai Enterprises Ltd
Category/ Sub-Category of the Company	Public Limited Company
Address of the Registered Office and Contact details:	Shanti Sadan, Mirzapur Road, Ahmedabad-380 001
Whether Listed Company:	Yes
Name, Address and contact of RTA, if any	MCS Share Transfer Agent Ltd. 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chappan Bhog, Alkapuri, Vadodara-390 007.

II. PRINCIPAL BUSINESS ACTIVITIES OF THECOMPANY:

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

SL. No.	Name & Description of main products/services	NIC Code of the Product/ Service	% to total Turnover of the Company
1.	N.A.	N.A.	N.A.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATECOMPANIES:

Sr. No.	Name & Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Synbiotics Ltd.	U24232GJ1960PLC000992	Subsidiary	100	2(87)
2.	Systronics (India) Ltd	U32201GJ1973PLC002437	Subsidiary	100	2(87)
3.	Sarabhai Chemicals (India) Pvt. Ltd	U24231GJ2004PTC043478	Subsidiary	99.98	2(87)
4.	Asence Inc., USA	F02269	Subsidiary	100	2(87)
5.	Asence Pharma Pvt Ltd.	U24230GJ2004PTC045141	Subsidiary	99.98	2(87)
6.	Sarabhai M. Chemicals Ltd.	U50101GJ2000PLC039109	Subsidiary	100	2(87)
7.	Suvik Hitek Pvt Ltd.	U24231GJ1977PTC003036	Subsidiary	100	2(87)
8.	Swetsri Investments Pvt Ltd.	U67120MH1986PTC041664	Subsidiary	100	2(87)
9.	Haryana Containers Ltd	U25202GJ1970PLC037926	Associate	45.45	2(6)
10.	Vovantis Laboratories Pvt Ltd.	U24230GJ2008PTC055176	Joint Venture	33.34	2(6)
11.	Cosara Diagnostics Private Ltd.	U24110GJ2017PTC098068	Joint Venture	49.97	2(6)

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

(i) Category wiseShareholding:

Category of Shareholders	No of shares held at the beginning of the year 01.04.2019				No of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters:									
1. Indian:									
a. Individual/ HUF	334724	0	334724	0.45	334724	0	334724	0.45	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	23226520	0	23226520	30.31	23226520	0	23226520	30.31	-
e. Banks/ FIs	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**23571244**	**0**	**23571244**	**30.76**	**23571244**	**0**	**23571244**	**30.76**	**0**
2. Foreign:									
a. NRIs	-	-	-	-	-	-	-	-	-
b. Other individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Bank/ FIs	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	**23571244**	**0**	**23571244**	**30.76**	**23571244**	**0**	**23571244**	**30.76**	**0**
B. Public Shareholding:									
1. Institutions:									
a. Mutual funds	-	-	-	-	-	-	-	-	-
b. Banks/ FIs	1292	1420	2712	0.00	1292	1420	2712	0.00	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture capital funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	0	1700	1700	0.00	0	1700	1700	0.00	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	**1292**	**3120**	**4412**	**0.01**	**1292**	**3120**	**4412**	**0.01**	**-**
2. Non Institutions									
a. Body Corp.:									
i. Indian	15832619	138739	15971358	20.84	15391499	133417	15524916	20.26	(0.58)
ii. Overseas									

Category of Shareholders	No of shares held at the beginning of the year 01.04.2019				No of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Individuals:									
i. Individual shareholders holding nominal share capital up to Rs. 2 Lakhs	12026987	12799838	24826825	32.40	11693730	12626918	24320648	31.74	(0.66)
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	10254975	469861	10724836	14.00	11504010	0	11504010	15.01	1.01
c. Others (specify):									
i. NRI	271640	153168	424808	0.55	269191	153212	422403	0.55	-
ii. Trust	25639	0	25639	0.03	88039	0	88039	0.11	0.08
iii. HUF	1084174	0	1084174	1.41	1197624	0	1197624	1.56	0.15
Sub Total (B)(2)	**39496034**	**13561606**	**53057640**	**69.23**	**40144093**	**12913547**	**53057640**	**69.23**	
Total Shareholding of Promoter (B)=(B)(1)+ (B)(2)	**39497326**	**13564726**	**53062052**	**69.24**	**40145385**	**12916667**	**53062052**	**69.24**	**-**
C. Shares held by custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**63068570**	**13564726**	**76633296**	**100**	**63716629**	**12916667**	**76633296**	**100**	**-**

(ii) Shareholding of Promoters:

Category of Shareholders	No of shares held at the beginning of the year 01.04.2019				No of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Mohal K. Sarabhai	51387	0	51387	0.07	51387	0	51387	0.07	-
Mallika Sarabhai	125655	0	125655	0.16	125655	0	125655	0.16	-
Kartikeya Sarabhai	123142	0	123142	0.16	123142	0	123142	0.16	-
Samvit Sarabhai	44540	0	44540	0.06	44540	0	44540	0.06	-
Ashavari Inv. Pvt. Ltd. (IVL)	182513	0	182513	0.24	182513	0	182513	0.24	-
Bhadrapad Inv. Pvt. Ltd.(IVL)	157920	0	157920	0.21	157920	0	157920	0.21	-
Talimi Inv. Pvt. Ltd (IVL)	163323	0	163323	0.21	163323	0	163323	0.21	-
Todirag Holdings Pvt. Ltd.(IVL)	185675	0	185675	0.24	185675	0	185675	0.24	-
Rajka Designs Pvt. Ltd	163850	0	163850	0.21	163850	0	163850	0.21	-
Leena Inv. Pvt. Ltd.(IVL)	128217	0	128217	0.17	128217	0	128217	0.17	-
Koshalya Inv. Pvt. Ltd.(IVL)	456722	0	456722	0.60	456722	0	456722	0.60	-
Kanda Inv. Pvt. Ltd. (IVL)	209288	0	209288	0.27	209288	0	209288	0.27	-
Khamaj Inv. Pvt. Ltd. (IVL)	159086	0	159086	0.21	159086	0	159086	0.21	-
Jonpuri Inv. Pvt. Ltd. (IVL)	178667	0	178667	0.23	178667	0	178667	0.23	-
Himalaya Inv. Pvt. Ltd. (IVL)	1911	0	1911	0.00	1911	0	1911	0.00	-
Sarabhai Holdings Pvt. Ltd	19303972	0	19303972	25.19	19303972	0	19303972	25.19	-
Sarabhai Management Corp P. Ltd	91634	0	91634	0.12	91634	0	91634	0.12	-

Category of Shareholders	No of shares held at the beginning of the year 01.04.2019				No of shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sahayog Inv. Pvt. Ltd. (IVL)	161011	0	161011	0.21	161011	0	161011	0.21	-
Medicinal Drugs Mfg. Pvt. Ltd. (IVL)	157716	0	157716	0.21	157716	0	157716	0.21	-
Madhavbag Holdings Pvt. Ltd. (IVL)	178651	0	178651	0.23	178651	0	178651	0.23	-
Mrigank Inv. Pvt. Ltd. (IVL)	178669	0	178669	0.23	178669	0	178669	0.23	-
Yudhisthar Inv. Pvt. Ltd. (IVL)	469305	0	469305	0.61	469305	0	469305	0.61	-
Vasantbahar Inv. Pvt. Ltd	200989	0	200989	0.26	200989	0	200989	0.26	-
Vaishakhi Inv. Pvt. Ltd. (IVL)	181561	0	181561	0.24	181561	0	181561	0.24	-
Bilawal Inv. Pvt. Ltd. (IVL)	157920	0	157920	0.21	157920	0	157920	0.21	-
Adana Inv. Pvt. Ltd. (IVL)	157920	0	157920	0.21	157920	0	157920	0.21	-
TOTAL	**23571244**	**0**	**23571244**	**30.76**	**23571244**	**0**	**23571244**	**30.76**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is nochange):

Sr. No.		Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No of shares	%of total shares of the Company	No of shares	%of total shares of the Company
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the year				

(iv) Shareholding Pattern of top ten shareholders(other than Directors , promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 31.03.2019		Cumulative Shareholding during the year 31.03.2020	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
1	Caplin Viniyog Pvt Ltd	4222789	5.5104	4222789	5.5104
2	Navtech farm Products Pvt Ltd	3646167	4.7579	3646167	4.7579
3	On Time Hire Purchase And Agencies Pvt. Ltd	3295625	4.3006	3295625	4.3006
4	Monet Securities Pvt Ltd	2447256	3.1935	2026256	2.6441
5	M. Prasad & Co. Ltd	626214	0.8172	974214	1.2713
6	Manju Bhalotia Manju	633494	0.8267	383494	0.5004
7	Sarita Govind Yadav	556528	0.7262	556528	0.7262
8	Gira Sarabhai	416908	0.5440	438376	0.5720
9	Bilkis Zubair Hawa	-	-	337261	0.4401
10	Anand Zaveri	327428	0.4273	327428	0.4273
11	Mahavir Sohanlal Shah (HUF)	233286	0.3044	-	-

At the end of the year (or on the date of separation, if separated during the year) 31.03.2020:

		No. of shares	%of total shares of the company
1	Caplin Viniyog Pvt Ltd	4222789	5.5104
2	Navtech Farm Products Pvt Ltd	3646167	4.7579
3	On Time Hire Purchase And Agencies Pvt. Ltd	3295625	4.3006
4	Monet Securities Pvt. Ltd.	2026256	2.6441
5	M. Prasad & Co. Ltd	974214	1.2713
6	Manju Bhalotia Manju	383494	0.5004
7	Sarita Govind Yadav	556528	0.7262
8	Gira Sarabhai	438376	0.5720
9	Bilkis Zubair Hawa	337261	0.4401
10	Anand Zaveri	327428	0.4273

(v) Shareholding of Directors and Key ManagerialPersonnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the end of the year 31.03.2019		Cumulative Shareholding during the year 31.03.2020	
		No. of Shares	% of Total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	123142	0.16	123142	0.16
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment transfer/bonus /sweat equity etc.	0	0	0	0
	At the End of the Year	123142	0.16	123142	0.16

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 31.03.2019:				
i) Principal Amount	26.67	1080.10	0	1106.77
ii) Interest due but not paid	188.75	4.16	0	192.91
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	**215.42**	**1084.26**	**0**	**1299.68**
Change in Indebtedness during the financial year:				
*Addition	4.29	0	0	4.29
*Reduction	(6.63)	0	0	(6.63)
Net Change	**(2.34)**	**0**	**0**	**(2.34)**
Indebtedness at the end of the financial year 31.03.2020:				
i) Principal Amount	20.04	1080.10	0	1100.14
ii) Interest due but not paid	193.04	4.16	0	197.20
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	**213.08**	**1084.26**	**0**	**1297.34**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONEL:

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Kartikeya V. Sarabhai	Mr. Anil H. Parekh*	Ms. Chaula M. Shastri	
1	Gross Salary (a)Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	25,46,810.00	13,27,282.00	14,11,200.00	52,85,292.00
	(b) Value of perquisites u/s 17(2)Income-tax Act,1961	9,91,859.06	5,40,276.00	5,98.137.00	21,30,272.06
	(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 -other, specify	-	-	-	-
5	Others, please specify	4,86,000.00	-	2,95,680.00	7,81,680.00
	Total(A)	**40,24,669.06**	**18,67,558.00**	**23,05,017.00**	**81,97,244.06**
	Ceiling as per the Act	-	-	-	-

*Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019.

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars	Name of Directors				Total Amount
		Mr. Govinddas G. Zalani *	Mr. Ashwin P. Hathi	Mr. Chandrashekhar B. Bohra	Mr. Anil H. Parekh**	
	Independent Directors:					
1.	Fee for attending board/ Committee meetings	-	-	-	-	-
2.	Commission	-	-	-	-	-
3.	Others, please specify	40,000.00	45,000.00	35,000.00	-	1,25,000.00
	Total (1)	**40,000.00**	**45,000.00**	**35,000.00**	**0**	**1,25,000.00**
	Other Non-Executive Director:					
1.	Fee for attending board/ Committee meetings	-	-	-	5000.00	-
2.	Commission	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total B (1)+(2) **Total Managerial Remuneration**	**40,000.00**	**45,000.00**	**35,000.00**	**5,000.00**	**1,25,000.00**
	Overall ceiling as per the Act	**-**	**-**	**-**	**-**	**-**

* Mr. Govinddas G. Zalani ceased to be a Director w.e.f. 31st January, 2020 due to sad demise.

**Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019.

C. Remuneration to Key Managerial Personnel other thanMD/Manager/WTD: (Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary* (Mr. Ketan K. Adhvaryu)	Company Secretary** (Mr. Damodar H. Sejpal)	CFO (Mr. Navinchandra R. Patel)	Total
1	Gross Salary (a)Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	-	12,14,489.00	57,441.00	19,10,769.00	31,82,699.00
	(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	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission -as %of profit -other, specify	-	-	-	-	-
5	Others, please specify	-	36,572.00	-	-	36,572.00
	Total	**-**	**12,51,061.00**	**57,441.00**	**19,10,769.00**	**32,19,271.00**

* Mr. Ketan K. Adhvaryu has retired from the post of Company Secretary w.e.f. 13th March,2020.

** Mr. Damodar H. Sejpal has been appointed as Company Secretary w.e.f. 14th March, 2020.

VII. PENALTIES / PUNISHMENT / COMPUNDING OFOFFENCES:

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					
B. Directors:					
Penalty					
Punishment					
Compounding					
C. Other officers in default:					
Penalty					
Punishment					
Compounding					

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020

[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
Reg. Office: Shanti Sadan, Mirzapur Road,
Ahmedabad – 380001, Gujarat

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 amanner that provided me a reasonable basis for evaluating thecorporate conducts/statutory compliances and expressing myopinion thereon.

Based on my verification of the **Ambalal Sarabhai Enterprises Limited** books, papers, minute books, forms andreturns filed and other records maintained by the company andalso the information provided by the Company, its officers, agentsand authorized representatives during the conduct of secretarialaudit, I hereby report that in my/our opinion, the companyhas, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listedhereunder and also that the Company has proper Board-processesand compliance-mechanism in place to the extent, in the mannerand subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms andreturns filed and other records maintained bytheCompanyfor the financial year ended on 31st March, 2018accordingto the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules madethereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') andthe rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-lawsframed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules andregulations made thereunder to the extent of Foreign DirectInvestment, Overseas Direct Investment and External CommercialBorrowings;

(v) The following Regulations and Guidelines prescribed under theSecurities 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, 2015; (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;

(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 with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

   (ii) Listing Agreements entered into by the Company with Stock Exchange as specified in the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations,2015.

During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above, to the extent applicable except mentioned current year NIL – previous year below:

1. As per Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 financial results for the year ended March 31, 2018 were required to be filed Standalone Audited Balance Sheet and Consolidated Balance Sheet as on 31.03.2018 along with Auditor's Report .However, the Company had submitted Standalone Audited Balance Sheet and Consolidated Balance Sheet as on 31.03.2018 except Auditor's Report as of 31.03.2018.

   With respect to aforesaid Non-compliance under Regulation 33 (3)(d) of SEBI (LODR) Regulations,

   The Company urge to waiver of fine personal hereing with BSE on 18.06.2019 and vide BSE Letter :List/Comp/500009/SOP_180662019/134/2019-20 Dated 09/08/2019 and Company's Letter Dated Dt. 27/08/2019 , the company have paid full and final fine Rs.1,35,700.00 (With GST) by Electronic Transfer on 23/08/2019 vide reference No: 19235880285 and matter was resolved.

2. As per Regulation 33 (3) (a) of SEBI (LODR) Regulations, 2015 un-financial results for the First quarter June 30, 2018 were required to be filed Standalone Financial Result and Consolidated Financial Result as on 30.06.2018 along with Auditor's Report. However, the Company had submitted only Consolidated Financial Result as on 30.06.2018.

   With respect to aforesaid Non-compliance under Regulation 33(3) (a) of SEBI (LODR) Regulations, 2015, The Company urge to waiver of fine vide Company's Personal hearing with BSE on 18/06/2019. The matter is pending as on date of report.

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, there is no any 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.,

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.

CS Ajay M. Parikh,
Proprietor

For, Ajay Parikh & Associates
Company Secretaries
FCS: 6075 C P No.:6503
Peer Review Cert. No:2015/132
UDIN : F006075B000495806

Place: Ahmedabad
Date: 22.07.2020

‘Annexure A’

(To the Secretarial Audit Report of M/s. Ambalal Sarabhai Enterprises Limited for the financial year ended 31/03/2020)

To,
The Members,
Ambalal Sarabhai Enterprises Limited
Shanti Sadan,
Mirzapur Road,
Ahmedabad -380001,
Gujarat.

My report of even date is to be read along with this letter:

1. **Management’s Responsibility :**

   Management is responsible for the maintenance of secretarial record and for the preparation of filing of forms, return documents for compliances and to ensure that they are free from material non- compliances, whether due to fraud or error.

2. **Secretarial Auditor’s Responsibility :**

   Secretarial Audit is a process of verification of records and documents on test basis. My responsibility is to express an opinion on the secretarial compliances of certain laws by the Company on the basis of my audit. The audit practices and the processes have been followed as deemed appropriate to obtain reasonable assurance about the correctness of the records and the confirmation of compliance. My audit process has involved verification of records and dependence of management representative and my opinion is based thereupon.

3. **Conduct of Company’s affairs :**

   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.

CS Ajay M. Parikh,
Proprietor

For, Ajay Parikh & Associates
Company Secretaries
FCS: 6075 C P No.:6503
Peer Review Cert. No:2015/132
UDIN : F006075B000495806

Place: Ahmedabad
Date: 22.07.2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AMBALAL SARABHAI ENTERPRISES LIMITED

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Ambalal Sarabhai Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter Paragraph

We draw your attention to note 37 of the standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no Key audit matters for the current period.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 in its standalone financial statements – Refer Note 26 to the standalone financial statements;

   ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Khandhar & Associates**
Chartered Accountants
Firm's Registration No. 118940W
CA. Vipul B. Khandhar
Partner
Membership No.105986
UDIN: 20105986AAAAFW1754

Ahmedabad
July 22, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Ambalal Sarabhai Enterprises Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **The Ambalal Sarabhai Enterprises Limited** as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, 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, 2020, 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 **Khandhar & Associates**
Chartered Accountants
Firm's Registration No. 118940W
CA. Vipul B. Khandhar
Partner

Ahmedabad — Membership No.105986
July 22, 2020 — UDIN: 20105986AAAAFW1754

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of The Ambalal Sarabhai Enterprises Limited of even date)

i. In respect of the Company's fixed assets:

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

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date.

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. According the information and explanations given to us, 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. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally 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, Goods and Service Tax ,Cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, following amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

Sr. No.	Particulars	Rs. In Lakhs
1	ESIC	46.39
2	Professional Tax	74.34

(c) Following amounts have not been deposited as on March 31, 2020 on account of dispute:

Nature of Statute	Nature of dues	Rs. In Lakhs	Period to which the amount relates	Forum where matter is pending
Income tax Act, 1961	Income tax*	1,182.01	2007-2008, 2008-2009, 2009-2010, 2012-2013, 2017-2018	Assessing Officer
		559.71	2001-2002, 2002-2003, 2004-2005, 2005-2006, 2007-2008, 2008-2009	ITAT
		327.26	2003-2004, 2004-2005, 2005-2006 2012-2013, 2014-2015, 2016-2017	CIT(A)
Sales Tax Act	Sales Tax	40.00	1999-2000,	Appellate Tribunal
Central Excise Act	Excise Duty	54.36	1985-1989	CESTAT
		8.62	2003-2004	Jt. DGFT

*Against such disputed demands Rs. 88.83 Lakhs were paid/adjusted.

viii. In our opinion and according to the information and explanations given to us, the Company has not borrowed money from banks. Consequently, requirement of clause (viii) of paragraph 3 of the order are not applicable.

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 or obtained any term loan.

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. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration 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 sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone 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 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 **Khandhar & Associates**
Chartered Accountants
Firm's Registration No. 118940W
CA. Vipul B. Khandhar
Partner
Membership No.105986
UDIN: 20105986AAAAFW1754

Ahmedabad
July 22, 2020

Standalone Balance Sheet as at March 31, 2020

Rs. In Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	5	1,448.09	1,464.36
(b) Intangible assets	6	0.17	0.35
(c) Financial Assets			
(i) Investments	7(a)	5,642.55	5,597.01
(ii) Other Financial Assets	7(f)	834.59	1,139.24
(d) Deferred tax assets(net)	24	191.96	220.20
Total non-current assets (A)		**8,117.36**	**8,421.16**
2. Current assets			
(a) Inventories	9	0.43	8.96
(b) Financial Assets			
(i) Trade receivables	7(b)	-	-
(ii) Loans	7(c)	6.52	0.54
(iii) Cash and Bank balances	7(d)	24.84	28.16
(iv) Bank balance other than(iii) above	7(e)	424.61	382.30
(v) Other Financial Assets	7(f)	2,472.38	3,567.86
(c) Others current assets	8	90.02	175.24
(d) Current Tax Assets (Net)	10	1,323.81	1,278.81
Total non-current assets (B)		**4,342.61**	**5,441.87**
Total Assets (A+B)		**12,459.97**	**13,863.03**
EQUITY AND LIABILITES			
Equity			
(a) Equity Share Capital	11	7,663.33	7,663.33
(b) Other Equity	12	(3,638.52)	(5,185.12)
Total Equity (A)		**4,024.81**	**2,478.21**
LIABILITES			
1. Non-current liabilities			
(a) Financial liabilities	-	-	-
(b) Long Term Provisions	14	212.37	222.29
Total non-current liabilities (B)		**212.37**	**222.29**
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,100.14	1,106.77
(ii) Trade Payable	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,854.91	2,044.37
(iii) Other financial liabilities	13	1,282.74	1,562.13
(b) Short Term Provisions	14	76.78	126.14
(c) Other Current liabilities	15	3,908.22	6,323.12
Total current liabilities (C)		**8,222.79**	**11,162.53**
Total Equity and Liabilities (A+B+C)		**12,459.97**	**13,863.03**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

Date : 22.07.2020
Place : Ahmedabad

Standalone Statement of Profit and Loss as at March 31, 2020

Rs. In Lakhs

		Notes	Year ended March 31,2020	Year ended March 31,2019
I.	**Income**			
	(a) Revenue from operations	-	-	-
	(b) Other Income	16	2,460.99	646.26
	Total Income		**2,460.99**	**646.26**
II.	**Expenses**			
	(a) Cost of materials consumed	17	-	-
	(b) Purchase of Stock in Trade	18	-	0.43
	(c) Changes in inventories of Stock in Trade	19	-	(0.43)
	(d) Employee benefits expense	20	334.55	431.23
	(e) Finance costs	21	46.47	61.96
	(f) Depreciation and amortization expense	22	38.85	40.00
	(g) Other expenses	23	450.70	455.51
	Total Expenses		**870.57**	**988.70**
III.	**Profit/(Loss) before exceptional items and tax (I-II)**		1,590.42	(342.44)
IV.	Exceptional items		-	-
V.	**Profit/(Loss) before tax (III-IV)**		1,590.42	(342.44)
VI.	**Tax expense:**			
	(a) Current Tax	24	4.00	-
	(b) Deferred tax charge	24	31.39	45.58
	Total tax Expense		**35.39**	**45.58**
VII.	**Profit /(Loss) after Tax**		**1,555.03**	**(388.02)**
VIII.	**Other comprehensive income:**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	(i) Re-measurement gains / (losses) on defined benefit plans		(12.12)	(10.84)
	(ii) Income tax effect on above		3.15	2.82
	(iii) Net gain / (loss) on FVOCI equity instruments		0.54	9.21
	Total other comprehensive income for the year, net of tax		**(8.43)**	**1.19**
IX.	**Total comprehensive income for the year, net of tax (VII+VIII)**		**1,546.60**	**(386.83)**
X.	**Earning per equity share equity (nominal value per share Rs. 10/-)** Basic/Diluted	25	2.03	(0.51)

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

Standalone Statement of Cash Flows for the year ended March 31, 2020

Rs. In Lakhs

	Particulars		**Year ended March 31, 2020**		**Year ended March 31, 2019**
A	**Operating activities**				
	Profit/(Loss) Before taxation		**1,590.42**		**(342.44)**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation /Amortization	38.85		40.00	
	Interest Income	(236.95)		(240.62)	
	Interest and Other Borrowing Cost	46.47		61.96	
	Financial Guarantee Commission	(10.04)		(13.68)	
	Sundry Credit Balances Appropriated	(291.59)		(0.12)	
	(Profit)/Loss on Sale of Property, Plant & Equipment	(1,528.57)		0.13	
	Excess Provision Written Back	(181.90)		(0.41)	
			(2,163.73)		**(152.74)**
	Operating Profit before Working Capital Changes		**(573.31)**		**(495.18)**
	Working Capital Changes:				
	Changes in Inventories	8.53		(0.43)	
	Changes in trade payables	102.13		(61.50)	
	Changes in other current liabilities	(161.93)		1,661.87	
	Changes in other financial liabilities	(280.72)		(413.83)	
	Changes in provisions	(71.40)		(50.78)	
	Changes in other current assets	85.22		54.43	
	Changes in other financial assets	529.33		(699.68)	
	Changes in Other Bank Balances	(42.31)		106.21	
	Net Changes in Working Capital		**168.85**		**596.29**
	Cash Generated from Operations		**(404.46)**		**101.12**
	Direct Taxes paid (Net of refund)		(49.00)		(427.63)
	Net Cash from Operating Activities		**(453.46)**		**(326.51)**
B	**Cash Flow from Investing Activities**				
	Purchase of property, plant & equipment/intangible assets	(33.83)		(6.41)	
	Income from Sale of property, plant & equipment	37.03		-	
	Change in share Application	304.65		-	
	Change in Long Term Investments	(45.00)		-	
	Changes in Loans given	(5.98)		0.10	
	Interest Income	235.00		243.78	
	Net cash flow from Investing Activities		**491.87**		**237.47**

Standalone Statement of Cash Flows for the year ended March 31, 2020

Rs. In Lakhs

Particulars		**Year ended March 31, 2020**		**Year ended March 31, 2019**	
C	**Cash Flow from Financing Activities**				
	Changes in short term borrowings	(6.63)		-	
	Financial Guarantee Commission	10.04		13.68	
	Interest and Other Borrowing Cost Paid	(45.14)		(57.63)	
	Net Cash flow from Financing Activities		**(41.73)**		**(43.95)**
	Net Increase/(Decrease) in cash & cash equivalents		**(3.32)**		**(132.99)**
	Cash & Cash equivalent at the beginning of the year		**28.16**		**161.15**
	Cash & Cash equivalent at the end of the year		**24.84**		**28.16**

Reconciliation of Cash & Cash equivalents:

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Cash and cash equivalents comprise of: (Note 7(d))		
Cash on Hand	0.58	0.41
Balances with Banks	24.26	27.75
Cash and cash equivalents	**24.84**	**28.16**

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

Standalone Statement of changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Rs. In Lakhs

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2019	**7,663.33**	-	**7,663.33**
For the year ended March 31, 2020	**7,663.33**	-	**7,663.33**

B. Other Equity

Rs. In Lakhs

Particulars	Reserves & Surplus			Item of Other Comprehensive Income	Total Other Equity
	General Reserve	Security Premium	Retained Earnings	Equity instruments through Other Comprehensive Income (FVOCI)	
Balance as at April 1, 2018	**5,633.14**	**1,060.92**	**(11,466.06)**	**(26.29)**	**(4,798.29)**
Loss for the year	-	-	(388.02)	-	(388.02)
Other comprehensive income for the year	-	-	(8.02)	9.21	1.19
Total Comprehensive income for the year	**-**	**-**	**(396.04)**	**9.21**	**(386.83)**
Balance as at March 31, 2019	**5,633.14**	**1,060.92**	**(11,862.10)**	**(17.08)**	**(5,185.12)**
Balance as at April 1, 2019	**5,633.14**	**1,060.92**	**(11,862.10)**	**(17.08)**	**(5,185.12)**
Profit for the year	-	-	1,555.03	-	1,555.03
other comprehensive income for the year	-	-	(8.97)	0.54	(8.43)
Total Comprehensive income for the year	**-**	**-**	**1,546.06**	**0.54**	**1,546.60**
Balance as at March 31,2020	**5,633.14**	**1,060.92**	**(10,316.04)**	**(16.54)**	**(3,638.52)**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate Information

Ambalal Sarabhai Enterprises Limited is engaged in manufacturing Pharmaceuticals.

The Company is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the BSE Limited. The registered office of the Company is located at Shanti Sadan, Ahmedabad.

The financial statements have been considered and approved by the Board of Directors at their meeting held on July 22, 2020.

2. Statement of Compliance and Basis of Preparation:

2.1 Basis of Preparation and Presentation and Statement of Compliance

The financial statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Historical Cost Convention

The Standalone financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value;

2.3 Rounding of amounts

The financial statements are presented in Rupees in Lakhs and all values are rounded to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

3. Summary of Significant Accounting Policies

3.1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

Non-Current Assets classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's Standalone Financial Statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, the assets or liabilities related to employee benefit arrangements and related to leases are recognised and measured in accordance with Ind AS 12 “Income Taxes”, Ind AS 19 “Employee Benefits” and Ind AS 116 “Leases” respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 “Share-based Payments” at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 “Financial Instruments”, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.4. Foreign currencies

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of Property, plant & equipment that are not yet installed and ready for their intended use at the balance sheet date.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.9. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition
- for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product’s technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful life of 5 years.

3.10. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and accessories**: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress**: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods**: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.12. Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised as the related services are performed.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

Profit or loss on sale of Investments

Profit or Loss on sale of investments are 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.

3.13. Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.14. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.16. Employee Benefits

(a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/ payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan:

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

(c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

(d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

3.18. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

3.19. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3.20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.21. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.22. Changes in accounting policies and disclosures

New and amended standards

a) Ind AS 116 Leases

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 29.

b) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

i. Determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

ii. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

c) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company determined, based on its tax compliance that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

The Appendix did not have an impact on the standalone financial statements of the Company.

d) **Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments had no impact on the standalone financial statements of the Company.

4. Critical accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) **Useful life of Property, plant and equipment and Intangible Assets**

As described in Note 3.6 and 3.7 of the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(b) **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(c) **Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(d) Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

Further details about defined benefit obligations are provided in Note 30.

(e) Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

(f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company.

Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Standalone Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 26).

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 5: Property, Plant and Equipment

Rs. in Lakhs

Fixed Assets	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Vehicle	Computer Data Processing	Total
Gross Carrying Amount							
As at April 1, 2018	**1,278.85**	**201.56**	**212.89**	**41.16**	**22.48**	**3.13**	**1,760.07**
Additions	-	2.87	-	3.54		-	**6.41**
Deductions	-	-	-	0.11	0.02		**0.13**
As at April 1, 2019	**1,278.85**	**204.43**	**212.89**	**44.59**	**22.46**	**3.13**	**1,766.35**
Additions	-	23.37	-	9.63	-	0.83	**33.83**
Deductions	11.43	-	-	-	-	-	**11.43**
As at March 31 2020	**1,267.42**	**227.80**	**212.89**	**54.22**	**22.46**	**3.96**	**1,788.75**
Depreciation and Impairment							
As at April 1, 2018	**-**	**45.89**	**198.15**	**10.53**	**6.45**	**1.15**	**262.17**
Depreciation for the year		27.33	1.05	6.99	3.54	0.91	**39.82**
Deductions							**-**
As at April 1, 2019	**-**	**73.22**	**199.20**	**17.52**	**9.99**	**2.06**	**301.99**
Depreciation for the year	-	25.68	1.06	7.18	3.50	1.25	38.67
Deductions	**-**	**-**	**-**	**-**	**-**	**-**	-
As at March 31 2020	**-**	**98.90**	**200.26**	**24.70**	**13.49**	**3.31**	**340.66**
Net Carrying Amount							
As at March 31, 2020	**1,267.42**	**128.90**	**12.63**	**29.52**	**8.97**	**0.65**	**1,448.09**
As at March 31, 2019	**1,278.85**	**131.21**	**13.69**	**27.07**	**12.47**	**1.07**	**1,464.36**

Note :

1. In accordance with the Ind AS 36 on 'Impairment of Assets' , the Company has reassessed its Property, plant and equipment and is of the view that no impairment is considered to be necessary in view of its expected realisable value.

Note 6: Intangible assets

Rs. in Lakhs

Fixed Assets	Know how	Software	Total
Gross Carrying Amount			
As at April 1, 2018	**24.08**	**0.89**	**24.97**
Additions	-	-	**-**
Deductions	-	-	**-**
As at April 1, 2019	**24.08**	**0.89**	**24.97**
Additions	-	-	-
Deductions	-	-	-
As at March 31 2020	**24.08**	**0.89**	**24.97**
Amortisation and Impairment			
As at April 1, 2018	24.08	0.36	**24.44**
Amortisation for the year	-	0.18	**0.18**
Deductions	**-**		
As at April 1, 2019	**24.08**	**0.54**	**24.62**
Amortisation for the year	-	0.18	0.18
Deductions	-	-	-
As at March 31 2020	**24.08**	**0.72**	**24.80**
Net Carrying Value			
As at March 31, 2020	**-**	**0.17**	**0.17**
As at March 31, 2019	**-**	**0.35**	**0.35**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 7: Financial Assets

Rs. In Lakhs

7(a) Investments

	Particulars	Face Value Per Share in Rs. Unless otherwise stated	No of Shares	As at March 31, 2020	As at March 31, 2019
Non Current Investments					
Investment in Equity Shares					
I	**Trade Investments (At Cost)**				
	Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	15,59,340	156.30	156.30
	Less: Provision for Impairment			(156.30)	(156.30)
	Total (I)			-	-
II	**Others**				
	(a) Fair value through Other Comprehensive Income: unquoted				
	"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	£1	73,498	19.79	19.25
	(b) Measured at Cost (unquoted)				
	Ordinary shares each fully paid of Co-operative Bank of Baroda Limited*	25	1,100	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	1,204	0.30	0.30
	Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445) *	US$1	9		
	Ordinary shares of Belgium Satellite Services s.a. *	Euro 1	4,37,733	656.60	656.60
	Less: Provision for Impairment			(656.60)	(656.60)
				-	-
	Ordinary shares of each fully paid of Sardar Vallabhbhai Sahkari Bank Limited*	25	40	0.01	0.01
	Total (II)			**20.39**	**19.85**
III	**Investments in Subsidiaries - measured at cost**				
	Unquoted				
	Ordinary shares each paid of Synbiotics Limited (Rs.100 paid up)	1000	35,000	35.00	35.00
	Ordinary shares each fully paid up of Synbiotics Limited (4500 Shares acquired during the year)	1000	85,446	3,849.46	3,804.46
	Ordinary shares each fully paid of Sarabhai M Chemicals Ltd	10	50,000	5.00	5.00
	Non-assessable shares of Asence Inc.	US$10	500	2.34	2.34
	Ordinary shares fully paid of Systronics (India) Limited	10	1,19,85,018	1,198.50	1,198.50
	Ordinary shares fully paid of Sarabhai Chemicals(I) Pvt. Ltd	10	9,84,000	98.40	98.40
	Ordinary shares each fully paid of Suvik Hitek P Limited	100	2,50,000	1.00	1.00
	Ordinary shares each fully paid of Swetsri Investments Pvt. Ltd	100	1,000	1.00	1.00
	Total (III)			**5,190.70**	**5,145.70**
IV	**In Associate- measured at cost (Unquoted)**				
	Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	8.53	8.53
V	**In Joint Venture- measured at cost (Unquoted)**				
	Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	42,29,258	422.93	422.93
Total Equity investments (I+II+III+IV+V)				**5,642.55**	**5,597.01**
Total Investments				**5,642.55**	**5,597.01**
(a)	Aggregate amount of quoted Investments and market value thereof			-	-
(b)	Aggregate amount of unquoted Investments			6,455.45	6,409.91
(c)	Aggregate impairment in value of investment			(812.90)	(812.90)

* The management has assessed that carrying value of the investments approximate to their fair value.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

7(b) Trade Receivables

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good	-	-
Unsecured, considered doubtful	411.92	411.92
Less: Allowance for doubtful debts	411.92	411.92
	-	-
Total Trade Receivables	**-**	**-**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

Allowance for doubtful debts

Company has provided for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Rs in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	411.92	411.92
Balance at the end of the year	411.92	411.92

7 (c) Loans

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Current		
Loans to Employees	6.52	0.54
Total Loans	**6.52**	**0.54**

7 (d) Cash and Bank balances

Rs in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on Hand	0.58	0.41
Balance with banks		
In Current Accounts	24.26	27.75
Total	**24.84**	**28.16**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

7(e) Bank balance other than above **Rs in Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
In Deposit Accounts		
With originally maturity more than 3 months but less than 12 months *	61.61	19.29
Lodged with Industrial Court	-	0.01
Held as Margin Money **	363.00	363.00
Total other bank balances	**424.61**	**382.30**
Total cash and bank balance	**449.45**	**410.46**

* Under lien with Bank as Security Guarantee Facility, Margin Money and Income Tax Department

** Under lien with bank as Security for Guarantee Facility.

7(f) Other Financial Assets **Rs in Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Unsecured, considered good unless otherwise stated		
Non-Current		
Share Application money	834.59	1,139.24
Current		
Security Deposits- Considered Good	156.83	164.94
Security Deposits- Considered Doubtful	23.66	23.66
Less: Provision for Others	23.66	23.66
	156.83	164.94
Advances to related parties	1,463.83	2,026.66
Interest Accrued	12.39	10.44
Income Receivable	1.44	1.44
Receivable other than Trade Considered Good		
From Related Party	64.39	88.17
From Others	773.50	1,276.21
	2,472.38	**3,567.86**
Total financial assets	**3,306.97**	**4,707.10**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 8: Other current assets **Rs in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Current		
Advances		
To Suppliers		
Considered Good	0.88	2.57
Considered doubtful	156.96	357.36
Less: Provision for doubtful advances	156.96	357.36
	0.88	2.57
Prepaid Expenses	1.51	6.34
Balances with Government Authorities (Refer Note (i) below)	87.63	166.33
Total	**90.02**	**175.24**

(i) Balance with Government Authorities mainly consists of input credit availed.

Note 9: Inventories (At lower of cost and net realisable value) **Rs in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and Packing Materials	-	8.53
Stock in Trade	0.43	0.43
Total	**0.43**	**8.96**

Note 10: Current Tax Assets (Net) **Rs in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Tax paid in Advance (Net of Provision)	1,323.81	1,278.81
Total	**1,323.81**	**1,278.81**

Note 11: Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Authorised Share Capital				
Equity Share of Rs. 10/- each	9,50,00,000	9,500.00	9,50,00,000	9,500.00
Issued and subscribed and paid up share capital				
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Total	**7,66,33,296**	**7,663.33**	**7,66,33,296**	**7,663.33**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

11.1 Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Note 11: Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**7,66,33,296**	**7,663.33**	**7,66,33,296**	**7,663.33**

11.2. Terms/Rights attached to the 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.

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Viniyog Private Limited	42,22,789	5.51%	42,22,789	5.51%

11.4 Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2020:

Nil

Note 12: Other Equity **Rs in Lakhs**

	As at March 31, 2020	As at March 31, 2019
12.1 Reserves & Surplus		
General Reserve		
Balance as per last financial statements	5,633.14	5,633.14
Balance as the end of the year	**5,633.14**	**5,633.14**
Securities Premium		
Balance as per last financial statements	**1,060.92**	**1,060.92**
Balance as the end of the year	**1,060.92**	**1,060.92**
Surplus in statement of profit and loss		
Balance as per last financial statements	(11,862.10)	(11,466.06)
Profit/(Loss) for the year	1,555.03	(388.02)
OCI for the year	(8.97)	(8.02)
Balance at the end of the year	**(10,316.04)**	**(11,862.10)**
Total reserves & surplus	**(3,621.98)**	**(5,168.04)**
Equity Instruments through OCI (net of tax)		
Balance as per last financial statements	(17.08)	(26.29)
OCI for the year	0.54	9.21
Balance at the end of the year	**(16.54)**	**(17.08)**
Total Other comprehensive income	**(16.54)**	**(17.08)**
Total Other equity	**(3,638.52)**	**(5,185.12)**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

The description of the nature and purpose of each reserve within equity is as follows

a. General Reserve

General Reserve is a free reserve created by the Company by transfer from Retained Earnings for appropriation purposes

b. Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

c. Equity instruments through OCI

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

Note 13: Financial liabilities

13 (a) Borrowings **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term Borrowings		
Secured:		
From Others	20.04	26.67
Unsecured:		
From Others	1,080.10	1,080.10
Total borrowings	**1,100.14**	**1,106.77**

a Nature of security:

Loan from others is secured by charge on one of the immovable properties of the Company.

b Rate of Interest

Secured Loans from Others carry interest rate of 18.00% per annum, payable on demand.

13 (b) Trade payable **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Other trade payables (refer note below)	1,854.91	2,044.37
Total	**1,854.91**	**2,044.37**

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 supplier 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

13 (c) Other Financial Liabilities

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Interest accrued and due	626.54	625.21
Payables		
To related Parties	96.33	416.88
To employees	512.51	463.44
	608.84	880.32
Security Deposits	37.85	49.70
Others	9.51	6.90
Total	**1,282.74**	**1,562.13**

Note 14: Provisions

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Long-term		
Provision for employee benefits (Refer Note 30)		
Provision for Gratuity	182.13	193.47
Provision for Leave Encashment	30.24	28.82
	212.37	**222.29**
Short-term		
Provision for employee benefits (Refer Note 30)		
Provision for Gratuity	65.07	106.65
Provision for leave encashment	11.71	19.49
	76.78	**126.14**
Total	**289.15**	**348.43**

Note 15: Other Current Liabilities

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Advance against Sale of Property	1,703.69	2,456.66
Statutory dues	2,204.53	2,366.46
Other Liabilities	-	1,500.00
Total	**3,908.22**	**6,323.12**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 16: Other Income **Rs. In Lakhs**

Particulars	2019-2020	2018-2019
Interest Income	236.95	240.62
Service Income	90.00	97.50
Provision no longer required (net)	181.90	0.41
Financial Guarantee Commission	10.04	13.68
Rental Income	108.85	34.62
Miscellaneous Income	0.15	21.90
Prior period income	-	0.10
Royalty	3.09	6.58
Sundry Credit Balance appropriated	291.59	0.12
Profit on sales of Property, Plant and Equipment (net)	28.57	-
Share in Saving	1,500.00	-
Scrap Sales	9.85	230.73
Total	**2,460.99**	**646.26**

Note 17: Cost of raw materials and components consumed **Rs. In Lakhs**

Particulars	2019-2020	2018-2019
Stock at the beginning of the year	8.53	8.53
Purchases	-	-
	8.53	**8.53**
Less: Stock written off	8.53	**-**
Less: Stock at the end of the year	-	8.53
Total	**-**	**-**

Note 18: Purchase of Stock in Trade **Rs. In Lakhs**

Particulars	2019-2020	2018-2019
Purchase of Stock in Trade	-	0.43
Total	**-**	**0.43**

Note 19: Changes in Inventory of Work-in-progress **Rs. In Lakhs**

Particulars	2019-2020	2018-2019
(Increase)/Decrease in stocks		
Stock at the end of the year		
Stock-in-trade	0.43	0.43
	0.43	**0.43**
Stock at the beginning of the year		
Stock-in-trade	0.43	-
	0.43	**-**
(Increase)/Decrease in stocks	**-**	**-**
Total	**-**	**(0.43)**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 20: Employee Benefits Expense

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Salaries and Wages (Refer note 30)	286.73	369.97
Contribution to Provident Fund and Other Funds	30.69	33.91
Staff Welfare Expenses	17.13	27.35
Total	**334.55**	**431.23**

Note 21: Finance Costs

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Interest expense - Others	46.47	61.96
Total	**46.47**	**61.96**

Note 22: Depreciation and amortization expense

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Depreciation on Property, Plant and Equipment (Refer Note 5)	38.67	39.82
Amortisation on Intangible Assets (Refer Note 6)	0.18	0.18
Total	**38.85**	**40.00**

Note 23: Other Expenses

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Power and fuel	8.07	16.76
Insurance	1.26	1.05
Rent (Refer Note 29)	6.28	7.01
Rates and taxes	21.42	58.69
Repairs:		
To Buildings	15.19	37.56
To others	2.87	1.23
Directors’ Fees	1.25	1.30
Legal Charges	242.13	190.07
Travelling Expenses	25.41	24.48
Printing, Stationery & Communication	31.09	17.94
Service Charges	17.14	19.31
Penalties	15.63	7.64
Auditor’s remuneration	2.00	2.00
Stock written off	8.53	-
Miscellaneous Expenses	52.43	70.34
Loss on assets sold/Discarded	-	0.13
Total	**450.70**	**455.51**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Payment to Auditors **Rs. In Lakhs**

Particulars	**2019-2020**	**2018-2019**
Audit Fees	2.00	2.00
Total	**2.00**	**2.00**

Note 24: Income Tax

The major component of income tax expense for the year ended March 31,2020 and March 31, 2019 are;

Rs. In Lakh

Particulars	**2019-2020**	**2018-2019**
Statement of Profit and Loss		
Current income tax	4.00	-
Deferred tax charge	31.39	45.58
Income tax expense reported in the statement of profit and loss	**35.39**	**45.58**
Statement of Other comprehensive income (OCI)		
Deferred tax credit	(3.15)	(2.82)
Income tax expense reported in the statement of OCI	**(3.15)**	**(2.82)**

Note: The Company has adopted option available under section 115 BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance 2019, dated December 11, 2019. Accordingly, tax expenses, deferred tax assets / liabilities have been recomputed.

A) Current tax **Rs in Lakhs**

Particulars	**2019-2020**	**2018-2019**
Accounting profit/(Loss) before tax from continuing operations	1,590.42	(342.44)
Tax @ 25.17% (March 31, 2019: 26%)	400.31	(89.03)
Adjustment		
Other Adjustments	(364.92)	134.61
At the effective income tax rate of 2.23% (March 31,2019:-13.31%)	35.39	45.58

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate :

B) Deferred tax **Rs. In Lakhs**

Particulars	**Balance Sheet as at**		**Statement of Profit and Loss and OCI for the year ended on**	
	March 31, 2020	**March 31, 2019**	**March 31, 2020**	**March 31, 2019**
Accelerated depreciation for tax purposes	23.56	30.95	(7.39)	(2.98)
Expenditure allowable on payment basis	(215.52)	(251.15)	35.63	45.74
Deferred tax expense/(income)	-	-	**28.24**	**42.76**
Net deferred tax (Assets)/Liabilities	**(191.96)**	**(220.20)**		
Reflected in the balance sheet as follows				
Deferred tax Assets	215.52	251.15		
Deferred tax liabilities	(23.56)	(30.95)		
Deferred tax Assets/(Liabilities) (net)	**191.96**	**220.20**		

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Reconciliation of deferred tax assets / (liabilities), net **Rs. In Lakhs**

Particulars	March 31, 2020	March 31, 2019
Opening balance as of April 1	220.20	262.96
Tax income/(expense) during the period recognised in profit or loss	(31.39)	(45.58)
Tax income/(expense) during the period recognised in OCI	3.15	2.82
Closing balance as at March 31	**191.96**	**220.20**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 25: Earning Per Share (EPS)

Particulars		2019-2020	2018-2019
Earing per share (Basic and Diluted)			
Profit/(Loss) attributable to ordinary equity holders	Rs. in Lakhs	1,555.03	(388.02)
Total no. of equity shares at the end of the year	Nos.	7,66,33,296	7,66,33,296
Weighted average number of equity shares			
For basic EPS	Nos.	7,66,33,296	7,66,33,296
For diluted EPS	Nos.	7,66,33,296	7,66,33,296
Nominal value of equity shares	Rs.	10	10
Basic earning per share	Rs.	2.03	(0.51)
Diluted earning per share	Rs.	2.03	(0.51)
Weighted average number of equity shares			
Weighted average number of equity shares for basic/diluted EPS		7,66,33,296	7,66,33,296

Note 26 : Contingent liabilities **Rs in Lakhs**

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent liabilities not provided for			
a.	Claims against Company not acknowledged as debts	1,025.30	1,053.77
b.	Claims against Company not acknowledged as debts other than (a) above. Refer Note below	781.70	781.70
c.	Claims by Government for payment in to DPEA	39.25	39.25
d.	Guarantee given by banks on behalf of the Company	262.29	267.29
e.	Guarantee given by company on behalf of other Companies	1004.22	1368.42
f.	Disputed demands in respect of		
	Excise/Customs duty	62.98	133.82
	Sales tax	40.00	223.39
	Income tax	2,068.98	2,026.63
	Employees' State Insurance Corporation	43.90	53.15
	Provident Fund	401.45	407.31

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Notes :

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

ii. The company does not expect any reimbursements in respect of the above Contingent liabilities

iii. The Company belives that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations.

iv. 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 then 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 from International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the original demand made of Rs.781.70 Lakh plus interest thereon at the rate of 18.50% per annum at quarterly rests from June 27, 1989 till date (previous year Rs.781.70 Lakh plus interest thereon) and based on legal advice, the Company has taken required action in the matter at various legal forum.

v. Against disputed demands for income tax, Rs. 88.83 Lakhs were paid/adjusted.

vi. The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

Note 27: Capital commitment and other commitments

Rs. In Lakhs

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	-
Other commitments	-	-

Note 28 : Segment Reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. The Company has only one identifiable Segment. i.e. Pharmaceuticals

Note 29: Leases

Effective from April 1, 2019, the Company has adopted Ind AS 116 "Leases" to its leases. For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has only short term leases.

The Company incurred Rs. 6.28 Lakh for the year ended March 31, 2020 towards expenses relating to short term leases.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs.30.68 Lakhs (March 31, 2019: Rs. 33.48 Lakhs) is recognised as expenses and included in Note No.20 “Employee benefit expense”

Rs. in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provident Fund	18.98	19.53
Pension Fund	6.56	9.32
Superannuation Fund	5.14	4.63
Total	**30.68**	**33.48**

(a) Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employees’ salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company receive benefits from a government administered provident fund, which is a defined contribution plan. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Rs. in Lakhs

	Gratuity cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income					
	April 1, 2019	Service cost	Net interest expense	**Sub-total included in statement of profit and loss (Note 20)**	**Benefit paid**	Return on plan assets	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI**	**Contributions by employer**	**March 31, 2020**
March 31, 2020 : Changes in defined benefit obligation and plan assets												
Defined benefit obligation	300.12	5.97	20.90	26.87	(91.91)	-	-	8.46	3.66	12.12	-	247.20
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**300.12**	**5.97**	**20.90**	**26.87**	**(91.91)**	**-**	**-**	**8.46**	**3.66**	**12.12**	**-**	**247.20**
March 31, 2019 : Changes in defined benefit obligation and plan assets												
Defined benefit obligation	335.57	7.35	24.15	31.50	(77.78)	-	-	1.87	8.97	10.84	-	300.12
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**335.57**	**7.35**	**24.15**	**31.50**	**(77.78)**	**-**	**-**	**1.87**	**8.97**	**10.84**	**-**	**300.12**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2020 (%) of total plan assets	Year ended March 31, 2019 (%) of total plan assets
Insurance Fund	0.00%	0.00%
Others (including bank balances)	0.00%	0.00%
(%) of total plan assets	**0.00%**	**0.00%**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.76%	6.76%
Future salary increase	4.00%	4.00%
Expected rate of return on plan assets	6.76%	6.76%
Attrition rate	2.00%	2.00%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Morality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below: Rs. in Lakhs

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	1% increase	(4.28)	(4.90)
	1% decrease	4.53	5.15
Salary increase	1% increase	4.54	5.25
	1% decrease	(4.36)	(5.08)
Attrition rate	1% increase	0.20	0.45
	1% decrease	(0.23)	(0.48)

The followings are the expected future benefit payments for the defined benefit plan : **Rs. in Lakhs**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within the next 12 months (next annual reporting period)	65.07	106.65
2 to 5 years	191.23	206.75
Beyond 5 years	23.04	29.85
Total expected payments	**279.34**	**343.25**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Gratuity	3	3

C. Other Long term employee benefit plans

Leave encashment

Amount of Rs. 17.67 Lakhs (March 31, 2019: Rs. 11.53 Lakhs) is recognised as expenses and included in Note No. 20 “Employee benefit expense”.

Note 31 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the Company are as follows :

a Name of Related Parties and Nature of Relationship :

	Subsidiary Companies	
1	Synbiotics Limited	
2	Asence Inc., USA	
3	Asence Pharma Private Limited	
4	Sarabhai M Chemicals Limited	
5	Systronics (I) Limited	
6	Suvik Hitek Private Limited	
7	Sarabhai Chemicals(I) Private Limited	
8	Swetsri Investments Private Limited	
	Joint Ventures	
1	Vovantis Laboratories Private Limited	
2	Cosara Diagnostics Limited	
	Associate	
	Haryana Containers Limited	
	Key Management Personnel	
1	Mr. Kartikeya V Sarabhai	Chairman
2	Mr. A. H. Parekh	Whole Time Director (up to November 30, 2019)
3	Ms. Chaula Shastri	Whole Time Director
4	Mr. G. D. Zalani	Independent Director (up to January 31, 2020)
5	Mr. Ashvin P. Hathi	Independent Director
6	Mr. C.S. Bohra	Independent Director
7	Mr. Bharat B Shah	Chief Financial Officer (till 30th March, 2019)
8	Mr.Navinchandra R Patel	Chief Financial Officer (w.e.f. 1st April, 2019)
9	Mr. Ketan Adhveryu	Company Secretary (till 13th March, 2020)
10	Mr. Damodar H. Sejpal	Company Secretary (w.e.f. 14th March, 2020)

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

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b Disclosure in respect of Related Party Transactions : **Rs. In Lakhs**

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
Rent Income		
Asence Pharma Private Limited	7.59	12.38
Sarabhai Chemicals(I) Private Limited	0.36	0.36
Synbiotics Limited	14.40	10.80
Sarabhai M Chemicals Limited	2.05	-
Vovantis Laboratories Private Limited	84.44	11.06
Rendering of Services		
Synbiotics Limited	36.63	29.41
Systronics (I) Limited	90.00	90.00
Asence Pharma Private Limited	19.29	31.27
Sarabhai M Chemicals Limited	0.46	-
Vovantis Laboratories Private Limited	116.29	31.03
Interest Income		
Systronics (I) Limited	51.83	75.61
Asence Pharma Private Limited	56.90	55.35
Sarabhai Chemicals(I) Private Limited	38.58	17.85
Synbiotics Limited	3.13	1.51
Sarabhai M Chemicals Limited	1.24	-
Haryana Containers Limited	4.10	4.98
Royalty Income		
Asence Pharma Private Limited	3.09	6.58
Purchase of goods and services		
Sarabhai Chemicals(I) Private Limited	-	0.43
Other Income		
Synbiotics Limited	7.39	6.26
Asence Pharma Private Limited	1.78	5.25
Suvik Hitek Private Limited	0.87	0.88
Systronics (I) Limited	-	1.29
Receiving of Services		
Asence Pharma Private Limited	6.67	5.34
Interest Expense		
Swetsri Investment Pvt Ltd	6.49	-
Loan received/Returned		
Repayment of Loan	37.00	-
Remuneration		
Mr. Kartikeya V Sarabhai	40.25	35.79
Mr. A. H. Parekh	18.68	22.11
Ms. Chaula Shastri	23.05	21.43
Mr.Navinchandra R. Patel	19.11	-
Mr. Damodar H. Sejpal	0.57	-
Mr. Bharat B. Shah	-	9.31
Mr. Ketan K. Adhveryu	12.51	10.62
Sitting Fees Paid		
Mr. G.D. Zalani	0.40	0.52
Mr. Ashwin P Hathi	0.45	0.42
Mr. C.S. Bohra	0.35	0.36
Mr. A.H. Parekh	0.05	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b Disclosure in respect of Related Party Transactions : **Rs. In Lakhs**

Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019
Receivables in respect of Current Assets		
Systronics (I) Limited	29.81	601.14
Synbiotics Limited	6.81	47.11
Asence Inc., USA	13.31	13.14
Sarabhai M Chemicals Limited	56.32	4.60
Sarabhai Chemicals(I) Private Limited	744.90	359.03
Asence Pharma Private Limited	600.50	1,001.64
Vovantis Laboratories Private Limited	12.18	-
Haryana Containers Limited	64.39	88.17
Payables in respect of Current Liabilities		
Suvik Hitek Private Limited	0.01	67.36
Swetsri Investments Private Limited	86.78	345.51
Vovantis Laboratories Private Limited	-	0.69

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/joint venture **Rs in Lakhs**

List of Related Party	Purpose	Closing Balance		Maximum Outstanding	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loans and Advances					
Systronics (I) Limited	General Business Purpose	29.81	601.14	601.14	601.14
Asence Inc USA	General Business Purpose	13.31	13.14	13.31	13.14
Sarabhai M Chemicals Ltd	General Business Purpose	56.32	4.60	56.32	16.70
Sarabhai Chemicals(I) Private Limited	General Business Purpose	744.90	359.03	744.90	359.03
Asence Pharma Private Limited	General Business Purpose	600.50	1,001.64	1,001.64	1,001.64
Synbiotics Limited	General Business Purpose	6.81	47.11	47.11	69.00
Vovantis Laboratories Private Limited	General Business Purpose	12.18	-	12.18	-
Haryana Containers Limited	General Business Purpose	64.39	88.17	88.17	88.17
Total(A)		**1,528.22**	**2,114.84**	**2,564.77**	**2,148.82**
Corporate Guarantee					
Asence Pharma Private Limited	Facilitate Trade Finance	177.96	525.00	525.00	525.00
Synbiotics Limited	Facilitate Trade Finance	738.90	626.39	738.90	626.39
Systronics (I) Limited	Facilitate Trade Finance	-	128.73	128.73	128.73
Suvik Hitek Private Limited	Facilitate Trade Finance	87.36	88.30	88.30	88.30
Total(B)		**1,004.22**	**1,368.42**	**1,480.93**	**1,368.42**
Total(A+B)		**2,532.42**	**3,483.26**	**4,045.69**	**3,517.24**

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

Notes to the Standalone Financial Statements for the year ended March 31, 2020

d Transactions and Balances :

Rs in Lakhs

Particulars	Subsidiary Companies		Joint Venture		Associates		Key Management Personnel (KMP)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Transactions								
Purchase of Goods/Services	-	5.77	-	-	-	-	-	-
Rent income	24.40	23.54	84.44	11.06	-	-		
Interest Expense	6.49	-	-	-	-	-	-	-
Other Income	10.04	13.68	-	-	-	-	-	-
Royalty Income	3.09	6.58	-	-	-	-	-	-
Rendering of Services	146.38	150.68	116.29	31.03	-	-	-	-
Remuneration to Key Management Personnel	-	-	-	-	-	-	114.17	99.26
Sitting Fees	-	-	-	-	-	-	1.25	1.30
Receiving of Services	6.67	5.34	-	-	-	-	-	-
Interest Income	151.68	150.32	-	-	4.10	4.98	-	-
Repayment of Loan	-	-	-	-	37.00	-	-	-
Balances as at year end								
Receivable in respect of Current Assets	1,451.65	2,026.67	12.18	-	64.39	88.17	-	-
Payable in respect of Current Liabilities	86.79	412.87	-	0.69			9.54	3.32
Corporate Guarantee given	1,004.22	1,368.42	-	-	-	-	-	-

e Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
2) Financial guarantee given to Bank on behalf of subsidiaries carries no charge and are unsecured.
3) Remuneration includes perquisites

g Transactions with key management personnel

Compensation of key management personnel of the Company

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Short-term employee benefits	104.04	90.13
Post employment benefits	6.09	5.57
Other long-term employment benefits	4.04	3.56
Total compensation paid to key management personnel	**114.17**	**99.26**

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 32: Financial Instruments by category

(Rs. in Lakhs)

(i) Financial assets by category

Particulars	As at March 31, 2020					As at March 31, 2019				
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Investments	5,622.76	-	19.79	-	**5,642.55**	5,577.76	-	19.25	-	**5,597.01**
Loans	-	-	-	6.52	**6.52**	-	-	-	0.54	**0.54**
Cash and cash equivalents	-	-	-	24.84	**24.84**	-	-	-	28.16	**28.16**
Other bank balances	-	-	-	424.61	**424.61**	-	-	-	382.30	**382.30**
Other financial assets	-	-	-	3,306.97	**3,306.97**	-	-	-	4,707.10	**4,707.10**
Total Financial assets	**5,622.76**	**-**	**19.79**	**3,762.94**	**9,405.49**	**5,577.76**	**-**	**19.25**	**5,118.10**	**10,715.11**

(ii) Financial liabilities by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	1,100.14	**1,100.14**	-	1,106.77	**1,106.77**
Trade payable	-	1,854.91	**1,854.91**	-	2,044.37	**2,044.37**
Other Financial Liabilities	-	1,282.74	**1,282.74**	-	1,562.13	**1,562.13**
Total Financial liabilities	**-**	**4,237.79**	**4,237.79**	**-**	**4,713.27**	**4,713.27**

For Financial instruments risk management objectives and policies, refer Note 34.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 33 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs. In Lakhs

Particulars	Carrying amount		Fair value	
	As at March 2020	As at March 2019	As at March 2020	As at March 2019
Financial assets				
Investments measured at fair value through OCI	19.79	19.25	19.79	19.25
Total	**19.79**	**19.25**	**19.79**	**19.25**
Financial liabilities				
Borrowings	1,100.14	1,106.77	1,100.14	1,106.77
Total	**1,100.14**	**1,106.77**	**1,100.14**	**1,106.77**

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 34 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2020 and March 31, 2019

Rs. in Lakhs

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020					
Assets measured at fair value					
Fair value through Other Comprehensive Income	**March 31, 2020**	19.79	-	-	19.79
Investment in Equity shares, unquoted					
As at March 31, 2019					
Assets measured at fair value					
Fair value through Other Comprehensive Income	**March 31, 2019**	19.25	-	-	19.25
Investment in Equity shares, unquoted					

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2020 and March 31, 2019

Rs. In Lakhs

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2020**	1,100.14	-	1,100.14	-
As at March 31, 2019					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2019**	1,106.77	-	1,106.77	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 35 : Financial instruments risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk.

(a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.The Company is exposed to interest rate risk of short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

Particulars	Effect on profit before tax	
	March 31, 2020	March 31, 2019
Increase in 50 basis points	5.50	5.53
Decrease in 50 basis points	(5.50)	(5.53)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2020 and March 31, 2019.

Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

Notes to the Standalone Financial Statements for the year ended March 31, 2020

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Rs. in Lakhs

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2020					
Interest bearing borrowings	1,100.14	-	-	-	-
Trade payables	-	-	1,854.91	-	-
Other financial liabilities	1,282.74	-	-	-	-
	2,382.88	**-**	**1,854.91**	**-**	**-**
Year ended March 31, 2019					
Interest bearing borrowings	1,106.77	-	-	-	-
Trade payables -	-	-	2,044.37	-	-
Other financial liabilities	1,562.13	-	-	-	-
	2,668.90	**-**	**2,044.37**	**-**	**-**

Note 36 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

Particulars	Year ended March 31, 2020 Rs. In Lakhs	Year ended March 31, 2019 Rs. In Lakhs
Loans and borrowings (Note 13 a)	1,100.14	1,106.77
Less: cash and cash equivalent (including other bank balance) (Note 7 c & d)	449.45	410.46
Net debt	**650.69**	**696.31**
Equity share capital (Note 11)	7,663.33	7,663.33
Other equity (Note 12)	(3,638.52)	(5,185.12)
Total capital	**4,024.81**	**2,478.21**
Capital and net debt	**4,675.50**	**3,174.52**
Gearing ratio	**13.92%**	**21.93%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current period.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 37: Impact of COVID-19 Pandemic

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. Considering the Company is in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Note 38 : New Accounting Pronouncements to be adopted on or after April 1, 2020

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Note 39: Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped to conform with those of current year.

FROM AOC-1

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

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCAL STATEMENT OF SUBSIDIARIES / JOINT VENTURES

Part "A": Subsidiaries **Rs. in Lakh**

Sr No:	Name of Subsidary	Repoting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilites	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, 2020	INR	889.46	581.95	3,094.31	1,622.90	462.13	1,148.80	19.67	(42.62)	62.29	Nil	100%
2	Sarabhai M Chemicals Ltd	March 31, 2020	INR	5.00	(32.60)	48.95	76.55	-	100.33	(21.98)	0.13	(22.11)	Nil	100%
3	Asence Inc.	Dec. 31, 2019	1 USD= Rs. 75.32	3.77	30.55	146.14	111.82	16.84	229.74	66.73	-	66.73	Nil	100%
4	Asence Pharma Pvt. Ltd	March 31, 2020	INR	9.96	1,009.78	3,242.22	2,222.48	875.05	4,987.99	133.72	30.94	102.78	Nil	99.98%
5	Systronics India Ltd	March 31, 2020	INR	1,198.50	1,694.50	4,118.60	1,225.60	3.28	5,978.25	210.48	60.72	149.76	Nil	100%
6	Suvik Hitek Private Ltd	March 31, 2020	INR	250.00	(1,230.43)	730.75	1,711.18	-	1,470.40	(34.68)	(4.44)	(30.24)	Nil	100%
7	Sarabhai Chemicals (India) Pvt Ltd	March 31, 2020	INR	99.40	(1,386.04)	313.02	1,599.66	-	284.77	(338.69)	0.69	(339.38)	Nil	99.98%
8	Swetsri Investments Pvt. Limited	March 31, 2020	INR	1.00	83.48	88.99	4.51	-	-	5.88	5.59	0.29	Nil	100%

FROM AOC-1

Rs. in Lakh

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

Part "B": Joint Venture

Sr. No:	Particulars	Vovantise Laboratories Pvt Ltd	Cosara Diagnositcs Ltd
1	Latest Audited Balance Sheet Date	**March 31, 2020**	**March 31, 2020**
2	Shares of Joint Ventures held by Company on the year end		
	I) Number	95,01,357	35,86,863
	II) Amount of Investment in Joint Ventures (Rs. in Lakh)	1,297.98	358.69
	III) Extend of Holding %	33.34%	49.97%
3	Description of how there is significant influence	**Note A**	**Note A**
4	Reason why the Joint Venture is not consolidated	Not appplicable	Not appplicable
5	Net worth attributable to shareholding as per latest Audited Balance Shhet	10	10
6	Profit/(Loss) for the year		
	I) Considered in Consolidation	(38.95)	(98.79)
	II) Not Considered in Consolidation	(77.88)	(98.79)

Note:

A There is significent influence due to persencetage (%) of Share Capital

Chairman

Director

Chief Financial Officer

Company Secretary

Date: 20.08.2020

Place: Ahmedabad

FORM NO. AOC -2

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

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 arm's length transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis:**

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

Name (s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Dates of Approval by the Board	Amount Rs.	Amount paid as advances, if any	Nature of contact
NA	NA	NA	NA	NA	NA	NA	NA

2. **Details of contracts or arrangements or transactions at Arm's length basis:** **Rs. in Lakh**

Name (s) of the related party	Nature of Relationship	Duration of contract	Salient terms	Dates of Approval by the Board	Amount Rs.	Amount paid as advances, if any	Nature of contact
Systronics India Limited	Subsidiary	-	-	28.05.2019	171.64	-	-
Asence Inc.	Subsidiary	-	-	28.05.2019	13.31	-	-
Sarabhai M. Chemicals Limited	Subsidiary	-	-	28.05.2019	60.07	-	-
Asence Pharma Pvt. Ltd.	Subsidiary	-	-	28.05.2019	873.77	-	-
Suvik Hitek Pvt. Ltd.	Subsidiary	-	-	28.05.2019	88.24	-	-
Swetsri Investments Pvt. Ltd.	Subsidiary	-	-	28.05.2019	93.27	-	-
Synbiotics Limited	Subsidiary	-	-	28.05.2019	807.26	-	-
Sarabhai Chemicals (India) Pvt. Ltd.	Subsidiary	-	-	28.05.2019	783.83	-	-
Haryana Containers Limited	Associate	-	-	28.05.2019	68.49	-	-
Vovantis Laboratories Pvt. Ltd.	Joint Venture	-	-	28.05.2019	212.91	-	-
Mr. Kartikeya V. Sarabhai	Director	-	-	28.05.2019	40.25	-	-
Mr. Anil H. Parekh*	Director	-	-	28.05.2019	18.68	-	-
Ms. Chaula M. Shastri	Director	-	-	28.05.2019	23.05	-	-
Mr. Ketan K. Adhvaryu**	Company Secretary	-	-	27.09.2019	12.51	-	-
Mr. Damodar H. Sejpal***	Company Secretary	-	-	13.02.2020	0.57	-	-
Mr. Navinchandra R. Patel@	CFO	-	-	12.02.2019	19.11	-	-

*Mr. Anil H. Parekh has resigned as Whole-time Director w.e.f. 30th November, 2019 and has been appointed as an Additional Director – Non Executive w.e.f. 1st December, 2019

**Mr. Ketan K. Adhvaryu has retired from the post of Company Secretary w.e.f.13th March,2020

***Mr. Damodar H. Sejpal has been appointed as Company Secretary w.e.f. 14th March, 2020.

@ Mr. Navinchandra R. Patel has been appointed as Chief Financial Officer of the Company w.e.f.1st April, 2019

For and on behalf of the Board
Ambalal Sarabhai Enterprises Limited

Date : 20.08.2020
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AMBALAL SARABHAI ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Ambalal Sarabhai Enterprises Limited**("the Holding Company"), its subsidiaries, Joint Ventures and Associate Company (the Holding Company, its subsidiaries, Joint ventures and Associate Company together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and the notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw your attention to note 43 of the statement which explains the uncertainties and management's assessment of the financial impact on the standalone financial statement of the Group due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response

1	***Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)***
	
	The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, estimate of variable consideration, Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	
	Refer Note 17 to the Consolidated Financial Statements
		Principal Audit Procedures
		We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
		• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
		• Selected a sample of continuing and new contracts and performed the following procedures:
		  • Read, analysed and identified the distinct performance obligations in these contracts.
		  • Compared these performance obligations with that identified and recorded by the Company.
		  • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
		  • Considered the terms of contracts for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns.
		  • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
		  • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
		  • We reviewed the collation of information to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2	**Adoption of Ind AS 116 – "Leases"** Effective from April 1, 2019, the Group has adopted Ind AS 116 "Leases" using modified retrospective approach which substantially modifies accounting for Leases. Due to large volume of leases in which the Company act as lessee, this standard had a significant impact on the financial statements. A number of judgements have been applied and estimates made in determining the impact of the standard. The Company designed an implementation plan for the adoption of this standard which, among other actions, analysed and defined the criteria to be applied in the transition process, the lease identification processes, the monitoring and control of the leases in force and the development of the methodology to be applied in the measurement of the leases. Refer Note 30 to the Consolidated Financial Statements	***Principal Audit Procedures*** An evaluation of the design, implementation and operating effectiveness of the relevant controls established by the Company in relation to the methodologies developed and estimates made in order to evaluate the main impacts of the standard. • Assessed the appropriateness of the discount rates applied in determining lease liabilities; • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the IND AS 116 calculations for each lease sampled through recalculation of the expected IND AS 116 adjustment; • Considered completeness by testing the reconciliation to the Company's operating lease commitments and by investigating key service contracts to assess whether they contained a lease under IND AS 116; • Assessed whether the disclosures within the financial statements are in conformity with the applicable regulatory framework.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statement includes financial statements of seven -subsidiaries, whose financial statements reflect total assets of Rs. 6,970.24 Lakhs as at March 31, 2020, total revenue of Rs. 7,371.58 Lakhs, total net loss after tax of Rs. 66.19 Lakhs, total comprehensive income of Rs. 68.01 Lakhs and cash flows (net) of Rs. 103.76 Lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements. The Consolidated financial statements also include the Group's share of net profit of Rs. 137.74 Lakhs for the year ended 31st March, 2020 as considered in the consolidated financial statements, in respect of two joint ventures whose financial statements have not been audited by us. 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 these subsidiaries and joint ventures 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

b) 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.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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.

   ii. The Group did not have any long-term contract including derivative contracts for which there were any material foreseeable losses

   iii. There has been no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Khandhar & Associates**
Chartered Accountants
Firm's Registration No. 118940W

CA. Vipul B. Khandhar
Partner
Membership No.105986
UDIN: 20105986AAAAFX3199

Ahmedabad
July 22, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ambalal Sarabhai Enterprises Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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") ,its subsidiary companies, Joint ventures and Associate Company incorporated in India, for the year ended March 31, 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Holding Company.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies, 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 (" the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding 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 Ind AS 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 Holding 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 Ind AS 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the Ind AS 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 and its subsidiary companies, 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, 2020, 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 **Khandhar & Associates**
Chartered Accountants
Firm’s Registration No. 118940W

CA. Vipul B. Khandhar
Partner
Membership No.105986
UDIN: 20105986AAAAFX3199

Ahmedabad
July 22, 2020

Consolidated Balance Sheet as at March 31, 2020

Rs. In Lakhs

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(I) Non-current assets			
(a) Property, Plant and Equipment	5	3,216.66	3,304.27
(b) Capital work-in-progress	-	41.06	2,405.26
(c) Right-of-Use Assets	30	71.21	-
(d) Goodwill on Consolidation	6	2,452.59	2,452.59
(e) Intangible assets	6	5.12	8.50
(f) Intangible assets under development	-	0.22	0.29
(g) Financial Assets			
(i) Investments	7(a)	1,812.16	935.66
(ii) Other Financial Assets	7(f)	281.78	340.77
(h) Deferred tax assets(net)	25	342.24	365.44
(i) Other non-current assets	8	25.12	10.36
Total Non current assets (A)		**8,248.16**	**9,823.14**
(II) Current assets			
(a) Inventories	9	1,644.65	1,498.49
(b) Financial Assets			
(i) Trade receivables	7(b)	2,879.80	3,468.76
(ii) Loans	7(c)	20.23	83.24
(iii) Cash and cash equivalents	7(d)	1,278.77	1,699.50
(iv) Bank balance other than(iii) above	7(e)	874.72	626.73
(v) Other Financial Assets	7(f)	1,043.27	1,582.61
(c) Others current assets	8	1,151.26	1,300.84
(d) Current Tax Assets (Net)	10	1,504.13	1,366.04
Total current assets (B)		**10,396.83**	**11,626.21**
Total Assets (A+B)		**18,644.99**	**21,449.35**
EQUITY AND LIABILITES			
(I) Equity			
(a) Equity Share Capital	11	7,663.33	7,663.33
(b) Other Equity	12	(3,186.59)	(4,601.03)
Total Equity (A)		**4,476.74**	**3,062.30**
(II) Minority Interest	-	**(0.90)**	**(0.58)**
LIABILITES			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(c)	454.15	875.94
(ii) Lease Liabilites	-	31.64	-
(b) Long Term Provisions	14	336.82	379.61
Total Non current liabilities (B)		**822.61**	**1,255.55**
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	2,366.38	2,875.67
(ii) Lease Liabilites	-	46.96	-
(iii) Trade Payable	13(b)		
Total outstanding dues of mirco enterprises and small enterprises		-	-
Total outstanding dues of creditors other than mirco enterprises and small enterprises		4,002.16	4,683.00
(iv) Other financial liabilities	13(c)	1,957.55	2,241.49
(b) Short Term Provisions	14	379.72	374.53
(c) Other Current liabilities	15	4,581.77	6,887.92
(d) Current Tax Liabilities (net)	16	12.00	69.47
Total current liabilities (C)		**13,346.54**	**17,132.08**
Total Equity and Liabilities (A+B+C)		**18,644.99**	**21,449.35**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary
Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

Consolidated Statement of Profit and Loss as at March 31, 2020

Rs. In Lakhs

		Notes	Year ended March 31,2020	Year ended March 31,2019
1	**Income**			
	(a) Revenue from operations	17	13,349.83	15,187.78
	(b) Other Income	18	2,439.22	547.20
	Total Income		**15,789.05**	**15,734.98**
2	**Expenses**			
	(a) Cost of materials consumed	19	1,008.07	991.93
	(b) Purchases of stock-in-trade	-	7,142.69	8,035.95
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(217.02)	(75.65)
	(d) Employee benefits expense	21	2,708.32	2,609.79
	(e) Finance costs	22	332.18	324.54
	(f) Depreciation and amortisation expense	23	256.55	209.83
	(g) Other expenses	24	2,926.93	3,041.66
	Total Expenses		**14,157.72**	**15,138.05**
3	**Profit before share of profit of Joint Ventures and exceptional items and tax (1-2)**		**1,631.33**	**596.93**
4	Add: Share of Profit/(Loss) of Joint Ventures accounted for using Equity Method		(137.74)	224.41
5	**Profit before Exceptional Items and Tax (3+4)**		**1,493.59**	**821.34**
6	Exceptional items		-	-
7	**Profit Before Tax (5+6)**		**1,493.59**	**821.34**
8	**Tax Expense**	25		
	Current Tax Expense		95.25	329.10
	Short/(Excess) provision related to earlier years		(42.75)	12.01
	Deferred Tax Charge		35.25	55.59
	Total Tax Expense		**87.75**	**396.70**
9	**Net Profit for the year (7-8)**		**1,405.84**	**424.64**
	Attributable to:			
	Equity Holders of the Parent		1,406.16	424.92
	Non-controlling interest		(0.32)	(0.28)
			1,405.84	**424.64**
10	**Other Comprehensive Income/ (Loss) (Net of Tax)**			
	Items that will not be classified to profit and loss			
	(i) Re-measurement of defined benefit plans	31	(46.53)	(40.08)
	Income Tax impact on above	25	11.86	10.85
			(34.67)	**(29.23)**
	(ii) Equity Instruments through Other Comprehensive Income (FVOCI)		7.63	16.29
	Income Tax impact on above	25	(1.42)	(1.42)
			6.21	**14.87**
	Other Comprehensive Income/(Loss) (net of tax)		**(28.46)**	**(14.36)**
	Attributable to:			
	Equity holders of the parent		(28.46)	(14.36)
	Non-controlling interest		-	-
			(28.46)	**(14.36)**
11	**Total Comprehensive Income for the year (9+10)**		**1,377.38**	**410.28**
	Attributable to:			
	Equity holders of the Parent		1,377.70	410.56
	Non-controlling interest		(0.32)	(0.28)
			1,377.38	**410.28**
	[Nominal Value per share Rs. 10/- (Previous year Rs. 10/-)]			
	- Basic and Diluted	26	1.83	0.55
	(See accompaning notes to the Consolidated Financial Results)			

As per our report of even date attached

For Khandhar & Associates	**Mr. Kartikeya V. Sarabhai**	**Mr. Chandrashekhar B. Bohra**
Firm Registration No. 118940W	Chairman	Director
Chartered Accountants	(DIN: 00313585)	(DIN: 00055288)
CA. Vipul B. Khandhar	**Mr. Damodar H. Sejpal**	**Mr. Navinchandra R. Patel**
Partner	Company Secretary	CFO
Membership No 105986		
Date : 22.07.2020	Date : 22.07.2020	
Place : Ahmedabad	Place : Ahmedabad	

Consolidated Statement of Cash Flows for the year ended March 31, 2020

Rs. In Lakhs

	Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A	**Operating activities**				
	Profit Before taxation		**1,493.59**		**821.34**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation /Amortization	256.55		209.83	
	Interest Income	(183.93)		(174.32)	
	Interest and Other Borrowing Cost	332.18		324.54	
	Dividend Income	(1.22)		(1.22)	
	Bad Debts Written Off	2.68		43.80	
	Share of (Profit)/Loss in Associates and Joint Venture	137.74		(224.41)	
	Sundry Credit Balances Appropriated	(307.70)		(35.39)	
	Foreign Exchange Difference	(12.75)		37.62	
	Gain on Change in fair value of Gold Coin	(1.08)		(0.10)	
	Income related to Sale of Property, Plant & Equipment	(1,528.53)		(0.05)	
	Provision for Doubtful debts	119.97		-	
	Provision for Doubtful Advances	0.48		-	
	Adjustment on Consolidation	41.42		-	
	Excess Provision Written Back	(181.99)		(1.15)	
			(1,326.18)		**179.15**
	Operating Profit before Working Capital Changes		**167.41**		**1,000.49**
	Working Capital Changes:				
	Changes in Inventories	(146.16)		(59.05)	
	Changes in trade payables	(267.32)		707.35	
	Changes in other current liabilities	(53.18)		1,116.14	
	Changes in other financial liabilities	(185.23)		(172.28)	
	Changes in provisions	(84.13)		(96.38)	
	Changes in trade receivables	479.06		(137.01)	
	Changes in other current/non-currrent assets	67.49		(280.60)	
	Changes in other financial assets	(169.83)		356.07	
	Changes in Other Bank Balances	(247.99)		229.80	
	Net Changes in Working Capital		**(607.29)**		**1,664.04**
	Cash Generated from Operations		**(439.88)**		**2,664.53**
	Direct Taxes paid (Net of Income Tax refund)		(248.06)		(784.28)
	Net Cash from Operating Activities		**(687.94)**		**1,880.25**
B	**Cash Flow from Investing Activities**				
	Purchase of property, plant & equipment/intangible assets	(367.87)		(1,038.98)	
	Income related to Sale of Property, Plant & Equipment	47.00		10.48	
	Sale of Undertaking	2,763.50		-	
	Changes in Capital Advances	(13.58)		-	
	Change in Long Term Investments	(1,006.61)		(157.99)	
	Change in Share Application Money	(2.00)		-	
	Changes in Loans given	63.01		6.23	
	Dividend Income	1.22		1.22	
	Interest Income	204.09		254.43	
	Net cash flow from Investing Activities		**1,688.76**		**(924.61)**

Consolidated Statement of Cash Flows for the year ended March 31, 2020

Rs. In Lakhs

Particulars		Year ended March 31, 2020		Year ended March 31, 2019	
C	**Cash Flow from Financing Activities**				
	Changes in borrowings	(1,024.86)		(296.09)	
	Principal repayment of lease liabilities	(60.48)		-	
	Interest and Other Borrowing Cost Paid	(336.21)		(310.77)	
	Net Cash flow from Financing Activities		**(1,421.55)**		**(606.86)**
	Net Increase in cash & cash equivalents		**(420.73)**		**348.78**
	Cash & Cash equivalent at the beginning of the year		1,699.50		1,350.72
	Cash & Cash equivalent at the end of the year		1,278.77		1,699.50

Reconciliation of Cash & Cash equivalents:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash and cash equivalents comprise of: (Note 7(d))		
Cash on Hand	9.85	7.93
Balances with Banks	1,268.92	1,691.57
Cash and cash equivalents	**1,278.77**	**1,699.50**

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

Consolidated Statement of changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

Rs. In Lakhs

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2019	**7,663.33**	-	**7,663.33**
For the year ended March 31, 2020	**7,663.33**	-	**7,663.33**

B. Other Equity

Rs. In Lakhs

Particulars	Reserves & Surplus				Item of Other Comprehensive Income	Total Other Equity
	General Reserve	Security Premium	Capital Reserve on Consolidation	Retained Earnings	Equity instruments through Other Comprehensive Income (FVOCI)	
Balance as at April 1, 2018	**5,633.53**	**1,060.92**	**0.12**	**(11,705.49)**	**(0.67)**	**(5,011.59)**
Profit/(Loss) for the year	-	-		424.92	-	424.92
Other comprehensive income for the year	-	-		(29.23)	14.87	(14.36)
Total Comprehensive income for the year	**5,633.53**	**1,060.92**	**0.12**	**(11,309.80)**	**14.20**	**(4,601.03)**
Addition during the year	-	-	-	-	-	-
Adjustment on consolidation	-	-	-	-	-	-
Balance as at March 31, 2019	**5,633.53**	**1,060.92**	**0.12**	**(11,309.80)**	**14.20**	**(4,601.03)**
Balance as at April 1, 2019	**5,633.53**	**1,060.92**	**0.12**	**(11,309.80)**	**14.20**	**(4,601.03)**
Profit/(Loss) for the year	-	-		1,406.16	-	1,406.16
Other comprehensive income for the year	-	-		(34.67)	6.21	(28.46)
Total Comprehensive income for the year	**5,633.53**	**1,060.92**	**0.12**	**(9,938.31)**	**20.41**	**(3,223.33)**
Addition during the year	-	-	-	-	-	-
Adjustment on consolidation	-	-	-	41.42	-	**41.42**
Impact on adoption of Ind AS 116	-	-	-	(6.29)	-	**(6.29)**
Tax impact on adoption of Ind AS 116	-	-	-	1.61	-	**1.61**
Balance as at March 31,2020	**5,633.53**	**1,060.92**	**0.12**	**(9,901.57)**	**20.41**	**(3,186.59)**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate Information

Ambalal Sarabhai Enterprises Limited ("the Group") is a Public Limited Group domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the BSE Limited. The registered office of the Group is located at Shanti Sadan, Ahmedabad.

The Group and its subsidiaries are engaged in manufacturing Pharmaceuticals.

The financial statements have been considered and approved by the Board of Directors at their meeting held on July 22, 2020.

2. Statement of Compliance and Basis of Preparation:

2.1 Basis of Preparation and Presentation and Statement of Compliance

The financial statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Historical Cost Convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value;

2.3 Rounding of amounts

The financial statements are presented in Rupees in Lakhs and all values are rounded to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

2.4 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group, its subsidiaries, its joint ventures and its associate Group as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

3. Summary of Significant Accounting Policies

3.1. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

Non-Current Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Discontinued operation

A discontinued operation is a business of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's Consolidated Financial Statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Group's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, the assets or liabilities related to employee benefit arrangements and related to leases are recognised and measured in accordance with Ind AS 12 “Income Taxes”, Ind AS 19 “Employee Benefits” and Ind AS 116 “Leases” respectively.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.4. Foreign currencies

The Group's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of Property, plant & equipment that are not yet installed and ready for their intended use at the balance sheet date.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application;

3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.9. Intangible Assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition
- for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product’s technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful life of 5 years.

3.10. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and accessories**: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress**: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods**: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.12. Revenue Recognition

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from time and material and job contracts is recognised as the related services are performed.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Profit or loss on sale of Investments

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

3.13. Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

3.14. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.16. Employee Benefits

(a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan:

The employee's gratuity fund scheme is Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

(c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

(d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the consolidated financial statements by the Board of Directors.

3.18. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Group expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

3.19. Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3.20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.21. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.22. Changes in accounting policies and disclosures

New and amended standards

a) Ind AS 116 Leases

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in note 29.

b) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

i. Determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

ii. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

c) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Appendix had an impact on its financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group determined, based on its tax compliance that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities.

The Appendix did not have an impact on the consolidated financial statements of the Group.

d) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments had no impact on the consolidated financial statements of the Group.

4. Critical accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful life of Property, plant and equipment and Intangible Assets

As described in Note 3.6 and 3.7 of the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(d) Defined benefit plans

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

Further details about defined benefit obligations are provided in Note 31.

(e) Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

(f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group.

Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 27).

(g) Lease Term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 5: Property, Plant and Equipment

Fixed Assets	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicle	Computer, Server & Network	Total	Capital Work in Progress
Gross Carrying Amount										
As at April 1, 2018	**1,328.85**	**16.41**	**995.16**	**1,192.93**	**220.51**	**46.63**	**171.96**	**34.26**	**4,006.71**	**1,367.71**
Additions	-	-	2.87	35.87	4.47	3.90	9.57	8.93	65.61	1,037.55
Deductions	-	-	-	13.60	0.11	-	0.63	0.06	14.40	-
As at March 31, 2019	**1,328.85**	**16.41**	**998.03**	**1,215.20**	**224.87**	**50.53**	**180.90**	**43.13**	**4,057.92**	**2,405.26**
Additions	-	-	84.66	10.72	11.80	2.74	-	15.33	**125.25**	96.95
Adjustment due to Business Combination (Refer Note 41)	-	-	-	-	-	-	9.57	-	**9.57**	2,461.15
Deductions	11.43	-	-	-	-	1.21	0.02	2.26	**14.92**	-
As at March 31, 2020	**1,317.42**	**16.41**	**1,082.69**	**1,225.92**	**236.67**	**52.06**	**171.31**	**56.20**	**4,158.68**	**41.06**
Depreciation and Impairment										
As at April 1, 2018	**-**	**0.66**	**109.94**	**332.62**	**54.14**	**15.28**	**25.96**	**15.39**	**553.99**	-
Additions	-	0.33	59.35	69.33	28.36	9.69	27.20	9.37	203.63	-
Deductions	-	-	-	3.55	-	-	0.42	-	3.97	-
As at March 31, 2019	**-**	**0.99**	**169.29**	**398.40**	**82.50**	**24.97**	**52.74**	**24.76**	**753.65**	**-**
Depreciation for the year	-	0.33	57.87	62.35	25.94	9.98	24.72	10.23	191.42	-
Deductions	-	-	-	-	-	0.75	0.55	1.75	3.05	-
As at March 31, 2020	**-**	**1.32**	**227.16**	**460.75**	**108.44**	**34.20**	**76.91**	**33.24**	**942.02**	**-**
Net Carrying Value										
As at March 31, 2020	**1,317.42**	**15.09**	**855.53**	**765.17**	**128.23**	**17.86**	**94.40**	**22.96**	**3,216.66**	**41.06**
As at March 31, 2019	**1,328.85**	**15.42**	**828.74**	**816.80**	**142.37**	**25.56**	**128.16**	**18.37**	**3,304.27**	**2,405.26**

Note :

1. In accordance with the Ind AS 36 on 'Impairment of Assets' , the Company has reassessed its Property, plant and equipment and is of the view that no impairment is considered to be necessary in view of its expected realisable value.

Note 6: Intangible assets

Rs. in Lakhs

Fixed Assets	Know how	Trademarks	Corel Draw Graphic License	Software	Total	Goodwill on Consolidation
Gross Carrying Amount						
As at April 1, 2018	**26.75**	**17.25**	**1.03**	**31.85**	**76.88**	**2,452.59**
Additions		0.79		3.00	3.79	-
Deductions	-	-	-	-	-	-
As at April 1, 2019	**26.75**	**18.04**	**1.03**	**34.85**	**80.67**	**2,452.59**
Additions	-	0.17	-	-	0.17	-
Deductions	-	-	-	-	-	-
As at March 31, 2020	**26.75**	**18.21**	**1.03**	**34.85**	**80.84**	**2,452.59**
Amortisation and Impairment						
As at April 1, 2018	**26.75**	**17.18**	**0.23**	**21.81**	**65.97**	**-**
Amortisation for the year	-	0.35	0.20	5.65	6.20	-
Deductions	-	-	-	-	-	-
As at April 1, 2019	**26.75**	**17.53**	**0.43**	**27.46**	**72.17**	**-**
Amortisation for the year	-	0.12	0.19	3.24	3.55	-
Deductions	-	-	-	-	-	-
As at March 31, 2020	**26.75**	**17.65**	**0.62**	**30.70**	**75.72**	**-**
Net Carrying Value						
As at March 31, 2020	**-**	**0.56**	**0.41**	**4.15**	**5.12**	**2,452.59**
As at March 31, 2019	**-**	**0.51**	**0.60**	**7.39**	**8.50**	**2,452.59**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 7: Financial Assets **Rs. In Lakhs**

7(a) Investments

	Particulars	Face Value Per Share in Rs. Unless otherwise stated	No of Shares	As at March 31, 2020	As at March 31, 2019
	Non Current Investments				
I	**Trade Investments (Unquoted) - measured at amortised cost**				
	Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	15,59,340	156.30	156.30
	Less: Provision for Impairment			(156.30)	(156.30)
	Total (I)		-	-	-
II	**Others**				
	(a) Fair value through Other Comprehensive Income: unquoted				
	"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1	73,498	19.79	19.25
	Ordinary Shares of Kalupur Commercial Co-operative Bank*	25	26,000	103.45	96.36
	(b) Measured at amortised cost (unquoted)				
	Ordinary shares each fully paid of Co-operative Bank of Baroda Limited*	25	1,100	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	1,204	0.30	0.30
	Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445)*	US$1	9	-	-
	Ordinary shares of Belgium Satellite Services s.a.*	Euro 1	4,37,733	721.64	721.64
	Less: Provision for Impairment*			(721.64)	(721.64)
				-	-
	Ordinary shares of each fully paid of Sardar Vallabhbhai Sahkari Bank Ltd*	25	9,540	2.39	2.39
	Total (II)			**126.22**	**118.59**
III	**In Joint Venture (Unquoted) - measured using equity method**				
	Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	95,01,357	1,432.76	626.95
	Ordinary Shares of Cosara Diagnostics Private Limited	10	35,86,863	253.18	190.12
	Total (III)			**1,685.94**	**817.07**
IV	**In Associates (Unquoted) - measured using equity method**				
	Ordinary Shares of Haryana Conatainers Limited	10	50,000	-	-
	Total (IV)			**-**	**-**
	Total Investments (I+II+III+IV)			**1,812.16**	**935.66**
a	Aggregate amount of quoted Investments and market value thereof			-	-
b	Aggregate amount of unquoted Investments			2,690.10	1,813.60
c	Aggregate impairment in value of investment			(877.94)	(877.94)

* The management has assessed that carrying value of the investments approximate to their fair value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

7 (b)Trade Receivables

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good	2,879.80	3,468.76
Unsecured, considered Doubtful	569.33	449.36
Less: Allowance for doubtful debts	569.33	449.36
Total Trade Receivables	**2,879.80**	**3,468.76**

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

Allowance for doubtful debts

The Group has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	449.36	449.36
Add: Allowance for the year (Note 24)	119.97	-
Balance at the end of the year	**569.33**	**449.36**

7 (c) Loans

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Current		
Loans to Employees	20.23	7.30
Loans to Others	-	75.94
Total Loans	**20.23**	**83.24**

7 (d) Cash and cash equivalents

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on Hand	9.85	7.93
Balance with banks		
In Current Accounts	438.02	595.70
In Exchange Earners Foreign Currency account	15.83	1.57
In Deposit Accounts with originally maturity less than 3 months	815.07	1,094.30
Total	**1,278.77**	**1,699.50**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

7 (e) Bank balance other than above **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
In Deposit Accounts With originally maturity more than 3 months		
but less than 12 months *	420.75	233.29
Lodged with Industrial Court	-	0.01
Held as Margin Money **	447.97	391.93
Lodged with Sales Tax/Excise Department	6.00	1.50
Total other bank balances	**874.72**	**626.73**
Total cash and bank balance	**2,153.49**	**2,326.23**

* Under lien with Bank as Security Guarantee Facility, Margin Money and Income Tax Department
** Under lien with bank as Security for Guarantee Facility

7 (f) Other Financial Assets **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Non-current		
Share Application Money	2.00	-
Security deposits		
Considered good	191.15	192.21
Considered doubtful	9.21	9.21
Less: Allowance for doubtful deposits	9.21	9.21
	191.15	192.21
Held as Margin Money	88.63	148.56
	281.78	**340.77**
Unsecured, considered good		
Current		
Security deposits		
Considered good	161.53	167.94
Considered doubtful	24.75	24.75
Less: Allowance for doubtful deposits	24.75	24.75
	161.53	167.94
Interest Accrued	28.69	48.85
Income Receivable	2.96	1.44
Receivable other than Trade - Considered Good		
To Related Party	64.47	88.25
To Others	785.62	1,276.13
	1,043.27	**1,582.61**
Total financial assets	**1,325.05**	**1,923.38**

Allowance for doubtful deposits

The Group has provided allowance for doubtful deposits based on the lifetime expected credit loss model using provision matrix.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Movement in allowance for doubtful deposits : **Rs. In Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balance at the beginning of the year	33.96	33.96
Balance at the end of the year	**33.96**	**33.96**

Note 8: Other current/ non current assets **Rs. In Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(Unsecured, considered good unless otherwise stated)		
Non-current		
Capital Advances	13.58	-
Gold Coins	4.25	3.17
Balance with Government Authorities	0.85	0.85
Pre-paid expense	1.44	1.34
Advance Recoverable in cash or in kind or value to be received	5.00	5.00
	25.12	**10.36**
Current		
Advances to Suppliers		
Considered Goods	271.70	148.69
Considered doubtful	157.44	357.36
Less: Provision for doubtful advances	157.44	357.36
	271.70	148.69
Advance to employees	9.17	4.07
Service Income Receivable	7.94	21.53
Prepaid Expenses	46.97	32.66
Prepaid Gratuity	7.68	9.44
Balances with Government Authorities (Refer Note (i) below)	626.85	968.62
Other Current Assets		
Considered good	180.95	115.83
Considered doubtful	2.43	2.43
Less: Provision	2.43	2.43
	1,151.26	**1,300.84**
Total	**1,176.38**	**1,311.20**

(i) Balance with Government Authorities mainly consists of input credit availed.

Allowance for doubtful advances

The Group has provided allowance for doubtful advances based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful advances : **Rs. In Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Balance at the beginning of the year	359.79	359.79
Add: Allowance for the year (Note 24)	0.48	-
Less: Written off doubtful advances (net of recovery)	200.40	-
Balance at the end of the year	**159.87**	**359.79**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 9: Inventories (At lower of cost and net realisable value) **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and Packing Materials	190.37	258.86
Stores and Spares	13.59	8.87
Work-in-Progress	521.57	422.73
Finished Goods	140.03	130.47
Stock in Trade	772.42	663.80
Stock in Trade in Transit	6.67	13.76
Total	**1,644.65**	**1,498.49**

Note 10: Current Tax Assets (Net) **Rs. In Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Tax paid in Advance (Net of Provision)	1,504.13	1,366.04
Total	**1,504.13**	**1,366.04**

Note 11: Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Authorised Share Capital				
Equity Share of Rs. 10/- each	9,50,00,000	9,500.00	9,50,00,000	9,500.00
Issued and subscribed and paid up share capital				
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Total	**7,66,33,296**	**7,663.33**	**7,66,33,296**	**7,663.33**

11.1 Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**7,66,33,296**	**7,663.33**	**7,66,33,296**	**7,663.33**

11.2. Terms/Rights attached to the 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Viniyog Private Limited	42,22,789	5.51%	42,22,789	5.51%

11.4 Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2020:

Nil

Note 12: Other Equity

Rs in Lakhs

	As at March 31, 2020	As at March 31, 2019
12.1 Reserves & Surplus		
Capital Reserve on Consolidation		
Balance as per last financial statements	0.12	0.12
Balance as the end of the year	**0.12**	**0.12**
General Reserve		
Balance as per last financial statements	5,633.53	5,633.53
Balance as the end of the year	**5,633.53**	**5,633.53**
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Balance at the end of the year	**1,060.92**	**1,060.92**
Surplus in statement of profit and loss		
Balance as per last financial statements	(11,309.80)	(11,705.49)
Add: Adjustment on Consolidation	41.42	-
Add: Profit for the year	1,406.16	424.92
Less: Impact on account of adoption of Ind AS 116 (Refer Note 30)	(6.29)	-
Add: Deferred tax on above	1.61	-
Add: OCI for the year	(34.67)	(29.23)
Balance at the end of the year	**(9,901.57)**	**(11,309.80)**
Total reserves & surplus	**(3,207.00)**	**(4,615.23)**
12.2 Other comprehensive income		
Equity Instruments through OCI(Net of tax)		
Balance as per last financial statements	14.20	(0.67)
Add: Gain/(Loss) during the year	6.21	14.87
Balance at the end of the year	**20.41**	**14.20**
Total Other comprehensive income	**20.41**	**14.20**
Total Other equity	**(3,186.59)**	**(4,601.03)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The description of the nature and purpose of each reserve within equity is as follows :

(a) General reserve

General Reserve is a free reserve created by the Group by transfer from Retained earnings for appropriation purposes.

(b) Securities premium

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

(c) Capital Reserve on Consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

(d) Equity Instruments through OCI

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

Note 13: Financial liabilites

13 (a) Borrowings

Rs. In Lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Long-term Borrowings (refer note 1 below)		
Non-current portion		
Secured		
Term loan from Banks	454.15	875.94
	454.15	**875.94**
Current maturities		
Secured		
Term loan from Banks	179.35	274.03
	179.35	**274.03**
Total long-term borrowings	**633.50**	**1,149.97**
Short-term Borrowings (refer note 2 below)		
Secured		
Working Capital Loans repyable on demand from Banks	653.42	1,071.08
From Others	20.04	26.67
Cash Credit Facilities from Banks	146.88	90.89
	820.34	**1,188.64**
Unsecured		
From Others	1,546.04	1,687.03
	2,366.38	**2,875.67**
Total borrowings	**2,999.88**	**4,025.64**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Notes:

1. Long term borrowings

Particulars	Rs. in Lakhs	Rate of Interest	Security	Terms of Repayment
Term Loan	96.10	10.00%	Secured agsinst Property, Plant & Equipment of the Company, i.e. Land & building and Plant and Machineries	To be repaid in monthly installments of Rs. 2.62 lakh plus interest.
Vehicle Loan	8.98	10.00%	Secured agsinst hypothecation of Vehicles	To be repaid in monthly installments of Rs. 0.46 lakh plus interest.
Term Loan	170.63	10.00%	Secured agsinst Property, Plant & Equipment of the Company, i.e. Land & building and Plant and Machineries	To be repaid in monthly installments of Rs. 6.07 lakh plus interest.
Vehicle Loan	10.80	9.50%	Secured agsinst hypothecation of Vehicles	To be repaid in monthly installments of Rs. 0.62 lakh plus interest.
Vehicle Loan	6.06	12.50%	Secured agsinst hypothecation of Vehicles	To be repaid in monthly installments of Rs. 0.35 lakh plus interest.
Loan against Property	298.38	10.95%	Secured against Mortgage of Industrial Land RS No. 604 to 607 at Ranoli.	To be repaid in monthly installments of Rs. 5.51 lakh plus interest.
Business Loan	42.55	17% -18%	Secured against Mortgage of Industrial Land RS No. 604 to 607 at Ranoli.	To be repaid in monthly installments of Rs. 2.44 lakh plus interest.

2. Short term borrowings

Particulars	Rs. in Lakhs	Rate of Interest	Security
Working Capital Loans	653.42	10.00%	Hypothecation of all tangible movable assets including all stocks of Raw Materials, Stores, Packing Materials, Finished Goods and Book Debts.
Cash Credit Facilities from Banks	146.88	10.00% - 13.50%	Hypothecation of all tangible movable assets including all stocks of Raw Materials, Stores, Packing Materials, Finished Goods and Book Debts.
Others	20.04	12.00% - 21.00%	Hypothecation of all tangible movable assets including all stocks of Raw Materials, Stores, Packing Materials, Finished Goods and Book Debts.

13 (b) Trade payable

Rs. In Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables (refer note below)	4,002.16	4,683.00
Total	**4,002.16**	**4,683.00**

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

13 (c) Other Financial Liabilities Rs. In Lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Current		
Current maturity of long term borrowings	179.35	274.03
Interest accrued and due	632.11	636.14
Payable in respect of Capital Goods	-	133.49
Payable to Employees	815.80	841.43
Security Deposits	330.29	356.40
Total	**1,957.55**	**2,241.49**

Note 14 Provisions Rs. In Lakhs

Particular	**As at March 31, 2020**	**As at March 31, 2019**
Long-term		
Provision for employee benefits (Refer Note 31)		
Provision for Gratuity	285.39	309.65
Provision for Leave Encashment	51.43	69.96
	336.82	**379.61**
Short-term		
Provision for employee benefits Refer Note 31)		
Provision for Gratuity	148.57	181.95
Provision for leave encashment	231.15	192.58
	379.72	**374.53**
Total	**716.54**	**754.14**

Note 15: Other Current Liabilities

Rs. In Lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Current		
Advance from customers	433.05	303.23
Advance against Sale of Property	1,703.69	2,456.66
Statutory dues	2,417.08	2,616.00
Other Liabilities	27.95	1,512.03
Total	**4,581.77**	**6,887.92**

Note 16: Current Tax Liabilities

Rs. In Lakhs

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Income tax (net of Advance tax)	12.00	69.47
Total	**12.00**	**69.47**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 17: Revenue from Operations (Refer note (i) below) Rs.In Lakhs

Particulars	2019-2020	2018-2019
Sale of Products	12,823.72	14,743.45
Sale of Services	247.12	333.74
Other Operating Income		
Export Incentives	217.88	103.09
Service Income	61.11	7.50
	278.99	**110.59**
Total	**13,349.83**	**15,187.78**

Disaggregation of Revenue from contracts with customers

Revenue based on Geography Rs.In Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Domestic	9,320.71	10,671.64
Export	4,029.12	4,516.14
Revenue from Operations	**13,349.83**	**15,187.78**

Revenue based on business segment Rs.In Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Pharmaceuticals	7,371.58	7,610.95
Electronics	5,978.25	7,576.83
Revenue from Operations	**13,349.83**	**15,187.78**

Reconciliation of revenue from operation with contract price Rs.In Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contract with customers as per the contract price	13,822.96	15,364.37
Adjustment made to contract price on account of:		
a) Sales returns	91.73	176.59
a) Discount	381.40	-
Revenue from Operations	**13,349.83**	**15,187.78**

Note 18: Other Income Rs.In Lakhs

Particulars	2019-2020	2018-2019
Interest Income	183.93	174.32
Dividend Income	1.22	1.22
Provision no longer required (net)	181.99	1.15
Rental Income	139.70	65.08
Miscellaneous Income	72.43	39.06
Exchange Difference (Net)	12.75	-
Bad debt recovered	0.04	-
Other Income	1.08	0.10
Prior period income	-	0.10
Sundry credit balances appropriated	307.70	35.39
Profit on sales of Property, Plant & Equipment(net)	28.53	0.05
Share of Saving	1,500.00	-
Scrap Sales	9.85	230.73
Total	**2,439.22**	**547.20**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 19: Cost of raw materials and components consumed Rs.In Lakhs

Particulars	2019-2020	2018-2019
Stock at the beginning of the year	258.86	232.79
Purchases	948.11	1,018.00
	1,206.97	**1,250.79**
Less: Stock written off	8.53	-
Less: Stock at the end of the year	190.37	258.86
Total	**1,008.07**	**991.93**

Note 20: Changes in Inventory of Work-in-progress Rs.In Lakhs

Particulars	2019-2020	2018-2019
(Increase) in stocks		
Stock at the end of the year		
Finished Goods	140.03	130.47
Stock-in-trade	772.42	663.80
Work-in-Progress	521.57	422.73
	1,434.02	**1,217.00**
Stock at the beginning of the year		
Finished Goods	130.47	198.26
Stock-in-trade	663.80	593.80
Work-in-Progress	422.73	349.29
	1,217.00	**1,141.35**
Total	**(217.02)**	**(75.65)**

Note 21: Employee Benefits Expense Rs. In Lakhs

Particulars	2019-2020	2018-2019
Salaries and Wages (Refer Note 31)	2,472.85	2,371.73
Contribution to Provident Fund and Other Funds (Refer Note 31)	119.95	123.16
Staff Welfare Expenses	113.66	106.82
Directors' Commission	1.86	8.08
Total	**2,708.32**	**2,609.79**

Note 22: Finance Costs Rs.In Lakhs

Particulars	2019-2020	2018-2019
Interest expense - Loans	14.73	117.06
Interest expense - Others	204.68	120.52
Interest expense - Working Capital	87.03	84.13
Finance Charges on Lease Liabilites (Refer Note 30)	11.19	-
Other finance cost	14.55	2.83
Total	**332.18**	**324.54**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 23: Depreciation and amortization expense Rs.In Lakhs

Particulars	2019-2020	2018-2019
Depreciation on Property, Plant and Equipment (Refer Note 5)	191.42	203.63
Depreciation on Right-of-use Assets (Refer Note 30)	61.58	-
Amortisation on Intangible Assets (Refer Note 6)	3.55	6.20
Total	**256.55**	**209.83**

Note 24: Other Expenses Rs.In Lakhs

Particulars	2019-2020	2018-2019
Power and fuel	271.46	321.52
Stores consumed	55.00	50.12
Insurance	19.30	16.22
Factory Overhead	248.52	335.77
Rent (Refer Note 30)	55.40	125.39
Rates and taxes	45.35	83.39
Repairs:		
To Buildings	24.16	47.62
To Machineries	56.39	38.33
To others	18.93	17.61
Directors' Fees	1.25	1.30
Legal Charges	433.84	322.79
Conveyance & Travelling expense	342.72	386.76
Postage	14.97	5.21
Service Charges	175.74	43.64
Penalties	17.35	20.11
Auditor's remuneration	3.50	3.50
Stock written off	8.53	-
Miscellaneous Expenses	169.66	234.77
ETP Expenses	11.55	11.91
Printing, stationery & xerox Expense	46.46	27.25
Commission on Sales	127.56	80.70
Commission, Brokerage & discount	59.63	161.46
Corporate Social Responsibility Expense	12.80	-
Freight, insurance & clearing charge	195.31	24.92
Donation	-	2.01
Selling & Distribution Expense	297.45	499.84
Installation & Integration Expense	1.58	16.97
Allowance for doubtful debts (Refer Note 7b)	119.97	-
Bad debt written off	2.68	43.80
Allowance for doubtful Advances(Refer Note 7b)	0.48	-
Bank charges	28.69	4.39
Communication Expense	20.97	34.77
Exchange difference (net)	-	37.62
Research & Development Expense	0.32	1.09
Designing & Art Work	1.96	1.95
Security Expense	14.88	13.98
Hire Charges-Transport Services	22.57	24.95
Total	**2,926.93**	**3,041.66**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Payment to Auditors Rs.In Lakhs

Particulars	2019-2020	2018-2019
Audit Fee	3.50	3.50
For Other certification work	-	-
For reimbursement of expenses	-	-
Total	**3.50**	**3.50**

Note 25: Income Tax

The major component of income tax expense for the year ended March 31,2020 Rs. in Lakhs

Particulars	2019-2020	2018-2019
Statement of Profit and Loss		
Current Tax		
Current income tax	95.25	329.10
Short provision related to earlier years	(42.75)	12.01
Deferred Tax		
Deferred Tax expesne/ (Credit)	35.25	55.59
Income tax expense reported in the statement of profit and loss	**87.75**	**396.70**
Statement to Other comprehensive income (OCI)		
Net (gain) on actuarial gains and losses	(11.86)	(10.85)
Net loss on FVOCI Equity Instrument	1.42	1.42
Deferred tax charged to OCI	**(10.44)**	**(9.43)**

Note:

The Holding Company has adopted option available under section 115 BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance 2019, dated December 11, 2019. Accordingly, tax expenses, deferred tax assets / liabilities have been recomputed.

A) Current tax Rs. in Lakhs

Particulars	2019-2020	2018-2019
Accounting profit before tax from continuing operations	**1,493.59**	**821.34**
Tax @ 25.17% (March 31, 2019: 26%)	375.94	213.55
Adjustment		
Short Provision of Income tax	(42.75)	12.01
Other Adjustments	(245.44)	171.14
At the effective income tax rate of 5.87% (March 31, 2019 : 48.30%)	**87.75**	**396.70**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate :

B) Deferred tax **Rs. In Lakhs**

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2020	March 31, 2019	Impact on adoption of Ind AS 116 recognized in Retained Earnings	March 31, 2020	March 31, 2019
Accelerated depreciation for tax purposes	(272.45)	(262.78)		(9.67)	0.06
Expenditure allowable on payment basis	423.64	377.65		45.99	17.57
Unused losses of earlier years	206.18	268.55		(62.37)	(62.37)
Impact of Fair Valuation of equity instruments	(16.56)	(17.98)		1.42	(1.42)
Impact of Ind AS 116 - Leases	1.43	-	1.61	(0.18)	-
Deferred tax (expense)/income			**1.61**	**(24.81)**	**(46.16)**
Net deferred tax Assets/(Liabilities)	**342.24**	**365.44**			
Reflected in the balance sheet as follows					
Deferred tax Assets	631.25	646.20			
Deferred tax liabilities	(289.01)	(280.76)			
Deferred tax Assets/(Liabilities) (net)	**342.24**	**365.44**			

Rs. In Lakhs

Reconciliation of deferred tax assets / (liabilities), net	**March 31, 2020**	**March 31, 2019**
Opening balance as of April 1	**365.44**	**411.60**
Tax income/(expense) during the period recognised in profit or loss	(35.25)	(55.59)
Impact on adoption of Ind AS 116 recognised in Retained Earnings	1.61	-
Tax income/(expense) during the period recognised in OCI	10.44	9.43
Closing balance as at March 31	**342.24**	**365.44**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 26: Earning Per Share (EPS) **Rs. In Lakhs unless otherwise stated**

Particulars	**2019-2020**	**2018-2019**
Profit attributable to ordinary equity holders	**1,405.84**	**424.64**
Total no. of equity shares at the end of the year	7,66,33,296	7,66,33,296
Weighted average number of equity shares		
For basic EPS	7,66,33,296	7,66,33,296
For diluted EPS	7,66,33,296	7,66,33,296
Nominal value of equity shares (Rs.)	10	10
Basic and Diluted earning per share (Rs.)	**1.83**	**0.55**
Weighted average number of equity shares		
Weighted average number of equity shares for basic/diluted EPS	7,66,33,296	7,66,33,296

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 27 : Contingent liabilities **Rs in Lakhs**

	Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Contingent liabilities not provided for			
a.	Claims against Group not acknowledged as debts	1,050.48	2,455.90
b.	Claims against Group not acknowledged as debts other than (a) above	781.70	781.70
c.	Claims by Government for payment in to DPEA	39.25	39.25
d.	Guarantee given by banks on behalf of the Group	403.55	413.01
e.	Disputed demands in respect of:		
	Excise/Customs duty	64.32	135.16
	Sales tax	86.03	269.33
	Income tax	2,335.16	2,367.10
	Employees' State Insurance Corporation	127.55	136.80
	Provident Fund	430.06	435.57
f.	Performance Guarantee	6.60	5.65

Notes :

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

ii. The Group does not expect any reimbursements in respect of the above Contingent liabilities

iii. The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of the operations.

iv. Hon'ble Supreme Court has allowed Group'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 Group's erstwhile Swastik Division and Electronics Division while allowing the appeals, Hon'ble Supreme Court has directed that Group shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by then which is pending before Debts Recovery Tribunal. The Group has accordingly given the guarantee.

With regard to the Guarantee given by the Group favouring Central Bank of India and Bank of Baroda, the Group has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda from International Asset Reconstruction Group Pvt. Ltd.

The Group has not accepted the original demand made of Rs. 781.70 Lakh plus interest thereon at the rate of 18.50% per annum at quarterly rests from June 27, 1989 till date (previous year Rs. 781.70 Lakh plus interest thereon) and based on legal advice, the Group has taken required action in the matter at various legal forum.

v. Against disputed demands for income tax, Rs. 88.83 Lakhs were paid/adjusted.

vi. The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Group, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Group, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

Note 28: Capital commitment and other commitments **Rs. In Lakhs**

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	58.49
Other commitments	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 29 : Foreign Exchange Derivatives and Exposures not hedged

Currency		As at March 31, 2020		As at March 31, 2019	
		In FC	Rs. In Lakhs	In FC	Rs. In Lakhs
Receivables	USD	12,15,149	910.87	13,03,469	889.62
	EUR	35,325	29.09	2,00,926	153.41
Payable towards borrowings	USD	2,10,507	157.80	5,98,525	408.49
Payable to creditors	USD	40,650	30.64	64,350	44.51

Note 30: Lease Rent

A. For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The weighted average incremental borrowing rate of 10 % has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The Group has adopted modified retrospective approach as per para C8 (C) (i) of Ind-AS 116 “Leases” to its leases effective from accounting period beginning from April 01, 2019 and recognised Right of Use assets and Lease Liability as on April 01, 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax Rs. 6.29 Lakhs (Deferred Tax Rs. 1.61 Lakhs) has been adjusted in retained earnings.

B. The Group has taken Office Spaces and other facilities on lease period of 1 to 5 years with option of renewal.

Disclosures as per Ind AS 116 - Leases are as follows:

C. **Changes in the carrying value of right of use (ROU) assets** **Rs. In Lakhs**

Particulars	As at March 31, 2020
Recognition of ROU Asset on account of adoption of Ind AS 116	108.58
Additions	24.21
Deletions	-
Depreciation	(61.58)
Balance at the end of the year	**71.21**

D. **Movement in lease liabilities** **Rs. In Lakhs**

Particulars	As at March 31, 2020
Recognition of Lease Liability on account of adoption of Ind AS 116	114.87
Additions	24.21
Deletions	-
Finance cost accrued during the year	11.19
Payment of lease labilities	(71.67)
Balance at the end of the year	**78.60**

Particulars	As at March 31, 2020
Current	46.96
Non-current	31.64

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

E. **Contractual maturities of lease liabilities**

Particulars	**As at March 31, 2020**
Less than one year	46.96
One to five years	31.64
More than five years	-
Total	**78.60**

F. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G. The Group incurred Rs. 55.40 Lakhs for the year ended March 31, 2020 towards expenses relating to short term leases.

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs. 119.95 Lakhs (March 31, 2019: Rs. 123.16 Lakhs) is recognised as expenses and included in Note No.21 “Employee benefit expense”

Rs. in Lakhs

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Provident Fund	64.80	63.67
Pension Fund	39.81	50.48
Superannuation Fund	15.34	9.01
Total	**119.95**	**123.16**

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan for 2 subsidiaries only which are administered by Trust/LIC and the Company makes contributions to recognised Trust/LIC.

Gratuity cost charged to statement of profit and lossPremeasurement gains/(losses) in other comprehensive income

		Gratuity cost charged to statement of profit and loss				Premeasurement gains/(losses) in other comprehensive income						Rs. in Lakhs
	April 1, 2019	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2020
March 31, 2020 : Changes in defined benefit obligation and plan assets												
Defined benefit obligation	741.37	26.69	54.57	81.26	(192.44)	2.18	6.06	17.92	16.34	42.50	-	672.69
Fair value of plan assets	(259.21)	(6.24)	(20.09)	(26.33)	66.84	0.99	-	-	3.04	4.03	(31.74)	(246.41)
Benefit liability	**482.16**	**20.45**	**34.48**	**54.93**	**(125.60)**	**3.17**	**6.06**	**17.92**	**19.38**	**46.53**	**(31.74)**	**426.28**
March 31, 2019 : Changes in defined benefit obligation and plan assets												
Defined benefit obligation	812.65	25.92	60.43	86.35	(194.18)	5.64	1.40	6.30	23.21	36.55	-	741.37
Fair value of plan assets	(278.20)	-	(21.48)	(21.48)	112.37	3.53	-	-	-	3.53	(75.43)	(259.21)
Benefit liability	**534.45**	**25.92**	**38.95**	**64.87**	**(81.81)**	**9.17**	**1.40**	**6.30**	**23.21**	**40.08**	**(75.43)**	**482.16**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(%) of total plan assets	(%) of total plan assets
Insurance Fund	99.06%	99.17%
Others (including bank balances)	0.94%	0.83%
(%) of total plan assets	**100.00%**	**100.00%**

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	0.07	0.08
Future salary increase	0.05	0.04
Expected rate of return on plan assets	0.03	0.08
Attrition rate	0.02	0.02
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Morality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below: Rs. in Lakhs

		Increase / (decrease) in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Discount rate	1% increase	(4.73)	(5.25)
	1% decrease	5.31	4.68
Salary increase	1% increase	5.36	4.78
	1% decrease	(4.86)	(5.44)
Attrition rate	1% increase	0.65	0.67
	1% decrease	(0.73)	(1.40)

The followings are the expected future benefit payments for the defined benefit plan : **Rs. in Lakhs**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Within the next 12 months (next annual reporting period)	194.13	238.25
2 to 5 years	384.41	420.08
Beyond 5 years	400.08	234.67
Total expected payments	**978.62**	**893.00**

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Years	Years
Gratuity	3	3

C. Other Long term employee benefit plans

Leave encashment

Amount of Rs.79.38 Lakhs (March 31, 2019: Rs. 69.69 Lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 32 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

a Name of Related Parties and Nature of Relationship :

Joint Ventures

1 Vovantis Laboratories Private Limited

2 Cosara Diagnostics Private Limited

Associate

1 Haryana Containers Limited

Key Management Personnel

1	Mr. Kartikeya V Sarabhai	Chairman
2	Mr. A. H. Parekh	Whole Time Director (up to November 30, 2019)
3	Ms. Chaula Shastri	Whole Time Director
4	Mr. G. D. Zalani	Independent Director (up to January 31, 2020)
5	Mr. Ashwin P. Hathi	Independent Director
6	Mr. C. S. Bohra	Independent Director
7	Mr. K. Mohandas	Director
8	Mr. Bharat B Shah	Chief Financial Officer (till 30th March, 2019)
9	Mr.Navinchandra R Patel	Chief Financial Officer (w.e.f. 1st April, 2019)
10	Mr. Ketan Adhveryu	Company Secretary (till 13th March, 2020)
11	Mr. Damodar H. Sejpal	Company Secretary (w.e.f. 14th March, 2020)

Relative to Key Management Personnel

1	Mr. Mohal K Sarabhai	Relative of Director

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

b Disclosure in respect of Related Party Transactions : **Rs. In Lakhs**

Nature of Transactions	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Purhcase of Goods		
Vovantis Laboratories Private Limited	1,009.35	1,048.25
Sale of Product		
Vovantis Laboratories Private Limited	0.17	0.85
Sale of Undertaking under Business Transfer Agreement		
Vovantis Laboratories Private Limited	2,763.50	-
Intercorporate Deposit Given		
Haryana Containers Limited	-	13.20
Intercorporate Deposit Received		
Haryana Containers Limited	37.00	-
Rent Income		
Vovantis Laboratories Private Limited	81.44	11.06
Cosara Diagnostics Private Limited	57.00	57.00
Rendering of services		
Vovantis Laboratories Private Limited	120.52	31.03
Cosara Diagnostics Private Limited	57.00	57.00
Receiving of services		
Vovantis Laboratories Private Limited	1.29	5.58
Investment		
Cosara Diagnostics Private Limited	358.69	196.84
Advances Given		
Cosara Diagnostics Private Limited	170.75	82.09
Setting Fees		
Mr. GD Zalani	0.40	0.52
Mr. AP Hathi	0.45	0.42
Mr. CS Bohra	0.35	0.36
Mr. AH Parekh	0.05	-
Remuneration		
Mr. Kartikeya V Sarabhai	40.25	35.79
Mr. A. H. Parekh	18.68	22.11
Ms. Chaula Shastri	23.05	21.43
Mr. K Mohandas	45.45	46.47
Mr. Mohal K Sarabhai	52.80	43.84
Mr.Navinchandra R. Patel	19.11	-
Mr. Damodar H. Sejpal	0.57	-
Mr. Bharat B. Shah	-	9.31
Mr. Ketan K. Adhveryu	12.51	10.62
Commission		
Mr.Mohal K Sarabhai	1.86	8.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Rs. In Lakhs

Particulars	Joint Venture Companies		Associate Company		Key Managerial Personnel (KMP) and relative of KMP	
Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Goods	1,009.35	1,048.25	-	-	-	-
Sale of Product	0.17	0.85	-	-	-	-
Sale of Business Undertaking	2,763.50	-	-	-	-	-
Intercorporate Deposit Given	-	-	-	13.20	-	-
Intercorporate Deposit Received	-	-	37.00	-	-	-
Rent Income	138.44	68.06	-	-	-	-
Rendering of services	177.52	88.03	-	-	-	-
Receiving of services	1.29	5.58	-	-	-	-
Investment	358.69	196.84	-	-	-	-
Loans given	170.75	82.09	-	-	-	-
Setting Fees	-	-	-	-	1.25	1.30
Remuneration	-	-	-	-	212.42	189.57
Commission	-	-	-	-	1.86	8.08

c Balance at year end:

Rs. In Lakhs.

Particulars	Joint Venture Companies		Associate Company		Key Managerial Personnel (KMP) and relative of KMP	
Nature of Transactions	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Receivable in respect of Current assets	183.43	-	64.47	88.25	-	-
Payable in respect of Current Liabilities	-	518.25	-	37.00	113.74	109.29

d Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken, at the year-end are unsecured and interest free and settlement occurs in cash.

e Transaction with key managerial personnel

Compensation of key management personnel of the Company

Rs. In Lakhs

Particulars	2019-2020	2018-2019
Short-term employee benefits	202.29	180.44
Post employment benefits	6.09	5.57
Other long-term employment benefits	4.04	3.56
Total compensation paid to key management personnel	**212.42**	**189.57**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 33: Segment Reporting

Operating segment have been identified on the basis of nature of products and other quantitative criteriaspecified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The Group's business activity falls within Pharmaceuticals and Electronics Segment.

(A) Summary of segment information as at and for the year ended March 31, 2020 and March 31, 2019 is as follows:

Rs. In Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment Revenue		
a) Pharmaceuticals	7,371.58	7,610.95
b) Electronics	5,978.25	7,576.83
Total Sales	**13,349.83**	**15,187.78**
Less :Inter Segment Revenue	-	-
Net Sales	**13,349.83**	**15,187.78**
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	1,444.28	136.22
b) Electronics	381.49	1,009.66
Total Segment Results	**1,825.77**	**1,145.88**
Less : Interest & Finance Cost	332.18	324.54
Profit from Ordinary Activities	**1,493.59**	**821.34**
Extra Ordinary Items (Net)	-	-
Profit before Tax	**1,493.59**	**821.34**
Other Information		
Segment Assets		
a) Pharmaceuticals	14,532.01	16,708.46
b) Electronics	4,112.98	4,740.89
Total Assets	**18,644.99**	**21,449.35**
Segment Liabilities		
a) Pharmaceuticals	9,922.41	13,108.66
b) Electronics	1,168.26	1,253.33
Total Liabilities	**11,090.67**	**14,361.99**
Segment Depreciation/Impairment		
a) Pharmaceuticals	206.51	179.25
b) Electronics	50.04	30.58
Total Depreciation/Impairment	**256.55**	**209.83**
Capital Expenditure (Refer note (a))		
a) Pharmaceuticals	168.91	1,149.93
b) Electronics	11.86	12.17
Total Capital Expenditure	**180.77**	**1,162.10**
Non cash expenses other than Depreciation		
a) Pharmaceuticals	121.38	22.65
b) Electronics	1.75	21.15
Total Non cash expenses other than Depreciation	**123.13**	**43.80**

Note (a): Capital expenditure consists of additions of property, plant and equipment, intangible assets and capital work-in-progress

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(B) Summary of Segment Revenue and Segment Assets Rs. In Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Segment Revenue*		
(a) In India	9,320.71	10,671.64
(b) Rest of the world	4,029.12	4,516.14
Total	**13,349.83**	**15,187.78**
Carrying Cost of Assets by Location of assets@		
(a) In India	17,705.03	20,406.33
(b) Rest of the world	939.96	1,043.02
Total	**18,644.99**	**21,449.35**
Carrying Cost of Segment Non Current Assets#		
(a) In India	5,811.98	8,181.27
(b) Rest of the world	-	-
Total	**5,811.98**	**8,181.27**

* Based on location of Customers
@ Based on location of Assets
# Excluding Financial Assets and deferred tax asset.

Note 34 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs. In Lakhs

Particulars	Carrying amount		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Investments measured at fair value through OCI	123.24	115.61	123.24	115.61
Total	**123.24**	**115.61**	**123.24**	**115.61**
Financial liabilities				
Borrowings	2,999.88	4,270.23	2,999.88	4,270.23
Total	**2,999.88**	**4,270.23**	**2,999.88**	**4,270.23**

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 35 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2020 and March 31, 2019

Rs. in Lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2020	123.24	-	-	123.24
Investment in Equity shares, unquoted					
As at March 31, 2019					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2019	115.61	-	-	115.61
Investment in Equity shares, unquoted					

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2020 and March 31, 2019

Rs. in Lakhs

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020					
Liabilities disclosed at fair value					
Borrowings	March 31, 2020	2,999.88	-	2,999.88	-
As at March 31, 2019					
Liabilities disclosed at fair value					
Borrowings	March 31, 2019	4,271.23	-	4,271.23	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 36 : Financial instruments risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. Group's treasury identifies and evaluates financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The following assumption has been made in calculating the sensitivity analyses:- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective period/year end.

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.The Group is exposed to interest rate risk of short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

Particulars	Effect on profit before tax	
	March 31, 2020	March 31, 2019
Increase in 50 basis points	15.00	20.13
Decrease in 50 basis points	(15.00)	(20.13)

Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, in USD and EURO. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk.

Details of the unhedged position of the Group given in Note 29.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Rs. In Lakhs

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2020	+2%	14.45	14.45
	-2%	(14.45)	(14.45)
March 31, 2019	+2%	8.73	8.73
	-2%	(8.73)	(8.73)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Rs. In Lakhs

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2020	+2%	0.58	0.58
	-2%	(0.58)	(0.58)
March 31, 2019	+2%	3.07	3.07
	-2%	(3.07)	(3.07)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Group is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties. The Group does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2020 and March 31, 2019.

Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Group closely monitors its liquidity position and deploys a robust cash management system.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Rs. in Lakhs

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
As at March 31, 2020					
Interest bearing borrowings	1,499.94	299.99	449.98	603.85	146.12
Trade payables	-	3,001.62	1,000.54	-	-
Other financial liabilities *	1,333.65	444.55	-	-	-
	2,833.59	**3,746.16**	**1,450.52**	**603.85**	**146.12**
As at March 31, 2019					
Interest bearing borrowings	2,135.12	427.02	640.53	648.26	419.29
Trade payables	-	2,107.35	2,575.65	-	-
Other financial liabilities *	1,719.16	248.30	-	-	-
	3,854.28	**2,782.67**	**3,216.18**	**648.26**	**419.29**

* Other financial liabilities excludes current maturities of borrowings of Rs. 179.35 Lakhs (March 31, 2019: Rs. 274.03 Lakhs)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 37 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Rs. In Lakhs

Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Interest-bearing loans and borrowings (Note 13 a)	2,999.88	4,270.23
Less: cash and cash equivalent (including other bank balance) (Note 7 d & 7 e)	(2,153.49)	(2,326.23)
Net debt	**846.39**	**1,944.00**
Equity share capital (Note 11)	7,663.33	7,663.33
Other equity (Note 12)	(3,207.00)	(4,615.23)
Total capital	**4,456.33**	**3,048.10**
Capital and net debt	**5,302.72**	**4,992.10**
Gearing ratio	**15.96%**	**38.94%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 38: Financial Instruments by category

(i) Financial assets by category

Rs. In Lakhs

Particulars	As at March 31, 2020						As at March 31, 2019					
	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Investments	1,685.94	2.98	-	123.24	-	**1,812.16**	817.07	2.98	-	115.61	-	**935.66**
Trade Receivables	-	-	-	-	2,879.80	**2,879.80**	-	-	-	-	3,468.76	**3,468.76**
Loans	-	-	-	-	20.23	**20.23**	-	-	-	-	83.24	**83.24**
Cash and cash equivalents	-	-	-	-	1,278.77	**1,278.77**	-	-	-	-	1,699.50	**1,699.50**
Other bank balances	-	-	-	-	874.72	**874.72**	-	-	-	-	626.73	**626.73**
Other financial assets	-	-	-	-	1,325.05	**1,325.05**	-	-	-	-	1,923.38	**1,923.38**
Total Financial assets	**1,685.94**	**2.98**	**-**	**123.24**	**6,378.57**	**8,190.73**	**817.07**	**2.98**	**-**	**115.61**	**7,801.61**	**8,737.27**

(ii) Financial liabilities by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings*	-	2,999.88	**2,999.88**	-	4,025.64	**4,025.64**
Trade payable	-	4,002.16	**4,002.16**	-	4,683.00	**4,683.00**
Other Financial Liabilities	-	1,778.20	**1,778.20**	-	1,967.46	**1,967.46**
Total Financial liabilities	**-**	**8,780.24**	**8,780.24**	**-**	**10,676.10**	**10,676.10**

* Including Current Maturities of Rs. 179.35 Lakhs (Previous Year Rs. 274.03 Lakhs)

For Financial instruments risk management objectives and policies, refer Note 36.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 39 : Interest in Other Entities

I. The Consolidated Financial Statements present the Consolidated Accounts of Ambalal Sarabhai Enterprises Limited with its Subsidiaries, Joint Ventures (and its subsidiaries and joint ventures).

Sl. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest	
				As at March 31, 2020	As at March 31, 2019
	Subsidiaries				
1	Synbiotics Limited	India	Pharmaceuticals	100%	100%
2	Asence Inc. USA	USA	Pharmaceuticals	100%	100%
3	Sarabhai M. Chemicals Limited	India	Pharmaceuticals	100%	100%
4	Systronics (India) Limited	India	Electronics	100%	100%
5	Suvik Hitek Pvt. Ltd.	India	Pharmaceuticals	100%	100%
6	Swetsri Investment Pvt. Ltd	India	Pharmaceuticals	100%	100%
7	Sarabhai Chemicals (India) Pvt. Ltd.	India	Pharmaceuticals	99.98%	98.99%
8	Asence Pharma Private Limited	India	Pharmaceuticals	99.98%	99.98%
	Associates				
1	Haryana Containers Limited	India	Pharmaceuticals	45.45%	45.45%
	Joint Ventures				
1	Vovantis Laboratories Limited	India	Pharmaceuticals	33.34%	33.34%
2	Cosara Diagnostics Limited	India	Pharmaceuticals	49.97%	49.87%

(2) Material - party owned subsidiaries

IND AS 112.12 requires the disclosure of financial information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e. the Group). A subsidiary may have significant non-controlling interest per se but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually.

The Group does not have any subsidiaries that have non-controlling intersts that are material to the Group.

(3) Group's share in Contingent Liability of Joint Ventures **Rs. In Lakhs**

Particulars		As at 31 March, 2020	As at 31 March, 2019
1	Disputed demand in respect of :		
	Income Tax	2.09	1.71
	Indirect taxes	-	-
2	Capital commitments		
	Estimated amount of contracts remaining to be executed on capital account	11.96	7.37

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 40 : Disclosures Mandated by Schedule III of Companies Act 2013 **Rs. In Lakhs**

Name of the Entities	2019-20							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rs. In Lakhs	As a % of Consolidation net profit	Rs. In Lakhs	As a % of Consolidation Other Comprehensive Income	Rupees	As a % of Consolidated Total Comprehensive Income	Rs. In Lakhs
Parent :								
Ambalal Sarabhai Enterprises Limited	47%	4,026.61	101%	1,555.34	30%	(8.43)	102%	1,546.91
Subsidiaries :								
Systronics (I) Limited	34%	2,893.00	10%	149.76	64%	(18.21)	9%	131.55
Synbiotics Limited	17%	1,471.44	4%	62.30	(6%)	1.69	4%	63.99
Asence Pharma Private Limited	12%	1,019.64	7%	102.78	10%	(2.87)	7%	99.91
Sarabhai Chemicals (I) Pvt Ltd	(15%)	(1,286.63)	(22%)	(339.38)	1%	(0.35)	(22%)	(339.73)
Suvik Hitek Private Limited	3%	223.91	(2%)	(30.24)	1%	(0.29)	(2%)	(30.53)
Sarabhai M Chemicals Limited	(0%)	(27.60)	(1%)	(22.11)	0%	-	(1%)	(22.11)
Swetsri Investment Private Limited	1%	84.48	0%	0.28	0%	-	0%	0.28
Asence Inc	1%	93.99	4%	66.73	0%	-	4%	66.73
Sub Total	**100%**	**8,498.84**	**100%**	**1,545.46**	**100%**	**(28.46)**	**100%**	**1,517.00**
Inter Company Eliminations and Consolidations Adjustment		(4,021.20)		(139.30)		-		(139.30)
Total		**4,477.64**		**1,406.16**		**(28.46)**		**1,377.70**
Non Controlling Interest in Subsidiaries		(0.90)		(0.32)		-		(0.32)
Grand Total		**4,476.74**		**1,405.84**		**(28.46)**		**1,377.38**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the Entities	2018-19							
	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consoli-dation net assets	Rs. In Lakhs	As a % of Consoli-dation net profit	Rs. In Lakhs	As a % of Consolidation Other Compre-hensive Income	Rs. In Lakhs	As a % of Consoli-dated Total Compre-hensive Income	Rs. In Lakhs
Parent :	61%	2,562.58	(91%)	(387.72)	(8%)	1.19	(94%)	(386.53)
Ambalal Sarabhai Enterprises Limited								
Subsidiaries :								
Systronics (I) Limited	55%	2,329.36	140%	592.75	65%	(9.32)	142%	583.43
Synbiotics Limited	32%	1,365.57	70%	295.32	(15%)	2.19	73%	297.51
Asence Pharma Private Limited	(2%)	(66.33)	26%	109.83	52%	(7.49)	25%	102.34
Sarabhai Chemicals (I) Pvt Ltd	(22%)	(946.89)	(57%)	(242.19)	(3%)	0.43	(59%)	(241.76)
Suvik Hitek Private Limited	(22%)	(949.91)	(8%)	(34.98)	9%	(1.36)	(9%)	(36.34)
Sarabhai M Chemicals Limited	(0%)	(5.49)	(1%)	(5.69)	0%	-	(1%)	(5.69)
Swetsri Investment Private Limited	2%	84.19	0%	0.43	0%	-	0%	0.43
Asence Inc	(3%)	(138.39)	(5%)	(20.72)	0%	-	(5%)	(20.72)
Sub Total	**100%**	**4,234.69**	**72%**	**307.03**	**100%**	**(14.36)**	**71%**	**292.67**
Inter Company Eliminations and Consolidations Adjustment		(1,171.81)		117.89		-		117.89
Total		**3,062.88**		**424.92**		**(14.36)**		**410.56**
Non Controlling Interest in Subsidiaries		(0.58)		(0.28)		-		(0.28)
Grand Total		**3,062.30**		**424.64**		**(14.36)**		**410.28**

Note 41 : Business Combination

(a) Asence Pharma Private Limited ("APPL"-A subsidiary of the Company) has entered into a Business Transfer Agreement("BTA") with Vovantis Laboratories Private Limited ("VLPL"-A Joint Venture of the Company) for sale of Business Undertaking to VLPL on a going concern basis by means of a "slump sale" for a lump sum consideration of Rs. 2763.50 Lakhs.

(b) APPL is engaged in the business of manufacturing finished dosage pharmaceuticals and VLPL is also engaged in pharmceuticals business.

Note 42 : New Accounting Pronouncements to be adopted on or after April 1, 2020

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 43: Impact of COVID-19 Pandemic

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered internal and external information while finalizing various estimates and recoverability of assets in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. Considering the Group is mainly in the business of manufacturing and supplying pharmaceutical products which is categorized under essential goods, management believes that the impact of the pandemic may not be significant. However, the business of Electronics is impacted. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Note 44: Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped to conform with those of current year.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants
CA. Vipul B. Khandhar
Partner
Membership No 105986
Date : 22.07.2020
Place : Ahmedabad

Mr. Kartikeya V. Sarabhai
Chairman
(DIN: 00313585)
Mr. Damodar H. Sejpal
Company Secretary

Date : 22.07.2020
Place : Ahmedabad

Mr. Chandrashekhar B. Bohra
Director
(DIN: 00055288)
Mr. Navinchandra R. Patel
CFO

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