

Legacy of a Century...

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Ambalal Sarabhai Enterprises Limited

**41st Annual Report
2018-19**

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Group Companies - Existing

synbiotics[®]
LIMITED



suvik



asence[®]
Pharma Private Limited

TELERAD[®]

vovantis[™]
LABORATORIES



SARABHAI CHEMICALS

Board of Directors

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

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. Mohandas K. Nair

Mr. Ashwin P. Hathi

Ms. Chaula M. Shastri
Whole-time Director

Mr. Chandrashekhar Bohra

INDEX

Notice - - - - -	02
Directors' Report and its Annexure - - - - -	05
Auditor's Report - - - - -	18
Balance Sheet - - - - -	23
Statement of Profit and Loss - - - - -	24
Cash Flow Statement - - - - -	25
Statement of changes in Equity - - - - -	27
Notes to the Accounts - - - - -	28
Statement regarding Subsidiaries Form AOC-1 - - - - -	68
Consolidated Auditors Report - - - - -	70
Consolidated Financial Statements - - - - -	76

Key Managerial Personnel

Mr. Navinchandra R. Patel
Chief Financial Officer

Mr. Ketan Adhvaryu
Company Secretary &
Compliance Officer

Practising Company Secretaries
Ajay Parikh & Associates

Auditors

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

Registered Office :

Shanti Sadan, Mirzapur Road,
Ahmedabad – 380001, Gujarat, India
CIN: L52100GJ1978PLC003159
Email: ketanadhvaryu@sarabhai.co.in
Website: www.ase.life

Registrar & Transfer Agent: MCS Share Transfer Agent

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 hereby given that the 41st Annual General Meeting of the Company will be held on Thursday, the 29th August, 2019 at 11:00 a.m. at the auditorium of Ahmedabad Textile Mills Association (ATMA), Opp. Citi gold Cinema, Ashram Road, Ahmedabad – 380 009 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt Audited Financial Statements including Audited Consolidated Financial Statements for the year ended 31st March, 2019, together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Chaula Shastri (DIN – 0604118) who retires by rotation and being eligible, offers herself for re-appointment.

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

Date: 29.05.2019

Place: Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 27.08.2019 to 29.08.2019 (both days inclusive).
3. All the documents referred to in the Notice and Explanatory statement would be open for inspection at the registered office of the Company during business hours on all working days till the date of meeting.
4. Members who hold equity shares in dematerialized form are requested to bring their DPID and client ID numbers for easy identification of attendance at the meeting.
5. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer/ transmission of shares in physical form. Therefore, the transferee(s) legal heirs are requested to furnish copy of their Pan to the Registrar and Share Transfer Agents- MCS Share Transfer Agent Limited.
6. In accordance with MCA Circular No.18/2011 dated 29.04.2011, members who desire to receive their copy of Annual report through email may register email address to the Company Secretary at:

ketanadhvaryu@sarabhai.co.in or to our registrar
mcsltbaroda@gmail.com

MEMBERS ARE REQUESTED TO REGISTER THEIR E - MAIL ID AT THE EARLIEST.**Voting through electronic means:**

The Company offers e-voting facility to members as per section 108 of the Companies Act, 2013 and Companies (Management and Administration Rules) 2014.

The instructions for shareholders voting electronically are as under:**In case of members receiving e-mail:**

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat form and Physical form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- In case of members receiving the physical copy:**
- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on 26th August, 2019 at 10.00 a.m. and ends on 28th August, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.
- (i) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, 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 e mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (ii) 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.

SECTION B – COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- ii. CS Ajay Parikh & Associates, Practicing Company Secretary (Membership No. FCS 6075; CP No.6503), 1110, Phoenix 11th Floor, Opp. New Girish, Near Vijay Restaurant, Navrangpura, Ahmedabad-380 009 has been appointed Scrutinizer for e-voting Process.
- iii. The Scrutinizer Shall, within a period not exceeding 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forthwith to the Chairman of the Company.
- iv. The Results shall be declared within 48 hours of the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.com> and communicated to the BSE Limited, where the shares of the company are listed.
- v. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.

Company: Ambalal Sarabhai Enterprises Limited
 Regd. Office: Shanti Sadan, Mirzapur Road,
 Ahmedabad-380 001 Gujarat, India
 CIN: L52100GJ1978PLC0003159
 E-mail Id: ketanadhvaryu@sarabhai.co.in

Registrar and Transfer Agent:
 MCS Share Transfer Agent Limited
 E-voting Agency:
 Central Depository Services (India) Limited.
 E-mail Id: helpdesk.evoting@cdslindia.com
 Scrutinizer: CS Ajay Parikh & Associates,
 Practising Company Secretary
 E-mail Id: ajay_ajay21@yahoo.com

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

Date: 29.05.2019
 Place: Ahmedabad

Details of Director Seeking reappointment at the 41st Annual General Meeting (in pursuance of SEBI (LODR) Regulation, 2015

Name of Director	Ms. Chaula Shastri
Date of Birth	19.01.1959
Date of Appointment	16.10.2012
Experience in Specific Functional Areas	Having good experience in Administration, Legal, Communication, Public Relation and Liaisoning with people from different segment.
List of Directorship	Swetsri Investments Pvt. Ltd.
Chairman/ Membership of the Committees of the Board of Directors of the Company	NIL
Shareholding in the Company	NIL

Directors' Report

To
The Shareholders

The Directors hereby present their 41st Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2019.

	(Rs. lakh)	
	2018-19	2017-18
(Consolidated Accounts)		
Turnover (Net)	15188	12562
Other Income	547	2504
Total Income	15735	15066
Financial Cost	325	336
Depreciation	210	212
Profit/Loss before extra ordinary Income	821	796
Net Profit/ (Loss) before Taxation	821	796
Net Profit (Loss)	410	110

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, specializes in the supply of quality pharmaceutical preparation (Finished Dosage Forms and Active Pharmaceutical Ingredients) to the international markets.

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

Systronics (India) Limited:

Systronics, a subsidiary company, has two divisions Systronics & Telerad.

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

TELERAD is one of the oldest representatives of SONY in India promoting 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 will start 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 Diagnostics, is a new Company promoted by Synbiotics Limited in partnership with Co-diagnostics of USA to manufacture and market molecular diagnostics products globally.

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 subsidiaries and 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, Ms. Chaula Shastri, who retires by rotation and being eligible, offers herself for the appointment.

Declaration by Independent Directors:

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

Annual Evaluation:

The Board of Directors has carried out an annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities & 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 2018-19, 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 Report 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 System and its 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.

Regarding Penalty imposed by BSE, the Company will put its stand before BSE and a Hearing will be held with BSE in this regard, the positive result of which is expected.

Regarding regulation 29(2) and 29(3) of SEBI (LODR) regulation 2015 the matter has been resolved

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 (2017-18) 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 upto the date of AGM. If any Member is interested in obtaining a copy thereof, he/she may write to Secretarial Department of the Company. There is no employee drawing salary in excess of limit prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Fixed Deposits:

The Company has not accepted any fixed deposit during the year neither there was any unpaid/unclaimed

amount of deposit at the beginning of the year or at the end of the year.

Details of Significant Orders passed by Regulators or Courts:

There is no significant or material 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 suspected 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-

- a) In the preparation of the annual accounts for the year ended 31.03.2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) 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 on 31.03.2019 and of

the profit of the Company for the year ended on that date.

- c) 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.
- d) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) 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.
- f) 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 29.09.2017 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 on the Borad

Date : 29-5-2019

Kartikeya V Sarabhai

Place : Ahmedabad

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' Report for the year ended 31.03.2019.

- A. Conservation of Energy &

- B. Technology absorption

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

- C. Foreign Exchange Earnings and Outgo

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

- (ii) Total Foreign Exchange Earned and Used:

	Rs. Lakh
For exchange earned	Nil
Foreign exchange used	8.10

Management Discussions and Analysis Report

Overview of Indian Pharmaceutical Industry

Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India contributes the second largest share of pharmaceutical and biotech workforce in the world. The pharmaceutical sector in India was valued at US\$ 33 billion in 2017. India's domestic pharmaceutical market turnover reached Rs 129,015 crore (US\$ 18.12 billion) in 2018, growing 9.4 per cent year-on-year (in Rs) from Rs 116,389 crore (US\$ 17.87 billion) in 2017. In February 2019, the Indian pharmaceutical market grew by 10 per cent year-on-year.

With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. Based on moving annual turnover, Anti-Infectives (13.6%), Cardiac (12.4%), Gastro Intestinals (11.5%) had the biggest market share in the Indian pharma market in 2018.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. India's pharmaceutical exports stood at US\$ 17.28 billion in FY18 and US\$ 19.14 billion in FY19. In FY18, 31 per cent of these exports from India went to the US.

The '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 has received cumulative FDI worth US\$ 15.93 billion between April 2000 and December 2018. Under Budget

2019-20, allocation to the Ministry of Health and Family Welfare increased by 3.1 per cent to Rs 63,298 crore (US\$ 9.06 billion). Indian pharmaceutical sector is expected to grow at a CAGR of 15 per cent in the near future and medical device market expected to grow \$50 billion by 2025.

Market Size

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015-20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 15.52 billion in FY19 (up to January 2019). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals. India's domestic pharmaceutical market turnover reached Rs 129,015 crore (US\$ 18.12 billion) in 2018, growing 9.4 per cent year-on-year (in Rs) from Rs 116,389 crore (US\$ 17.87 billion) in 2017.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

Investments and Recent Developments

The Union Cabinet has given its nod for the amendment of the 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 inflows worth US\$ 15.93 billion between April 2000 and December 2018, according to data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- In February 2019, the Indian pharmaceutical market grew by 10 per cent year-on-year.
- Between Jul-Sep 2018, Indian pharma sector witnessed 39 PE investment deals worth US\$ 217

million.

- Investment (as % of sales) in research & development by Indian pharma companies* increased from 5.3 per cent in FY12 to 8.5 per cent in FY18.
- In 2017, Indian pharmaceutical sector witnessed 46 merger & acquisition (M&A) deals worth US\$ 1.47 billion
- The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

Government Initiatives

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The allocation to the Ministry of Health and Family Welfare has increased by 13.1 per cent to Rs 61,398 crore (US\$ 8.98 billion) in Union Budget 2019-20.
- In October 2018, the Uttar Pradesh Government announced that it will set up six pharma parks in the state and has received investment commitments of more than Rs 5,000-6,000 crore (US\$ 712-855 million) for the same.
- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National

Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Road Ahead

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 that are on the rise.

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

Advantage India

A US\$33 billion opportunity, the pharmaceutical industry in India presents considerable potential for collaborative and outsourced R&D in drug

development, biotechnology, chemicals, and manufacturing of medicinal products.

India's CRAM sector is globally recognized for its high-end research services and is one of the fastest growing segments of the country's pharmaceutical industry.

The country has a low cost of production, low R&D costs, innovative scientific man power, and a large number of national laboratories that have the potential to steer the industry ahead to a higher level.

Besides, India is the only country in the world that has the highest number of USFDA-approved plants for generic drug manufacturing outside the US. Some of the leading Indian pharma companies derive about 50 per cent of their turnover from exporting generic medicines to developed markets like the US and Europe.

Your company has also USFDA plants through its subsidiaries. And It also deals in Bulk drugs, Speciality drugs and Generic drugs in its different wholly owned subsidiaries. Hence looking to the overall scenario of Pharmaceutical market, it is expected that your company will also get the benefits of the same.

There were 104 employees on the roll of the company as on 31st March, 2019.

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

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 7 Directors including one woman director, comprising of 3 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 Directorships held in other Public Ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	—	—
Govind Das Zalani	Non-Executive/ Independent	—	—
K. Mohandas	Non-Executive/	1	—
Anil H. Parekh	Whole-time Director	—	—
Ashwin P. Hathi	Non-Executive/ Independent	—	—
Chaula Shastri	Whole-time Director	—	—
Chandrashekhar Bohra	Non-Executive/ Independent	2	1

b) Board Meetings:

The Board met 5 times on the following dates during the financial year 2018-19 and the maximum time gap between the two meetings did not exceed 120 days.

25-5-2018	13-11-2018
14-8-2018	12-2-2019
27-9-2018	

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 2018-19 and at the last Annual General Meeting held on 27-9-2018 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	Attendance at the last AGM	Date of Appointment
Kartikeya V. Sarabhai	5	5	--	Yes	30.07.1992
Govind Das Zalani	5	5	50,000	Yes	01.04.1996
K. Mohandas	5	3	--	Yes	03.03.2011
Anil H. Parekh	5	5	--	Yes	04.05.2005
Ashwin P. Hathi	5	3	40,000	Yes	24.06.2010
Chaula Shastri	5	5	--	Yes.	16.10.2012
Chandrashekhar Bohra	5	5	40,000	Yes	13.6.2013

II) 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) Regulation, 2015, with regard to composition of Audit Committee. The details of attendance of Audit committee Meetings held during the financial year 2018-19 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
C. S. Bohra	Chairman	4	3
Govind Das Zalani	Member	4	4
Ashwin P Hathi	Member	4	4
K. Mohandas	Member	4	2

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. Stake holders Relationship committee:

The details of attendance of Stake holders Relationship Committee Meetings held during the financial year 2018-19 are as under:

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

III) Nomination and Remuneration Committee :

The details of attendance of Nomination and Remuneration Committee Meeting held during the financial year 2018-19 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Govind Das Zalani	Chairman	2	2
Ashwin P. Hathi	Member	2	2

Details of Remuneration of Directors (2018-19)

Name of Director	Salary & perquisites	Sitting Fees	Total
Kartikeya Sarabhai	35,78,998.44	-	35,78,998.44
Anil H Parekh	22,10,923.00	-	22,10,923.00
Chaula Shastri	21,43,220.00	-	21,43,220.00
Govind Das Zalani	-	50000	50000.00
Ashwin P Hathi	-	40000	40000.00
Chandrashekar Bohra	-	40000	40000.00
K. Mohandas	-	-	-

Code of Conduct:

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

Whistle Blower Policy:

The Company has a WHISTLE BLOWER (WB) policy that provides a secured avenue to directors, employees

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

Protection against Sexual Harassment at work place:

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 2015-16, 2016-17 and 2017-18 were held at The Auditorium of Ahmedabad Textile Mills Association (ATMA), Ashram Road, Ahmedabad on the following dates and time:

Year	Date	Time	Location
2015-16	38th AGM 29th September, 2016	10.30 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), OPP: Citigold Cinema, Ashram Road, Ahmedabad
2016-17	39th AGM 29th September, 2017	10.30 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), OPP: Citigold Cinema, Ashram Road, Ahmedabad
2017-18	40th AGM 27th September, 2018	11.00 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), OPP: Citigold Cinema, Ashram Road, Ahmedabad

Disclosures:

- 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.
- 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 2018-19 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 Economic Times (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 Venue, Day & Date of 41st Annual General Meeting. Thursday, 29th August, 2019 at 11.00 a.m. at 'Auditorium of Ahmedabad Textile Mills Association, (ATMA) Ashram Road, Ahmedabad-380 009
- 3 Financial Calendar From 1st April 2018 to 31st March 2019
- 4 Book Closure dates From 27.08.2019 to 29.08.2019 (both days inclusive)
- 5 Dividend Payment Date Not applicable
- 6 Listing on stock exchange: BSE Ltd. Stock Code No. 500009

VIII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2018	15.35	10.30	35213.30	32972.56
May-2018	14.35	11.31	35993.53	34302.89
June-2018	13.94	11.50	35877.41	34784.68
July-2018	14.39	12.00	37644.59	35106.57
August-2018	14.98	11.55	38989.65	37128.99
September-2018	17.28	11.86	38934.35	35985.63
October-2018	12.24	9.04	36616.64	33291.58
November-2018	13.98	11.10	36389.22	34303.38
December-2018	14.20	12.07	36554.99	34426.29
January-2019	13.75	11.00	36701.03	35375.51
February-2019	13.00	11.00	37172.18	35287.16
March-2019	15.80	11.00	38748.54	35926.94

VIII) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form, with effect from 28-8-2000, as per SEBI/S directive. The company has 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 2018-19	1795
Total Transfer Deeds received and processed during financial year 2018-19	108115
Total No. of shares(s) Demated as on 31st March 2019	6,30,68,570
% of total Equity shares in Demat as on 31st March 2019	82.3%

IX) Distribution of Shareholding - as on 31st March, 2019:

Category	No. of Shares	%
Promoters	23571244	30.7586
FII/NRI	424808	.5543
Public Financial Institutions & Nationalized Banks	4412	.0058
Mutual Funds/UTI	-	-
Bodies Corporate	17081171	22.2895
Indian Public	35551661	46.3919
Total	76633296	100%

X) Distribution of Shareholding as on 31st March, 2019 (both in physical & electronic form):

No. of Equity Shares held	No. of Share holders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	10740491	14.0154	151137	93.5236
501 to 1000	5205298	6.7886	6831	4.227
1001 to 2000	3133144	4.0885	2126	1.3156
2001 To 3000	1157410	1.5103	453	0.2803
3001 To 4000	757974	0.9891	212	0.1312
4001 To 5000	983352	1.2832	207	0.1281
5001 To 10000	1999497	2.6092	263	0.1628
Over 10000	52659130	68.7157	374	0.2314
Total.....	76633296	100.00	161603	100%

XI) Dematerialization of Shares:

During the year under review, 8,56,345 shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : INE432A01017

XII) Plant Locations: (subsidiary companies)

Village Ranoli Dist: Vadodara, Village Luna, Vadodara, Gandhinagar and Naroda, Ahmedabad

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-390 007. or at its registered office at Shantisadan, Mirzapur Road, Ahmedabad-380 001. Queries of shareholders shall be addressed to Mr. Ketan Adhvaryu, Company Secretary-Email-ketanadhvayyu@sarabhai.co.in 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, 2019, received from the members of the Board and Senior Management of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For, Ambalal Sarabhai Enterprises Ltd.

Ahmedabad
29-5-2019

Kartikeya V Sarabhai
Chairman & Whole-time Director

COMPLIANCE CERTIFICATE BY AUDITORS

To the Members of
Ambalal Sarabhai Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Ambalal Sarabhai Enterprises Limited, for the year ended 31st March, 2019 as stipulated in schedule V of Sebi (LODR) Regulations, 2015.

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

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

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

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

For **Khandhar & Associates**
Chartered Accountants
Firm Registration No. 118940W
CA. Vipul B. Khandhar
Partner
Membership No. 105986

Date : 29-05-2019
Place : Ahmedabad

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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 a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Ambalal Sarabhai Enterprises Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during audit period)

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 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, 2015, the Company had received notice from BSE (bearing reference no. LIST/COMP/Reg.33–Mar-18/500009/406/2018-19 dated 15.06.2018, through which the BSE had levied a fine of Rs. 999637 for above non-compliance.**

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 had received notice from BSE (bearing reference no. LIST/COMP/Reg.33–Jun-18/500009/800/2018-19 dated 30.08.2018, through which the BSE had levied a fine of Rs.88500 for above non-compliance.**

**** The Company will approach to BSE for personal hearing to be held 18.06.2019 and request to waive-off the penalty in Both the cases with supporting reasons for waiver of penalty.**

3. As per Regulation 29(2) and 29(3) of SEBI (LODR) Regulations, 2015, The company was required to intimate Un-Audited Financial Results of Board Meeting before 7 days to the Stock Exchange. However the company has intimated prior to 5 days instead of 7 days.

With respect to aforesaid Non-compliance under Regulation 29(2) and 29(3) of SEBI (LODR) Regulations, 2015, the Company had received notice from BSE (bearing reference no. LIST/COMP/Reg.29(2)–Nov 18/1034/2018-19 dated 10.12.2018, through which the BSE had levied a fine of Rs.10.000 for per instance of non-compliance. The Company paid fine Rs. 11800 (RS.10000 + GST) on Dated 28.12.2018

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.

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Proprietor

Place: Ahmedabad

Date: 29/05/2019

FCS: 6075 C P No.:6503

‘Annexure A’

(To the Secretarial Audit Report of M/s. Ambalal Sarabhai Enterprises Limited for the financial year ended 31/03/2019)

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.

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Proprietor

Place: Ahmedabad

Date: 29/05/2019

FCS: 6075 C P No.:6503

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

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Ambalal Sarabhai Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2019, 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 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 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 financial statements under the provisions of the Act and the Rules made there under, 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in

a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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 financial statements comply with the IndAS 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, 2019 taken on record by the Board of Directors, none of the

directors is disqualified as on March 31, 2019 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 financial statements – Refer Note 26 to the 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 Registration No. 118940W

CA. Vipul B. Khandhar

Partner

Membership No. 105986

Place : Ahmedabad

Date : May 29, 2019

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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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, 2019, 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 Registration No. 118940W
CA. Vipul B. Khandhar
Partner
Membership No. 105986

Place : Ahmedabad
Date : May 29, 2019

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 to 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. 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, 2019 for a period of more than six months from the date they became payable.

Sr. No.	Particulars	Rs. in Lakh
	Income Tax	2.64
	Sales Tax	1,430.51
	ESIC	47.35
	PF	0.06
	Service Tax	3.00
	Professional Tax	72.01

(b) Following amounts have not been deposited as on March 31, 2019 on account of any dispute:

Nature of the Statute	Nature of the dues	Rs. in Lakh	Period to which the amount relates	Forum where matter is pending
Income tax Act, 1961	Income tax	1,632.51	2008-2009, 2009-2010	High Court
		259.65	2010-2011	ITAT
		134.47	2012-2013	CIT(A)
Sales Tax Act	Sales Tax	223.39	1985-1986, 1989-1990, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006	Appellate Tribunal/ Commissioner
Central Excise	Excise Duty	54.36	1985-1989,	CESTAT

Act	8.62	2003-2004	Jt. DGFT
Finance Service Act	70.84	2006-2010, 2007-2008	CESTAT

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer.
- 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 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 Registration No. 118940W
CA. Vipul B. Khandhar
Partner
Membership No. 105986

Place : Ahmedabad
Date : May 29, 2019

Standalone Balance Sheet as at March 31, 2019

₹ in Lakh

	Notes	As at March 31,2019	As at March 31,2018
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	5	1,464.36	1,497.90
(b) Intangible assets	6	0.35	0.53
(c) Financial Assets			
(i) Investments	7	5,597.01	5,587.80
(ii) Other Financial Assets	7	1,139.24	1,139.24
(d) Deferred tax assets(net)	24	220.20	262.96
Total non-current assets (A)		8,421.16	8,488.43
2. Current assets			
(a) Inventories	9	8.96	8.53
(b) Financial Assets			
(i) Trade receivables	7	-	-
(ii) Loans	7	0.54	0.64
(iii) Cash and Bank balances	7	28.16	161.15
(iv) Bank balance other than(iii) above	7	382.30	488.51
(v) Other Financial Assets	7	3,567.86	2,871.35
(c) Others current assets	8	175.24	229.67
(d) Current Tax Assets (Net)	10	1,278.81	851.18
Total non-current assets (B)		5,441.87	4,611.03
Total Assets (A+B)		13,863.03	13,099.46
EQUITY AND LIABILITES			
Equity			
(a) Equity Share Capital	11	7,663.33	7,663.33
(b) Other Equity	12	(5,185.12)	(4,798.29)
Total Equity (A)		2,478.21	2,865.04
LIABILITES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long Term Provisions	14	222.29	278.75
Total non-current liabilities (B)		222.29	278.75
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,106.77	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		2,044.37	2,105.87
(iii) Other financial liabilities	13	1,562.13	1,972.16
(b) Short Term Provisions	14	126.14	109.62
(c) Other Current liabilities	15	6,323.12	4,661.25
Total current liabilities (C)		11,162.53	9,955.67
Total Equity and Liabilities (A+B+C)		13,863.03	13,099.46

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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Advharyu
Company Secretary

Date : 29.05.2019
Place : Ahmedabad

Chandrashekhar Bohra
Director
Navinchandra Patel
CFO

Standalone Statement of Profit and Loss for the year ended March 31, 2019 ₹ in Lakh

	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
I Income			
(a) Revenue from operations	16	-	92.40
(b) Other Income	17	646.26	2,449.47
Total Income		646.26	2,541.87
II. Expenses			
(a) Cost of materials consumed	18	-	57.73
(b) Purchase of Stock in Trade		0.43	-
(c) Changes in inventories of FG,WIP and Stock in Trade	19	(0.43)	-
(d) Employee benefits expense	20	431.23	455.23
(e) Finance costs	21	61.96	104.53
(f) Depreciation and amortization expense	22	40.00	41.62
(g) Other expenses	23	455.51	1,664.08
Total Expenses		988.70	2,323.19
III. Profit/(Loss) before exceptional items and tax (I-II)		(342.44)	218.68
IV. Exceptional items		-	-
V. Profit/(Loss) before tax (III-IV)		(342.44)	218.68
VI. Tax expense:			
(a) Current Tax	24	-	100.00
(b) Short provision of tax	24	-	232.36
(c) Deferred tax charge	24	45.58	30.15
Total tax Expense		45.58	362.51
VII. (Loss) after Tax		(388.02)	(143.83)
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		(10.84)	(3.50)
(ii) Income tax effect		2.82	0.91
(i) Net gain / (loss) on FVOCI equity instruments		9.21	(10.60)
		1.19	(13.19)
Total other comprehensive income for the year, net of tax		1.19	(13.19)
IX. Total comprehensive income for the year, net of tax (VII+VIII)		(386.83)	(157.02)
X. Earning per equity share equity			
(nominal value per share Rs. 10/-)	25	(0.51)	(0.19)
Basic/Diluted			

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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Advharyu
Company Secretary

Chandrashekhar Bohra
Director
Navinchandra Patel
CFO

Date : 29.05.2019
Place : Ahmedabad

Standalone Statement of cash flows for the year ended March 31, 2019 ₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Operating activities		
Profit/(Loss) before taxation	(342.44)	218.68
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	40.00	41.62
Interest Income	(240.62)	(300.72)
Interest and Other Borrowing Cost	61.96	104.53
Sundry Debit Written off	-	0.67
Sundry Credit Balances Appropriated	(0.12)	-
(Profit)/Loss on Sale of Tangible/Intangible assets	0.13	(1,335.30)
Excess Provision Written Back	(0.41)	(5.25)
	<u>(139.06)</u>	<u>(1,494.45)</u>
Operating Profit before Working Capital Changes	<u>(481.50)</u>	<u>(1,275.77)</u>
Working Capital Changes:		
Changes in Inventories	(0.43)	4.87
Changes in trade payables	(61.50)	989.29
Changes in other current liabilities	1,661.87	2,249.40
Changes in other financial liabilities	(413.83)	132.65
Changes in provisions	(50.78)	(41.36)
Changes in trade receivables	-	-
Changes in other current assets	54.43	386.44
Changes in other financial assets	(699.67)	(1,896.54)
Changes in Other Bank Balances	106.21	(55.16)
Net Changes in Working Capital	<u>596.30</u>	<u>1,769.59</u>
Cash Generated from Operations	<u>114.80</u>	<u>493.83</u>
Direct Taxes paid (Net of Income Tax refund)	(427.63)	(1,760.13)
Net Cash from Operating Activities	<u>(312.83)</u>	<u>(1,266.30)</u>
B Cash Flow from Investing Activities		
Purchase of property, plant & equipment/intangible assets	(6.41)	(14.59)
Sale of property, plant & equipment	-	1,452.78
Change in Long Term Investments	-	881.60
Changes in Loans given	0.10	(0.64)
Interest Income	243.78	295.23
Net cash flow from Investing Activities	<u>237.47</u>	<u>2,614.38</u>

Statement of cash flows for the year ended March 31, 2019 ₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash Flow from Financing Activities		
Changes in short term borrowings	-	(1,105.99)
Interest and Other Borrowing Cost Paid	(57.63)	(108.85)
Net Cash flow from Financing Activities	(57.63)	(1,214.84)
Net Increase/(Decrease) in cash & cash equivalents	(132.99)	133.24
Cash & Cash equivalent at the beginning of the year	161.15	27.91
Cash & Cash equivalent at the end of the year	28.16	161.15

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents comprise of: (Note 7d)		
Cash on Hand	0.41	0.41
Balances with Banks	<u>27.75</u>	<u>160.74</u>
Cash and cash equivalents	<u>28.16</u>	<u>161.15</u>

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

Notes:

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- 2 Purchase of property, plant & equipment / intangible assets include movement of capital work-in-progress and intangible assets under development during the 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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Adhvaryu
Company Secretary

Chandrashekhar Bohra
Director
Navinchandra Patel
CFO

Date : 29.05.2019
Place : Ahmedabad

Standalone Statement of changes in Equity for the year ended March 31, 2019**A. Equity Share Capital**

₹ in Lakh

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, 2018	7,663.33	-	7,663.33
For the year ended March 31, 2019	7,663.33	-	7,663.33

B. Other Equity

₹ in Lakh

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, 2017	5,633.14	1,060.92	(11,319.64)	(15.69)	(4,641.27)
Profit for the year	-	-	(143.83)	-	(143.83)
other comprehensive income for the year	-	-	(2.59)	(10.60)	(13.19)
Total Comprehensive income for the year	-	-	(146.42)	(10.60)	(157.02)
Balance as at March 31, 2018	5,633.14	1,060.92	(11,466.06)	(26.29)	(4,798.29)
Balance as at April 1, 2018	5,633.14	1,060.92	(11,466.06)	(26.29)	(4,798.29)
Profit 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)

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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Adhvaryu
Company Secretary

Chandrashekhhar Bohra
Director
Navinchandra Patel
CFO

Date : 29.05.2019
Place : Ahmedabad

NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

1. Corporate Information

M/s. Ambalal Sarabhai Enterprises Limited is engaged in manufacturing of 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 May 29, 2019.

2. Statement of Compliance and Basis of Preparation:

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, 2019 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.

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.

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. 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).

3.4. 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
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.5. 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.

3.6. Leases

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.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance

lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.7. 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.

3.8. 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.

3.9. 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.

3.10 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.

3.11. Revenue Recognition

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

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the full retrospective approach. Accordingly, the comparatives have been adjusted to give the effect of Ind AS 115. The effect on adoption of Ind-AS 115

was insignificant.

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.

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.

Use of significant judgements in revenue recognition

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the

contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

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.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.12 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.

3.13 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.

3.14 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 as set 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.

3.15. 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.

3.16. 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.

3.17. Dividend

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

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.

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 3.5 and 3.8 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 26.

Notes to the Financial Statements for the year ended March 31, 2019

Note 5: Property, Plant and Equipment

₹ in Lakh

Fixed Assets	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Vehicle	Computer Data Processing	Total
Gross Carrying Amount							
As at April 1, 2017	1,396.12	193.06	212.89	36.88	22.48	1.53	1,862.96
Additions	-	8.50	-	4.49	-	1.60	14.59
Deductions	117.27	-	-	0.21	-	-	117.48
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 March 31 2019	1,278.85	204.43	212.89	44.59	22.46	3.13	1,766.35
Depreciation and Impairment							
As at April 1, 2017	-	23.43	196.61	4.38	2.87	0.52	227.81
Depreciation for the year	-	22.46	1.54	6.15	3.58	0.63	34.36
Deductions	-	-	-	-	-	-	-
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 March 31 2019	-	73.22	199.20	17.52	9.99	2.06	301.99
Net Carrying Amount							
As at March 31, 2019	1,278.85	131.21	13.69	27.07	12.47	1.07	1,464.36
As at March 31, 2018	1,278.85	155.67	14.74	30.63	16.03	1.98	1,497.90

Note :

- 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

₹ in Lakh

Fixed Assets	Know how	Software	Total
Gross Carrying Amount			
As at April 1, 2017	24.08	0.89	24.97
Additions	-	-	-
Deductions	-	-	-
As at April 1, 2018	24.08	0.89	24.97
Additions	-	-	-
Deductions	-	-	-
As at March 31 2019	24.08	0.89	24.97
Amortisation and impairment			
As at April 1, 2017	17.00	0.18	17.18
Amortisation for the year	7.08	0.18	7.26
Deductions	-	-	-
As at April 1, 2018	24.08	0.36	24.44
Amortisation for the year	-	0.18	0.18
Deductions	-	-	-
As at March 31 2019	24.08	0.54	24.62
Net Carrying Value			
As at March 31, 2019	-	0.35	0.35
As at March 31, 2018	-	0.53	0.53

Notes to the Financial Statements for the year ended March 31, 2019**Note 7: Financial Assets****7(a) Investments**

₹ in Lakh

Particulars	Face Value Per Share in Rs. Unless otherwise stated	No of Shares	As at March 31, 2019	As at March 31, 2018
Non Current Investments				
Investment in Equi 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	19.25	10.04
(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	656.60	656.60
Less: Provision for Impairment			(656.60)	(656.60)
			-	-
Ordinary shares of each fully paid of Sardar Vallabhbbhai Sahkari Bank Limited *	25	40	0.01	0.01
Total (II)			19.85	10.64
III Investments in Subsidiaries - measured at cost				
Unquoted				
Ordinary shares each paid of Synbiotics Limited (Rs.100 paid up) (Shares pledged)	1000	35,000	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited. (Shares pledged)	1000	80,946	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd	10	50,000	5.00	5.00
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)			5,145.70	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 amortised 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)			5,597.01	5,587.80
Total Investments			5,597.01	5,587.80
Aggregate amount of quoted Investments and market value thereof			-	-
Aggregate amount of unquoted Investments			6,409.91	6,400.70
Aggregate impairment in value of investment			812.90	812.90

Notes to the Financial Statements for the year ended March 31, 2019

₹ in Lakh

Subsidiarie	Nature of transaction	Impact of notional commission on fair valuation of financial gurantee	
		2018-19	2017-18
Asence Pharma Private Limited	Financial Gurantee	5.25	5.27
Synbiotics Limited	Financial Gurantee	6.26	7.24
Suvik Hitek Private Limited	Financial Gurantee	0.88	1.63
Systronics (I) Limited	Financial Gurantee	1.29	0.93

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

7 (b) Trade Receivables

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
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 :

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	411.92	413.37
Add: Allowance for the year	-	-
Less: Written off bad debts (net of recovery)	-	1.45
Balance at the end of the year	411.92	411.92

7 (c) Loans

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Current		
Loans to Employees	0.54	0.36
Loans to Others	-	0.28
Total Loans	0.54	0.64

Notes to the Financial Statements for the year ended March 31, 2019**7 (d) Cash and Bank Balances**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on Hand	0.41	0.41
Balance with banks		
In Current Accounts	27.75	160.74
Total	28.16	161.15

7 (e) Bank balance other than above

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
In Deposit Accounts		
With originally maturity more than 3 months but less than 12 months *	19.29	387.85
Lodged with Industrial Court	0.01	0.66
Held as Margin Money **	363.00	100.00
Total other bank balances	382.30	488.51
Total cash and bank balance	410.46	649.66

* 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

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Non-Current		
Share Application money	1,139.24	1,139.24
Current		
Security Deposits- Considered Good	164.94	37.86
Security Deposits- Considered Doubtful	23.66	23.66
Less: Provision for Others	23.66	23.66
	164.94	37.86
Advances to related parties	2,026.66	775.90
Interest Accrued	10.44	13.60
Income Receivable	1.44	1.44
Receivable other than Trade	1,364.38	2,042.55
	3,567.86	2,871.35
Total financial assets	4,707.10	4,010.59

Notes to the Financial Statements for the year ended March 31, 2019**Note 8: Other current assets**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Current		
Advances		
To Suppliers		
Considered Goods	2.57	4.69
Considered doubtful	357.36	357.36
Less: Provision for doubtful advances	<u>357.36</u>	<u>357.36</u>
	2.57	4.69
Prepaid Expenses	6.34	3.55
Balances with Government Authorities (Refer Note (i) below)	166.33	221.43
Total	<u>175.24</u>	<u>229.67</u>

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

Note 9: Inventories (At lower of cost and net realisable value)

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and Packing Materials	8.53	8.53
Work-in-Progress	0.43	-
Total	<u>8.96</u>	<u>8.53</u>

Note 10: Current Tax Assets (Net)

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Tax paid in Advance (Net of Provision)	1,278.81	851.18
Total	<u>1,278.81</u>	<u>851.18</u>

Note 11: Equity Share Capital

₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	<u>7,66,33,296</u>	<u>7,663.33</u>	<u>7,66,33,296</u>	<u>7,663.33</u>

Notes to the Financial Statements for the year ended March 31, 2019**11.1 Reconciliation of shares outstanding at the beginning and at the end of the Reporting year** ₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	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 ₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Vuniyog 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, 2019:

Nil

Note 12: Other Equity

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
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
Surplus in statement of profit and loss		
Balance as per last financial statements	(11,466.06)	(11,319.64)
Profit/(Loss) for the year	(388.02)	(143.83)
OCI for the year	(8.02)	(2.59)
Balance at the end of the year	(11,862.10)	(11,466.06)
Total reserves & surplus	(5,168.04)	(4,772.00)
Equity Instruments through OCI (net of tax)		
Balance as per last financial statements	(26.29)	(15.69)
OCI for the year	9.21	(10.60)
Balance at the end of the year	(17.08)	(26.29)
Total Other comprehensive income	(17.08)	(26.29)
Total Other equity	(5,185.12)	(4,798.29)

Notes to the Financial Statements for the year ended March 31, 2019

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**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Short-term Borrowings		
Secured:		
From Others	26.67	26.67
Unsecured:		
From Others	1,080.10	1,080.10
Total borrowings	1,106.77	1,106.77

a. Nature of security:

Loan from others of Rs. 26.67 Lacs is secured by charge on one of the immovable properties of the Company.

b. Rate of Interest

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

13 (b) Trade payable

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Other trade payables (refer note below)	2,044.37	2,105.87
Total	2,044.37	2,105.87

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

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

have not been given. The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

Notes to the Financial Statements for the year ended March 31, 2019**13 (c) Other Financial Liabilities**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Interest accrued and due Payables	625.21	620.88
To related Parties	413.56	575.59
To employees	463.44	708.09
To Directors	3.32	17.90
	<u>880.32</u>	<u>1,301.58</u>
Security Deposits	49.70	49.70
Others	6.90	-
Total	<u>1,562.13</u>	<u>1,972.16</u>

Note 14: Provisions

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Long-term		
Provision for employee benefits (Refer Note 30)		
Provision for Gratuity	193.47	241.76
Provision for Leave Encashment	28.82	36.99
	<u>222.29</u>	<u>278.75</u>
Short-term		
Provision for employee benefits (Refer Note 30)		
Provision for Gratuity	106.65	93.81
Provision for leave encashment	19.49	15.81
	<u>126.14</u>	<u>109.62</u>
Total	<u>348.43</u>	<u>388.37</u>

Note 15: Other current Liabilities

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Advance against Sale of Property	2,456.66	622.84
Statutory dues	2,366.46	2,538.41
Other Liabilities	1,500.00	1,500.00
Total	<u>6,323.12</u>	<u>4,661.25</u>

Notes to the Financial Statements for the year ended March 31, 2019**Note 16: Revenue from Operations (Refer note (i) below)**

₹ in Lakh

Particulars	2018-19	2017-18
Sale of Products	-	91.95
Sale of Services	-	0.45
Total	-	92.40

Disaggregation of Revenue from contracts with customers**Revenue based on Geography**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Domestic	-	92.40
Export	-	-
Revenue from Operations	-	92.40

Revenue based on business segment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Pharmaceuticals	-	92.40
Revenue from Operations	-	92.40

Reconciliation of revenue from operation with contract price

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customers as per the contract price	-	92.40
Adjustment made to contract price on account of:		
a) Sales returns	-	-
Revenue from Operations	-	92.40

Notes to the Financial Statements for the year ended March 31, 2019**Note 17: Other Income**

₹ in Lakh

Particulars	2018-2019	2017-2018
Interest Income	240.62	300.72
Service Income	97.50	90.00
Provision no longer required (net)	0.41	5.25
Financial Guarantee Commission	13.68	15.07
Rental Income	34.62	15.07
Miscellaneous Income	21.90	5.35
Loan Waiver income	-	536.00
Prior period income	0.10	-
Royalty	6.58	3.67
Sundry Credit Balance appropriated	0.12	-
Profit on sales of Property, Plant and Equipment (net)	-	1,335.30
Scrap Sales	230.73	143.04
Total	646.26	2,449.47

Note 18: Cost of raw materials and components consumed

₹ in Lakh

Particulars	2018-2019	2017-2018
Stock at the beginning of the year	8.53	13.40
Purchases	-	52.86
	8.53	66.26
Less: Stock at the end of the year	8.53	8.53
Total	-	57.73

Note 19: Changes in Inventory of Work-in-progress

₹ in Lakh

Particulars	2018-2019	2017-2018
(Increase)/Decrease in stocks		
Stock at the end of the year		
Stock-in-trade	0.43	-
Work-in-Progress	-	-
	0.43	-
Stock at the beginning of the year		
Stock-in-trade	-	-
Work-in-Progress	-	-
	-	-
(Increase)/Decrease in stocks	-	-
Total	(0.43)	-

Notes to the Financial Statements for the year ended March 31, 2019**Note 20: Employee Benefits Expense**

₹ in Lakh

Particulars	2018-2019	2017-2018
Salaries and Wages (Refer note 31)	324.13	356.91
Contribution to Provident Fund and Other Funds	33.91	35.82
Staff Welfare Expenses	27.35	26.22
Directors' Remuneration	45.84	36.28
Total	431.23	455.23

Note 21: Finance Costs

₹ in Lakh

Particulars	2018-2019	2017-2018
Interest expense - Others	61.96	104.53
Total	61.96	104.53

Note 22: Depreciation and amortization expense

₹ in Lakh

Particulars	2018-2019	2017-2018
Depreciation on Tangible Assets (Refer Note 5)	39.82	34.36
Amortisation on Intangible Assets (Refer Note 6)	0.18	7.26
Total	40.00	41.62

Note 23: Other Expenses

₹ in Lakh

Particulars	2018-2019	2017-2018
Power and fuel	16.76	16.24
Insurance	1.05	1.01
Rent (Refer Note 30)	7.01	5.63
Rates and taxes	58.69	276.39
Repairs:		
To Buildings	37.56	15.36
To others	1.23	2.34
Factory Over Heads	-	21.32
Directors' Fees	1.30	1.95
Legal Charges	190.07	171.30
Travelling Expenses	24.48	22.37
Printing ,stationery & Communication	17.94	-
Service Charges paid - Others	19.31	23.05
Sundry Debit balance written off(net)	-	0.67
Penalties	7.64	1,008.46
Auditor's remuneration	2.00	12.93
Miscellaneous Expenses	70.34	85.06
Loss on assets sold/Discarded	0.13	-
Total	455.51	1,664.08

Notes to the Financial Statements for the year ended March 31, 2019**Payment to Auditors**

₹ in Lakh

Particulars	2018-2019	2017-2018
Auditors	2.00	5.00
For Other certification work	-	5.18
For reimbursement of expenses	-	2.75
Total	2.00	12.93

Note 24: Income Tax

The major component of income tax expense for the year ended March 31,2019 and March 31, 2018 are;

₹ in Lakh

Particulars	2018-2019	2017-2018
Statement of Profit and Loss		
Current income tax	-	100.00
Short Provision of Income tax	-	232.36
Deferred tax charge	45.58	30.15
Income tax expense reported in the statement of profit and loss	45.58	362.51
Statement of Other comprehensive income (OCI)		
Deferred tax credit	(2.82)	(0.91)
Income tax expense reported in the statement of OCI	(2.82)	(0.91)

A) Current tax

₹ in Lakh

Particulars	2018-2019	2017-2018
Accounting profit before tax from continuing operations	(342.44)	218.68
Tax @ 26% (March 31, 2018: 26%)	(89.03)	56.86
Adjustment		
Accelerated depreciation for tax purposes	-	-
Expenditure allowable on payment basis	-	-
Other Adjustments	-	304.74
At the effective income tax rate of Nil (March 31,2018:165.35%)	(89.03)	361.60

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

B) Deferred tax

₹ in Lakh

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accelerated depreciation for tax purposes	30.95	33.93	(2.98)	(14.06)
Expenditure allowable on payment basis	(251.15)	(296.89)	45.74	43.30
Deferred tax expense/(income)	-	-	42.76	29.24
Net deferred tax (Assets)/Liabilities	(220.20)	(262.96)		
Reflected in the balance sheet as follows				
Deferred tax Assets	251.15	296.89		
Deferred tax liabilities	(30.95)	(33.93)		
Deferred tax Assets/(Liabilities) (net)	220.20	262.96		

Notes to the Financial Statements for the year ended March 31, 2019**Reconciliation of deferred tax assets / (liabilities), net**

₹ in Lakh

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	262.96	292.20
Tax income/(expense) during the period recognised in profit or loss	(45.58)	(30.15)
Tax income/(expense) during the period recognised in OCI	2.82	0.91
Closing balance as at March 31	220.20	262.96

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		2018-2019	2017-2018
Earning per share (Basic and Diluted)			
Profit attributable to ordinary equity holders	Rs. in Lakhs	(388.02)	(143.83)
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.	(0.51)	(0.19)
Diluted earning per share	Rs.	(0.51)	(0.19)
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

₹ in Lakh

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	1,053.77	2,612.72
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	267.29	271.64
e. Guarantee given by company on behalf of other Companies	1369.42	1506.70
f. Disputed demands in respect of		
Excise/Customs duty	133.82	133.82
Sales tax	223.39	223.39
Income tax	2,026.63	2,026.63
Employees' State Insurance Corporation	53.15	69.74
Provident Fund	407.31	-

Notes to the Financial Statements for the year ended March 31, 2019**Notes :**

- i. Future cash outflows in respect of (f) above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.
- ii. 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 the notice is received on behalf of 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.
- iii. Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation / reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

Note 27: Capital commitment and other commitments

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
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: Lease Rent**Where company as a lessee in case of Operating Lease**

The Company has various cancellable operating leases for Plant and Machineries. The Company has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	₹ in Lakh	
Total Future Minimum lease rental payments on non-cancellable operating leases:		
Not later than one year		-
Later than one year and not later than five years		-
Later than five years		-
Lease payment recognised in Statement of Profit and Loss	7.01	5.63

Notes to the Financial Statements for the year ended March 31, 2019**Note 30 : Disclosure pursuant to Employee benefits****A. Defined contribution plans:**

Amount of Rs. 33.48 Lakhs (March 31, 2018: Rs. 35.41 Lakhs) is recognised as expenses and included in Note No.20 "Employee benefit expense"

₹ in Lakh

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Provident Fund	19.53	19.54
Pension Fund	9.32	12.16
Superannuation Fund	4.63	3.71
Total	33.48	35.41

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.

Notes to the Financial Statements for the year ended March 31, 2019

	Gratuity cost charged to statement of profit and loss										Remeasurement gains/(losses) in other comprehensive income					
	April 1, 2018	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, 2019				
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				
March 31, 2018 : Changes in defined benefit obligation and plan assets																
Defined benefit obligation	368.48	8.71	25.29	34.00	(70.41)	-	-	(2.29)	5.79	3.50	-	335.57				
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-				
Benefit liability	368.48	8.71	25.29	34.00	(70.41)	-	-	(2.29)	5.79	3.50	-	335.57				

₹ in Lakh

Notes to the Financial Statements for the year ended March 31, 2019

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, 2019 (%) of total plan assets	Year ended March 31, 2018 (%) 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, 2019	Year ended March 31, 2018
Discount rate	6.76%	7.51%
Future salary increase	4.00%	4.00%
Expected rate of return on plan assets	6.76%	7.51%
Attrition rate	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	1% increase	(4.90)	(6.51)
	1% decrease	5.15	6.85
Salary increase	1% increase	5.25	6.99
	1% decrease	(5.08)	(6.77)
Attrition rate	1% increase	0.45	0.64
	1% decrease	(0.48)	(0.66)

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	106.65	93.76
2 to 5 years	206.75	251.25
Beyond 5 years	29.85	50.12
Total expected payments	343.25	395.13

Notes to the Financial Statements for the year ended March 31, 2019

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	Years 3	Years 3

C. Other Long term employee benefit plans

Leave encashment

Amount of Rs. 11.53 Lakhs (March 31, 2018: Rs. 11.36 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 Compaies**

- 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

Key Management Personnel

- | | | |
|---|--------------------------|----------------------|
| 1 | Mr. Kartikeya V Sarabhai | Chairman |
| 2 | Mr. A. H. Parekh | Whole Time Director |
| 3 | Ms. Chaula Shastri | Whole Time Director |
| 4 | Mr. G.D. Zalani | Independent Director |
| 5 | Mr. Ashvin P. Hathi | Independent Director |
| 6 | Mr. C.S. Bohra | Independent Director |

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

Notes to the Financial Statements for the year ended March 31, 2019**b. Disclosure in respect of Related Party Transactions :**

₹ in Lakh

Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Goods and Materials		
Asence Pharma Private Limited	-	33.76
Sarabhai Chemicals(I) Private Limited	-	46.32
Rent Income		
Asence Pharma Private Limited	12.38	12.15
Sarabhai Chemicals(I) Private Limited	0.36	0.36
Synbiotics Limited	10.80	-
Vovantis Laboratories Private Limited	11.06	2.54
Rendering of Services		
Synbiotics Limited	29.41	28.51
Systronics (I) Limited	90.00	90.00
Asence Pharma Private Limited	31.27	7.87
Vovantis Laboratories Private Limited	31.03	24.21
Interest Income		
Systronics (I) Limited	75.61	85.06
Asence Pharma Private Limited	55.35	-
Sarabhai Chemicals(I) Private Limited	17.85	-
Synbiotics Limited	1.51	-
Royalty Income		
Asence Pharma Private Limited	6.58	3.67
Purchase of goods and services		
Synbiotics Limited	-	16.81
Sarabhai Chemicals(I) Private Limited	0.43	-
Other Income		
Synbiotics Limited	6.26	8.60
Asence Pharma Private Limited	5.25	12.08
Suvik Hitek Private Limited	0.88	0.93
Systronics (I) Limited	1.29	1.63
Receiving of Services		
Asence Pharma Private Limited	5.34	8.85
Interest Expense		
Asence Pharma Private Limited	-	31.66
Remuneration		
Mr. Kartikeya V Sarabhai	35.79	23.83
Mr. A. H. Parekh	22.11	24.00
Ms. Chaula Shastri	21.43	18.34
Sitting Fees Paid		
Mr. G.D. Zalani	0.52	0.80
Mr. Ashwin P Hathi	0.42	0.80
Mr. C.S. Bohra	0.36	0.35

Notes to the Financial Statements for the year ended March 31, 2019**b. Disclosure in respect of Related Party Transactions : (Cont..)**

₹ in Lakh

Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Receivables in respect of Current Assets		
Systronics (I) Limited	601.14	555.46
Synbiotics Limited	47.11	-
Asence Inc USA	13.14	13.14
Sarabhai M Chemicals Limited	4.60	1.19
Sarabhai Chemicals(I) Private Limited	359.03	206.11
Asence Pharma Private Limited	1,001.64	-
Payables in respect of Current Liabilities		
Asence Pharma Private Limited	-	123.98
Suvik Hitek Private Limited	67.36	72.15
Swetsri Investments Private Limited	345.51	317.72
Synbiotics Limited	-	52.67
Vovantis Laboratories Private Limited	0.69	9.07

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**

₹ in Lakh

List of Related Party	Purpose	Closing Balance		Maximum Outstanding	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans and Advances					
Systronics (I) Limited	General Business Purpose	601.14	555.46	601.14	823.61
Asence Inc USA	General Business Purpose	13.14	13.14	13.14	13.14
Sarabhai M Chemicals Ltd	General Business Purpose	4.60	1.19	16.70	7.17
Sarabhai Chemicals(I) Private Limited	General Business Purpose	359.03	206.11	359.03	206.11
Asence Pharma Private Limited	General Business Purpose	1,001.64	-	1,001.64	-
Synbiotics Limited	General Business Purpose	47.11	-	69.00	-
Total(A)		2,026.66	775.90	2,060.65	1,050.03
Corporate Gurantee					
Asence Pharma Private Limited	Facilitate Trade Finance	525.00	526.74	525.00	526.74
Synbiotics Limited	Facilitate Trade Finance	626.39	723.93	626.39	723.93
Systronics (I) Limited	Facilitate Trade Finance	128.73	163.00	128.73	163.00
Suvik Hitek Private Limited	Facilitate Trade Finance	88.30	93.03	88.30	93.03
Total(B)		1,368.42	1,506.70	1,368.42	1,506.70
Total(A+B)		3,395.08	2,282.60	3,429.07	2,556.73

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

Notes to the Financial Statements for the year ended March 31, 2019**d. Transactions and Balances :**

₹ in Lakh

Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel (KMP)	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Transactions						
Purchase of Goods/Services	5.77	25.66	-	-	-	-
Rent income	23.54	12.51	11.06	2.54	-	-
Interest Expense	-	31.66	-	-	-	-
Other Income	13.68	23.24	-	-	-	-
Sale of goods	-	80.08	-	-	-	-
Royalty Income	6.58	3.67	-	-	-	-
Rendering of services	150.68	126.38	31.03	24.21	-	-
Remuneration to Key Management Personnel	-	-	-	-	79.33	66.17
Sitting Fees	-	-	-	-	1.30	1.95
Interest Income	150.32	85.06	-	-	-	-

Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel (KMP)	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances as at year end						
Receivable in respect of Loans	2,026.66	775.90	-	-	-	-
Payable in respect of Current Liabilities	412.87	566.52	0.69	9.07	3.32	17.90
Corporate Gurantee given	1,368.42	1,506.70	-	-	-	-

e 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 and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- Financial guarantee given to Bank on behalf of subsidiaries carries no charge and are unsecured.

g Transactions with key management personnel

Compensation of key management personnel of the Company

₹ in Lakh

Particulars	2018-2019	2017-2018
Short-term employee benefits	70.20	59.36
Post employment benefits	5.57	4.20
Other long-term employment benefits	3.56	2.61
Total compensation paid to key management personnel	79.33	66.17

Notes to the Financial Statements for the year ended March 31, 2019

₹ in Lakh

Note 32 : Fair value disclosures for financial assets and financial liabilities
(i) Financial assets by category

Particulars	As at March 31, 2019			As at March 31, 2018			
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Total
Investments	5597.01	-	-	5,597.01	5,587.80	-	5,587.80
Loans	-	-	0.54	-	-	0.64	0.64
Cash and cash equivalents	-	-	28.16	-	-	-	161.15
Other bank balances	-	-	382.30	-	-	-	488.51
Other financial assets	-	-	4,707.10	-	-	-	4,010.59
Total Financial assets	5,597.01	-	5,118.10	5,587.80	-	-	10,248.69

(ii) Financial liabilities by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	1,106.77	1,106.77	-	1,106.77	1,106.77
Trade payable	-	2,044.37	2,044.37	-	2,105.87	2,105.87
Other Financial Liabilities	-	1,562.13	1,562.13	-	1,972.16	1,972.16
Total Financial liabilities	-	4,713.27	4,713.27	-	5,184.80	5,184.80

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

Notes to the Financial Statements for the year ended March 31, 2019**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:

₹ in Lakh

Particulars	Carrying amount		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Investments measured at fair value through OCI	19.25	10.04	19.25	10.04
Total	19.25	10.04	19.25	10.04
Financial liabilities				
Borrowings	1,106.77	1,106.77	1,106.77	1,106.77
Total	1,106.77	1,106.77	1,106.77	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, 2019 and March 31, 2018

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2019					
Assets measured at fair value					
Fair value through Other					
Comprehensive Income	31-Mar-19	19.25	-	-	19.25
Investment in Equity shares, unquoted					
As at March 31, 2018					
Assets measured at fair value					
Fair value through Other					
Comprehensive Income	31-Mar-18	10.04	-	-	10.04
Investment in Equity shares, unquoted					

Notes to the Financial Statements for the year ended March 31, 2019**Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2019 and March 31, 2018**

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2019					
Liabilities disclosed at fair value					
Borrowings	March 31, 2019	1,106.77	-	-	1,106.77
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	March 31, 2018	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 Financial Statements for the year ended March 31, 2019**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, 2019	March 31, 2018
Increase in 50 basis points	5.53	5.53
Decrease in 50 basis points	(5.53)	(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, 2019 and March 31, 2018.

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 Financial Statements for the year ended March 31, 2019

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

₹ in Lakh

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, 2019					
Interest bearing borrowings*	1,106.77	-	-	-	-
Trade payables	-	-	2,044.37	-	-
Other financial liabilities	1,562.13	-	-	-	-
	2,668.90	-	2,044.37	-	-
Year ended March 31, 2018					
Interest bearing borrowings*	1,106.77	-	-	-	-
Trade payables	-	-	2,105.87	-	-
Other financial liabilities	1,972.16	-	-	-	-
	3,078.93	-	2,105.87	-	-

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

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.

₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings (Note 13 a)	26.67	26.67
Less: cash and cash equivalent (including other bank balance) (Note 7 c)	410.46	649.66
Net debt	(383.79)	(622.99)
Equity share capital (Note 11)	7,663.33	7,663.33
Other equity (Note 12)	(5,185.12)	(4,798.29)
Total capital	2,478.21	2,865.04
Capital and net debt	2,094.42	2,242.05
Gearing ratio	-18.32%	-27.79%

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 Financial Statements for the year ended March 31, 2019**Note 37: Standards issued but not yet effective****Ind AS 116 - Leases**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Note 38: Regrouped, Recast, Reclassified

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

FORM AOC-1

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

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

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment	Turn Over	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Synbiotics Ltd	March 31, 19	INR	844.46	521.12	2,858.10	1,492.52	293.20	1,460.68	357.15	61.83	295.33	Nil	100%
2	Sarabhai M Chemicals Ltd	March 31, 19	INR	5.00	(10.49)	3.87	9.36	-	-	(5.70)	-	(5.70)	Nil	100%
3	Asence Inc.	Dec. 31, 18	"1 USD= Rs.90.47"	4.52	44.36	146.12	97.24	20.22	45.62	(20.72)	-	(20.72)	Nil	100%
4	Asence Pharma Pvt. Ltd	March 31, 19	INR	9.96	912.12	5,274.22	4,352.14	30.29	5,203.12	159.70	49.86	109.84	Nil	98.98%
5	Systronics India Ltd	March 31, 19	INR	1,198.50	1,565.39	4,746.52	1,982.63	3.28	7910.57	821.36	228.61	592.75	Nil	100%
6	Suvik Hitek Private Ltd	March 31, 19	INR	250.00	(1,199.90)	729.47	1,679.37	-	1,336.62	(34.42)	(0.55)	(34.96)	Nil	100%
7	Sarabhai Chemicals (India) Pvt Ltd	March 31, 19	INR	99.40	(1,046.31)	276.97	1,223.88	-	454.20	(285.10)	(1.74)	(283.36)	Nil	99.99%
8	Swetsri Investments Pvt. Limited	March 31, 19	INR	1.00	84.20	124.47	39.27	-	-	2.65	2.00	0.43	Nil	100%

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

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

Part "B": Joint Venture

Sr. No.	Particulars	Vovantis Laboratories Pvt Ltd	Cosara Diagnostics Ltd
1	Latest Audited Balance Sheet Date	March 31, 2019	March 31, 2019
2	Shares of Joint Ventures held by Company on the year end		
	I) Number	45,32,166	19,68,363
	II) Amount of Investment in Joint Ventures (Rs. in Lakh)	453.22	196.84
	III) Extend of Holding %	33.34%	49.87%
3	Description of how there is significant influence	Note A	Note A
4	Reason why the Joint Venture is not consolidated	Not applicable	Not applicable
5	Net worth attributable to shareholding as per latest Audited Balance Sheet	10	10
6	Profit/(Loss) for the year		
	I) Considered in Consolidation	229.27	(4.86)
	II) Not Considered in Consolidation	459.21	(5.68)

Note: A

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

Kartikeya V. Sarabhai
Chairman
Chandrashekhar Bohra
Director
Navinchandra Patel
CFO
Ketan Advharyu
Company Secretary

Date : 29-05-2019

Place : Ahmedabad

FORMAOC-2

(Pursuant to Section 134(3)(h) 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, 2019, which were not at arm's length basis.

Name 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 Contract
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 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 Contract
Systronics India Limited	Subsidiary	-	-	25.05.2018	768.04	-	-
Asence Inc	Subsidiary	-	-	25.05.2018	13.14	-	-
Sarabhai M. Chemicals Limited	Subsidiary	-	-	25.05.2018	4.60	-	-
Sarabhai Chemicals (India) Pvt. Ltd.	Subsidiary	-	-	25.05.2018	377.67	-	-
Asence Pharma Pvt. Ltd.	Subsidiary	-	-	25.05.2018	1,117.81	-	-
Suvik Hitek Pvt. Ltd.	Subsidiary	-	-	25.05.2018	68.24	-	-
Swetsri Investments Pvt. Ltd.	Subsidiary	-	-	25.05.2018	345.51	-	-
Synbiotics Limited	Subsidiary	-	-	25.05.2018	95.09	-	-
Vovantis Laboratories Pvt. Ltd.	Subsidiary	-	-	25.05.2018	42.78	-	-
Mr. Kartikeya V. Sarabhai	Director	-	-	25.05.2018	35.78	-	-
Mr. A. H. Parekh	Director	-	-	25.05.2018	22.10	-	-
Ms. Chaula Shastri	Director	-	-	25.05.2018	21.43	-	-
Mr. Ketan Adhvaryu	Company Secretary	-	-	25.05.2018	10.62	-	-
Mr. Bharat B. Shah	CFO	-	-	25.05.2018	9.31	-	-

For and on behalf of the Board
Ambalal Sarabhai Enterprises Limited

Date : 29-05-2019
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 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, 2019, 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, 2019, 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.

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
	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115</p> <p>"Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new 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</p>	<p>Principal Audit Procedures</p> <p>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:</p> <ul style="list-style-type: none"> • 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.

<p>and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note 17 to the Consolidated Financial Statements</p>	<ul style="list-style-type: none"> • 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.
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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. 8,545 Lakhs as at March 31, 2019, total revenue of Rs. 7,269.71 Lakhs, total net profit after tax of Rs. 162.76 Lakhs, total comprehensive income of Rs. 6.23 Lakhs and cash flows (net) of Rs. 8.35 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements. The Consolidated financial statements also include the Group's share of net profit of Rs. 224.41 Lakhs for the year ended 31st March, 2019 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.

The consolidated financial statement includes unaudited financial statements of one -subsidiary, whose financial statements reflect total assets of Rs. 125.92 Lakhs as at March 31, 2019, total revenue of Rs. 45.62 Lakhs, total net loss after tax of Rs. 20.72 Lakhs, total comprehensive income of Rs. Nil and cash flows (net) of Rs. 19.38 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements. These financial statements have been unaudited whose reports have been furnished to us by the Management, and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial

statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

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, 2019 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, 2019 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
Firm Registration No. 118940W
Chartered Accountants

CA. Vipul B. Khandhar
Partner
Membership No. 105986

Ahmedabad
May 29, 2019

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, 2019

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, 2019, 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

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership No. 105986

Ahmedabad

May 29, 2019

Consolidated Balance Sheet as at March 31, 2019

₹ in Lakh

	Notes	As at March 31,2019	As at March 31,2018
Assets			
(I) Non-current assets			
(a) Property, Plant and Equipment	5	3,304.27	3,452.72
(b) Capital work-in-progress		2,405.26	1,367.71
(c) Goodwill on Consolidation	6	2,452.59	2,452.59
(d) Intangible assets	6	8.50	10.91
(e) Intangible assets under development		0.29	0.79
(f) Financial Assets			
(i) Investments	7	935.66	536.97
(ii) Other Financial Assets	7	340.77	146.23
(g) Deferred tax assets(net)	29	646.20	691.00
(h) Other non-current assets	8	10.36	11.45
Total Non current assets (A)		10,103.90	8,670.37
(II) Current assets			
(a) Inventories	9	1,498.49	1,439.44
(b) Financial Assets			
(i) Trade receivables	7	3,468.76	3,413.17
(ii) Loans	7	83.24	89.47
(iii) Cash and cash equivalents	7	1,699.50	1,350.72
(iv) Bank balance other than(iii) above	7	626.73	856.53
(v) Other Financial Assets	7	1,582.61	2,213.33
(c) Others current assets	8	1,300.84	1,020.24
(d) Current Tax Assets (Net)	10	1,366.04	972.11
Total current assets (B)		11,626.21	11,355.01
Total Assets (A+B)		21,730.11	20,025.38
EQUITY AND LIABILITES			
(I) Equity			
(a) Equity Share Capital	11	7,663.33	7,663.33
(b) Other Equity	12	(4,601.03)	(5,011.59)
Total Equity (A)		3,062.30	2,651.74
(II) Minority Interest			
		(0.58)	(0.30)
LIABILITES			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	875.94	1,112.15
(b) Long Term Provisions	14	379.61	438.33
(c) Deferred tax liabilities (net)	29	280.76	279.40
Total Non current liabilities (B)		1,536.31	1,829.88
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	2,875.67	3,034.24
(ii) Trade Payable	13		
Total outstanding dues of mirco enterprises and small enterprises		-	-
Total outstanding dues of creditors other than mirco enterprises and small enterprises		4,683.00	3,975.65
(iii) Other financial liabilities	13	2,241.49	2,235.03
(b) Short Term Provisions	14	374.53	372.11
(c) Other Current liabilities	15	6,887.92	5,808.32
(d) Current Tax Liabilities (net)	16	69.47	118.71
Total current liabilities (C)		17,132.08	15,544.06
Total Equity and Liabilities (A+B+C)		21,730.11	20,025.38

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 : 29.05.2019
 Place : Ahmedabad

Kartikeya Sarabhai
 Chairman
Ketan Adhvaryu
 Company Secretary

Chandrashekhar Bohra
 Director
Navinchandra Patel
 CFO

Date : 29.05.2019
 Place : Ahmedabad

Consolidated Statement of Profit and Loss for the year ended March 31, 2019 ₹ in Lakh

	Notes	Year Ended March 31, 2019	Year Ended March 31, 2018
1 Income			
(a) Revenue from operations	17	15,187.78	12,561.68
(b) Other Income	18	547.20	2,503.79
Total Income		15,734.98	15,065.47
2 Expenses			
(a) Cost of materials consumed	19	991.93	920.88
(b) Purchases of stock-in-trade	-	8,035.95	6,211.63
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(75.65)	(113.06)
(d) Employee benefits expense	21	2,609.79	2,805.43
(e) Finance costs	22	324.54	335.90
(f) Depreciation and amortisation expense	23	209.83	212.19
(g) Other expenses	24	3,041.66	3,915.08
Total Expenses		15,138.05	14,288.05
3 Profit before share of profit of Joint Ventures and exceptional items and tax (1-2)		596.93	777.42
4 Add: Share of profit of Joint Ventures accounted for using Equity Method		224.41	19.00
5 Profit before Exceptional Items and Tax (3+4)		821.34	796.42
6 Exceptional items		-	-
7 Profit Before Tax (5+6)		821.34	796.42
8 Tax Expense	25		
Current Tax		329.10	344.85
Short provision related to earlier years		12.01	251.67
Deferred Tax Charge		55.59	72.46
Total Tax Expense		396.70	668.98
9 Net Profit for the Year (7-8)		424.64	127.44
Attributable to:			
Equity Holders of the Parent		424.92	127.71
Non-controlling interest		(0.28)	(0.27)
		424.64	127.44
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		(40.08)	(17.35)
Income Tax impact related to (i) above		10.85	4.69
		(29.23)	(12.66)
(i) Equity Instruments through Other Comprehensive Income (FVOCI)		16.29	(3.52)
Income Tax impact related to (i) above		(1.42)	(1.42)
		14.87	(4.94)
Other Comprehensive Income/(Loss) (net of tax)		(14.36)	(17.60)
Attributable to:			
Equity holders of the parent		(14.36)	(17.60)
Non-controlling interest		-	-
		(14.36)	(17.60)
11 Total Comprehensive Income/ (Loss) for the Year (9+10)		410.28	109.84
Attributable to:			
Equity holders of the Parent		410.56	110.11
Non-controlling interest		(0.28)	(0.27)
		410.28	109.84
Earning Per Share in Rs. (Face Value Rs. 10/- per share)	26		
- Basic and Diluted		0.55	0.17

(See accompanying notes to the Consolidated Financial Results)

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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Advharyu
Company Secretary

Date : 29.05.2019
Place : Ahmedabad

Chandrashekhar Bohra
Director
Navinchandra Patel
CFO

Consolidated Statement of cash flows for the year ended March 31, 2019 ₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A Operating activities		
Profit Before taxation	821.34	796.42
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	209.83	212.19
Interest Income	(174.32)	(285.65)
Interest and Other Borrowing Cost	324.54	335.90
Dividend Income	(1.22)	(1.03)
Bad Debts Written Off	43.80	16.13
Share of Profit in Associates and Joint Venture	(224.41)	-
Sundry Credit Balances Appropriated	(35.39)	(18.68)
Foreign Exchange Difference	37.62	-
Gain on Change in fair value of Gold Coin	(0.10)	-
(Profit)/Loss on Sale of Tangible/Intangible assets	(0.05)	(1,448.49)
Excess Provision Written Back	(1.15)	-
	179.15	(1,189.63)
Operating Profit before Working Capital Changes	1,000.49	(393.21)
Working Capital Changes:		
Changes in Inventories	(59.05)	(58.39)
Changes in trade payables	707.35	1,011.04
Changes in other current liabilities	1,116.14	2,926.59
Changes in other financial liabilities	(172.28)	178.09
Changes in provisions	(96.38)	(101.61)
Changes in Loans	-	258.44
Changes in trade receivables	(137.01)	(533.84)
Changes in other current assets	(280.60)	(209.54)
Changes in other financial assets	356.07	(2,098.29)
Changes in Other Bank Balances	229.80	273.95
Net Changes in Working Capital	1,664.04	1,646.44
Cash Generated from Operations	2,664.53	1,253.23
Direct Taxes paid (Net of Income Tax refund)	(784.28)	(1,992.53)
Net Cash from Operating Activities	1,880.25	(739.30)
B Cash Flow from Investing Activities		
Purchase of property, plant & equipment/intangible assets	(1,038.98)	(1,155.02)
Sale of property, plant & equipment	10.48	2,675.03
Changes in Capital Advances	-	(16.66)
Change in Long Term Investments	(157.99)	(57.85)
Changes in Loans given	6.23	-
Changes in other non current assets	-	25.89
Dividend Income	1.22	1.03
Interest Income	254.43	285.65
Net cash flow from Investing Activities	(924.61)	1,758.07

Consolidated Statement of cash flows for the year ended March 31, 2019 ₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C Cash Flow from Financing Activities		
Changes in short term borrowings	(296.09)	601.16
Capital Reserve on Consolidation	-	0.12
Adjustment on Consolidation	-	24.32
Change in short term borrowings	-	(498.35)
Interest and Other Borrowing Cost Paid	(310.77)	(335.90)
Net Cash flow from Financing Activities	(606.86)	(208.65)
Net Increase in cash & cash equivalents	348.78	810.12
Cash & Cash equivalent at the beginning of the year	1,350.72	540.60
Cash & Cash equivalent at the end of the year	1,699.50	1,350.72

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents comprise of: (Note 7d)		
Cash on Hand	7.93	96.71
Balances with Banks	1,691.57	1,254.01
Cash and cash equivalents	1,699.50	1,350.72

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

Notes:

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) statement of cash flows.
- 2 Purchase of property, plant & equipment / intangible assets include movement of capital work-in-progress and intangible assets under development during the 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 : 29.05.2019
Place : Ahmedabad

Kartikeya Sarabhai
Chairman
Ketan Adhvaryu
Company Secretary

Chandrashekhhar Bohra
Director
Navinchandra Patel
CFO

Date : 29.05.2019
Place : Ahmedabad

Consolidated Statement of Changes in Equity for the year ended March 31, 2019**A. Equity Share Capital**

₹ in Lakh

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, 2018	7,663.33	-	7,663.33
For the year ended March 31, 2019	7,663.33	-	7,663.33

B. Other Equity

₹ in Lakh

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 01, 2018	5,633.53	1,060.92	-	(11,844.86)	4.27	(5,146.14)
Profit/(Loss) for the year	-	-	-	127.71	-	127.71
Other comprehensive income for the year	-	-	-	(12.66)	(4.94)	(17.60)
Total Comprehensive income for the year	5,633.53	1,060.92	-	(11,729.81)	(0.67)	(5,036.03)
Addition during the year	-	-	0.12	-	-	0.12
Adjustment on Consolidation	-	-	-	24.32	-	24.32
Balance as at March 31, 2019	5,633.53	1,060.92	0.12	(11,705.49)	(0.67)	(5,011.59)
Balance as at April 01, 2018	5,633.53	1,060.92	0.12	(11,705.49)	(0.67)	(5,011.59)
Profit 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)

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 : 29.05.2019
 Place : Ahmedabad

Kartikeya Sarabhai
 Chairman
Ketan Advharyu
 Company Secretary

Chandrashekhar Bohra
 Director
Navinchandra Patel
 CFO

Date : 29.05.2019
 Place : Ahmedabad

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate Information

Ambalal Sarabhai Enterprises Limited was incorporated under the provisions of the Companies Act, 2013 (erstwhile known The Companies Act, 1956) and has registered office at Shantisadan, Mirzapur road, Ahmedabad.

The Group is engaged in the business of Pharmaceuticals.

The financial statements were authorised for issue in accordance with the resolution passed by the Board of Directors of the Company at its meeting held on May 29, 2019.

2. Statement of Compliance and Basis of Preparation

2.1 Compliance with Ind AS

The Consolidated Financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

The Group prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act.

2.2 Historical Cost Convention

The 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;
- Value in Use

2.3 Rounding of Amount

Financials Statement are prepared in Indian Rupee (INR) and all the values are rounded to 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 company as at March 31, 2019. 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

The following are the significant accounting policies applied by the Group in preparing its financial statements consistently to all the periods presented:

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.

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, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits 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 acquiree 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 IndAS. 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 financial statements are presented in INR, which is also the Group's functional and presentation currency.

Transactions and balances

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

The Group measures financial instruments such as derivatives at fair value at the end of each reporting period.

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
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- 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.

Borrowing cost relating to acquisition/construction of fixed assets which takes 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 fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

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 derecognised.

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 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.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is

accounted in such case by actual rent for the period.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.8. Borrowing 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. 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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 useful life of 5 years or Licence period whichever is lower and Patent/Knowhow is amortized over its useful validity period of 5 years.

3.10. Inventories

Inventories of Raw material, Stock-in-trade and Packing Material are valued at the lower of cost and net realisable value.

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Stock in Trade: 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 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.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12. Revenue Recognition

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

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the full retrospective approach. Accordingly, the comparatives have been adjusted to give the effect of Ind AS 115. The effect on adoption of Ind-AS 115 was insignificant.

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.

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.

Use of significant judgements in revenue recognition

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). 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.

Insurance claims

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

3.13. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **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. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **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 initially as well as 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 P&L. 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.

- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, 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.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

- **Equity instruments:**

All equity investments in scope of Ind-AS 109 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.

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 P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

(iii) **Derecognition of financial assets**

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,
- or

- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset

and the maximum amount of consideration that the Group could be required to repay.

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets

resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment,

extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

- (i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised

initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **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/ losses are not subsequently transferred to P&L. 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.

- **Loans and Borrowings**

This is the category most relevant to the Group. After initial recognition, interest-

bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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 statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.15. Export incentives

Export incentives under various schemes notified

by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.16. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. 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.

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 relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

3.17. 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, exgratia, 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 and employees' state insurance fund 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) Termination Benefits :

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

benefits become payable.

3.18. Earnings per share

Basic EPS is calculated by dividing the 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 calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.19. Provisions and Contingencies

General

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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 Consolidated Financial Statements.

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

3.20. Segment Reporting

Operating segments are reported in a manner

consistent with the internal reporting provided to the chief operating decision maker.

4. Significant Judgements and Critical accounting estimates & 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. Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

The Group assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Group has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

4.2. 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.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making

various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

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. The carrying amount of allowance for doubtful debts is Rs.449.36 Lakhs/-(March 31, 2018: Rs.449.36 Lakhs/-).

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward.

Further details on taxes are disclosed in Note 25.

Intangible assets

Refer Note 3.9 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

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.

Notes to the Financial Statements

Fixed Assets	₹ in Lakh							Total	
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicle		Computer Server & Network
Gross Carrying Amount									
As at April 1, 2017	2,554.82	16.41	986.66	1,148.23	197.35	40.62	135.56	23.28	5,102.93
Additions	-	-	8.50	45.65	23.48	6.52	36.40	11.31	131.86
Deductions	1,225.97	-	-	0.95	0.32	0.51	-	0.33	1,228.08
As at March 31, 2018	1,328.85	16.41	995.16	1,192.93	220.51	46.63	171.96	34.26	4,006.71
Additions	-	-	2.87	35.87	4.47	3.90	9.57	8.93	65.61
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
Depreciation and Impairment									
As at April 1, 2017	-	0.33	55.45	263.17	26.79	6.81	2.22	7.45	362.22
Additions	-	0.33	54.49	69.68	27.41	9.09	23.74	8.54	193.28
Deductions	-	-	-	0.23	0.06	0.62	-	0.60	1.51
As at March 31, 2018	-	0.66	109.94	332.62	54.14	15.28	25.96	15.39	553.99
Depreciation for the year	-	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
Net Carrying Value									
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
As at March 31, 2018	1,328.85	15.75	885.22	860.31	166.37	31.35	146.00	18.87	3,452.72

Note :

- 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

₹ in Lakh

Fixed Assets	Know how	Trademarks	Corel Draw Graphic License	Software	Total	Goodwill on Consolidation
Gross Carrying Amount						
As at April 1, 2017	26.75	17.18	1.03	29.81	74.77	2,456.12
Additions	-	0.07	-	2.04	2.11	-
Deductions	-	-	-	-	-	3.53
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 March 31, 2019	26.75	18.04	1.03	34.85	80.67	2,452.59
Amortisation and Impairment						
As at April 1, 2017	19.00	17.18	0.03	10.88	47.09	-
Amortisation for the year	7.75	0.03	0.20	10.93	18.91	-
Deductions	-	0.03	-	-	0.03	-
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 March 31, 2019	26.75	17.53	0.43	27.46	72.17	-
Net Carrying Value						
As at March 31, 2019	-	0.51	0.60	7.39	8.50	2,452.59
As at March 31, 2018	-	0.07	0.80	10.04	10.91	2,452.59

Notes to the Financial Statements for the year ended March 31, 2019

Note 7: Financial Assets

7(a) Investments

₹ in Lakh

Particulars	Face Value Per Share in Rs. Unless otherwise stated	No of Shares	As at March 31, 2019	As at March 31, 2018
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	19.25	10.04
(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	721.46
Less: Provision for Impairment*			(721.64)	(721.46)
			-	-
Ordinary Shares of Kalupur Commercial Co-operative Bank*	25	26,000	96.36	89.28
Ordinary shares of each fully paid of Sardar Vallabhbai Sahkari Bank Ltd*	25	40	2.39	2.39
Ordinary Shares of Haryana Conatainers Limited	10	50,000	-	-
Total (II)			118.59	102.30
III In Joint Venture (Unquoted) - measured using equity method				
Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	42,29,258	626.95	397.68
Ordinary Shares of Cosara Diagnostics Private Limited	10	3,88,500	190.12	36.99
Total (III)			817.07	434.67
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)			935.66	536.97
a Aggregate amount of quoted Investments and market value thereof			-	-
b Aggregate amount of unquoted Investments			1,813.60	1,414.73
c Aggregate impairment in value of investment			(877.94)	(877.76)

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

Notes to the Financial Statements for the year ended March 31, 2019**7 (b) Trade Receivables**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good	3,468.76	3,413.17
Unsecured, considered doubtful	449.36	449.36
Less: Allowance for doubtful debts	449.36	449.36
Total Trade Receivables	3,468.76	3,413.17

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 :

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	449.36	449.36
Add: Allowance for the year	-	-
Less: Written off bad debts (net of recovery)	-	-
Balance at the end of the year	449.36	449.36

7 (c) Loans

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Current		
Loans to Employees	7.30	13.45
Loans to Others	75.94	76.02
Total Loans	83.24	89.47

7 (d) Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on Hand	7.93	96.71
Balance with banks		
In Current Accounts	595.70	755.24
In Exchange Earners Foreign Currency account	1.57	0.42
In Deposit Accounts with originally maturity less than 3 months	1,094.30	498.35
Total	1,699.50	1,350.72

Notes to the Financial Statements for the year ended March 31, 2019

7 (e) Bank balance other than above

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
In Deposit Accounts With originally maturity more than 3 months		
but less than 12 months *	233.29	599.74
Lodged with Industrial Court	0.01	0.66
Held as Margin Money **	391.93	256.13
Lodged with Sales Tax/Excise Department	1.50	-
Total other bank balances	626.73	856.53
Total cash and bank balance	2,326.23	2,207.25

** 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

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits		
Considered good	192.21	140.46
Considered doubtful	9.21	9.21
Less: Allowance for doubtful deposits	9.21	9.21
	<u>192.21</u>	<u>140.46</u>
Bank deposits with maturity of more than 12 months	-	5.77
Held as Margin Money	148.56	-
	<u>340.77</u>	<u>146.23</u>
Unsecured, considered good		
Current		
Security deposits		
Considered good	167.94	40.11
Considered doubtful	24.75	24.75
Less: Allowance for doubtful deposits	24.75	24.75
	<u>167.94</u>	<u>40.11</u>
Interest Accrued	48.85	128.96
Income Receivable	1.44	1.44
Other Financial Assets	-	0.27
Receivable other than Trade	1,364.38	2,042.55
	<u>1,582.61</u>	<u>2,213.33</u>
Total financial assets	1,923.38	2,359.56

The Group has provided allowance for doubtful deposits based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful deposits :

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	33.96	30.79
Add: Allowance for the year	-	3.17
Less: Written off bad debts (net of recovery)	-	-
Balance at the end of the year	33.96	33.96

Notes to the Financial Statements for the year ended March 31, 2019**Note 8: Other current/ non current assets**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Non-current		
Capital Advances	-	1.19
Gold Coins	3.17	3.07
Balance with Government Authorities	0.85	0.85
Pre-paid expense	1.34	1.34
Advance Recoverable in cash or in kind or value to be received	5.00	5.00
	10.36	11.45
Current		
Advances to Suppliers		
Considered Goods	148.69	179.59
Considered doubtful	357.36	357.36
Less: Provision for doubtful advances	357.36	357.36
	148.69	179.59
Advance to employees	4.07	7.68
Service Income Receivable	21.53	17.26
Prepaid Expenses	32.66	35.38
Prepaid Gratuity	9.44	14.03
Balances with Government Authorities (Refer Note (i) below)	968.62	476.96
Other Current Assets		
Considered good	115.83	289.34
Considered doubtful	2.43	-
Less: Provision	2.43	-
	1,300.84	1,020.24
Total	1,311.20	1,031.69

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

Allowance for doubtful deposits

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 :

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	357.36	357.36
Add: Allowance for the year	-	-
Less: Written off doubtful advances (net of recovery)	-	-
Balance at the end of the year	357.36	357.36

Note 9: Inventories (At lower of cost and net realisable value)

₹ in Lakh

Particulars	As at	
	March 31, 2019	March 31, 2018
Raw Materials and Packing Materials	258.86	232.79
Stores and Spares	8.87	10.58
Work-in-Progress	422.73	349.29
Finished Goods	130.47	198.26
Stock in Trade	663.80	593.80
Stock in Trade in Transit	13.76	54.72
Total	1,498.49	1,439.44

Note 10: Current Tax Assets (Net)

₹ in Lakh

Particulars	As at	
	March 31, 2019	March 31, 2018
Tax paid in Advance (Net of Provision)	1,366.04	972.11
Total	1,366.04	972.11

Note 11: Equity Share Capital

₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	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

₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	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 Financial Statements for the year ended March 31, 2019**11.3. Number of Shares held by each shareholder holding more than 5% Shares in the company** ₹ in Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Vuniyog 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, 2019:

Nil

Note 12: Other Equity

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
12.1 Reserves & Surplus		
Capital Reserve on Consolidation		
Balance as per last financial statements	0.12	-
Add : Addition during the year	-	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
Add: Transfer from Capital Reserve	-	-
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	(11,705.49)	(11,844.86)
Add: Adjustment on Consolidation	-	24.32
Add: Profit/(Loss) for the year	424.92	127.71
Add: OCI for the year	(29.23)	(12.66)
Balance at the end of the year	(11,309.80)	(11,705.49)
Total reserves & surplus	(4,615.23)	(5,010.92)
12.2 Other comprehensive income		
Equity Instruments through OCI(Net of tax)		
Balance as per last financial statements	(0.67)	4.27
Add: Gain/(Loss) during the year	14.87	(4.94)
Balance at the end of the year	14.20	(0.67)
Total Other comprehensive income	14.20	(0.67)
Total Other equity	(4,601.03)	(5,011.59)

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.

Notes to the Financial Statements for the year ended March 31, 2019**(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 liabilities**13 (a) Borrowings**

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Long-term Borrowings (refer note 1 below)		
Non-current portion		
Secured		
Term loan from Banks	875.94	1,112.15
	875.94	1,112.15
Current maturities		
Secured		
Term loan from Banks	274.03	175.34
	274.03	175.34
Total long-term borrowings	1,149.97	1,287.49
Short-term Borrowings (refer note 2 below)		
Secured		
Working Capital Loans repayable on demand from Banks	1,071.08	1,051.74
From Others	26.67	111.13
Cash Credit Facilities from Banks	90.89	92.15
	1,188.64	1,255.02
Unsecured		
From Others	1,687.03	1,779.22
Total borrowings	4,025.64	4,321.73

Notes:**1. Long term borrowings****(a) Nature of Security**

- i) Loan of Rs. 320.52 Lakhs is secured by charged on fixed assets i.e. land & building, plant & machinery and hypothecation of related vehicle of the company.
- ii) Loan of Rs. 701.92 Lakhs is secured against Mortgage of Industrial Land Rs No 604 to 607 at Ranoli of Ambalal Sarabhai Enterprises Ltd (Ultimate Holding Company).
- iii) Term Loan from banks of Rs 127.53 lakhs Secured against mortgage of Office Premises at Supath II Complex and further secured by corporate guarantee of Ambalal Sarabhai Enterprises Limited.

(b) Rate of Interest

- i) Secured Loans from Others carry interest rate of 17% per annum, payable on demand.
- ii) Term Loans from bank carry interest rate of 9.40% to 13% per annum.

Notes to the Financial Statements for the year ended March 31, 2019**2. Short term borrowings****(a) Nature of Security**

- I. Cash Credit and Other Facilities from Bank
- i) Bank Loan secured against Hypothecation of Stock, Book Debts and Collateral Security given by ASE Ltd., the Ultimate Holding Company
- ii) Hypothecation of all tangible movable assets including all stocks of Raw Materials, Stores, Packing Materials, Finished Goods and Book Debts.
- II. Working Capital Loans
 - Working Capital loans are secured by hypothecation on Company's Current Assets like Inventories and Receivables.

(b) Rate of Interest

- i) Working Capital Loans from Banks carry interest rate of 10.00% per annum.
- ii) Unsecured Loans from Others carry interest rate of 12% - 21% per annum.
- iii) Cash credit facilities from bank carry Rate of interest 10.20% per annum.
- iv) 3.20% over BOIBR, Presently 12% per annum with monthly rest.

13 (b) Trade payable

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Other trade payables (refer note below)	4,683.00	3,975.65
Total	4,683.00	3,975.65

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.

13 (c) Other Financial Liabilities

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Current maturity of long term borrowings	274.03	175.34
Interest accrued and due	636.14	622.37
Payable in respect of Capital Goods	133.49	67.21
Payable to Employees	830.83	1,060.03
Due to Directors	10.60	23.99
Security Deposits	356.40	286.09
Total	2,241.49	2,235.03

Notes to the Financial Statements for the year ended March 31, 2019

Note 14: Provisions

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Long-term		
Provision for employee benefits (Refer Note 31)		
Provision for Gratuity	309.65	360.7
Provision for Leave Encashment	69.96	77.63
	379.61	438.33
Short-term		
Provision for employee benefits (Refer Note 31)		
Provision for Gratuity	181.95	187.78
Provision for leave encashment	192.58	184.33
	374.53	372.11
Total	754.14	810.44

Note 15: Other current Liabilities

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Advance from customers	303.23	62.55
Advance against Sale of Property	2,456.66	1,422.60
Statutory dues	2,616.00	2,813.32
Other Liabilities	1,512.03	1,509.85
Total	6,887.92	5,808.32

Note 16: Current Tax Liabilities

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax (net of Advance)	69.47	118.71
Total	69.47	118.71

Notes to the Financial Statements for the year ended March 31, 2019**Note 17: Revenue from Operations (Refer note (i) below)**

₹ in Lakh

Particulars	2018-19	2017-18
Sale of Products	14,743.45	12,112.84
Sale of Services	333.74	358.73
Other Operating Income		
Export Incentives	103.09	66.36
Service Income	7.50	23.75
	110.59	90.11
Total	15,187.78	12,561.68

Note : (i) Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year till June 30, 2017 and previous year includes excise duty amounting to Rs. 45.02 Lakhs and Rs. 62.97 Lakhs respectively, which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year.

Disaggregation of Revenue from contracts with customers**Revenue based on Geography**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Domestic	10,671.64	9,724.41
Export	4,516.14	2,837.00
Revenue from Operations	15,187.78	12,561.68

Revenue based on business segment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Pharmaceuticals	7,610.95	5,539.68
Electronics	7,576.83	7,022.00
Revenue from Operations	15,187.78	12,561.68

Reconciliation of revenue from operation with contract price

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contract with customers as per the contract price	15,364.37	12,649.74
Adjustment made to contract price on account of:		
a) Sales returns	176.59	88.06
Revenue from Operations	15,187.78	12,561.68

Notes to the Financial Statements for the year ended March 31, 2019**Note 18: Other Income**

₹ in Lakh

Particulars	2018-2019	2017-2018
Interest Income	174.32	285.65
Dividend Income	1.22	1.03
Provision no longer required (net)	1.15	7.18
Rental Income	65.08	-
Miscellaneous Income	39.06	50.66
Gain on remeasurement of Gold coin at fair value	0.10	0.17
Loan Waiver income	-	536.00
Prior period income	0.10	12.89
Sundry credit balances appropriated	35.39	18.68
Profit on sales of Property, Plant & Equipment(net)	0.05	1,448.49
Scrap Sales	230.73	143.04
Total	547.20	2,503.79

Note 19: Cost of raw materials and components consumed

₹ in Lakh

Particulars	2018-2019	2017-2018
Stock at the beginning of the year	232.79	280.23
Purchases	1,018.00	873.44
	1,250.79	1,153.67
Less: Stock at the end of the year	258.86	232.79
Total	991.93	920.88

Note 20: Changes in Inventory of Work-in-progress

₹ in Lakh

Particulars	2018-2019	2017-2018
(Increase) in stocks		
Stock at the end 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
Stock at the beginning of the year		
Finished Goods	198.26	127.12
Stock-in-trade	593.80	518.08
Work-in-Progress	349.29	391.31
	1,141.35	1,036.51
Excise duty in value of Stock (decrease)	-	(8.22)
Total	(75.65)	(113.06)

Notes to the Financial Statements for the year ended March 31, 2019**Note 21: Employee Benefits Expense**

₹ in Lakh

Particulars	2018-2019	2017-2018
Salaries and Wages (Refer Note 31)	2,227.25	2,414.96
Contribution to Provident Fund and Other Funds (Refer Note 31A)	139.17	146.24
Staff Welfare Expenses	90.81	105.43
Directors' Remuneration	144.48	132.04
Directors' Commission	8.08	6.76
Total	2,609.79	2,805.43

Note 22: Finance Costs

₹ in Lakh

Particulars	2018-2019	2017-2018
Interest expense - Loans	117.06	148.44
Interest expense - Others	120.52	132.31
Interest expense - Working Capital	84.13	48.49
Other finance cost	2.83	6.66
Total	324.54	335.90

Note 23: Depreciation and amortization expense

₹ in Lakh

Particulars	2018-2019	2017-2018
Depreciation on Tangible Assets (Refer Note 5)	203.63	193.28
Amortisation on Intangible Assets (Refer Note 6)	6.20	18.91
Total	209.83	212.19

Note 24: Other Expenses

₹ in Lakh

Particulars	2018-2019	2017-2018
Power and fuel	321.52	284.00
Stores consumed	50.12	46.59
Insurance	16.22	15.90
Factory Overhead	335.77	343.08
Rent (Refer Note 30)	125.39	111.06
Rates and taxes	83.39	301.61
Repairs:		
To Buildings	47.62	53.33
To Machineries	38.33	39.66
To others	17.61	22.04
Excise duty expense	-	61.22
Directors' Fees	1.30	2.14
Legal Charges	322.79	321.61
Conveyance & Travelling expense	386.76	385.78
Postage	5.21	5.34
Service Charges	43.64	42.95
Penalties	20.11	1,018.15
Auditor's remuneration	3.50	13.93
Miscellaneous Expenses	234.77	249.91

Notes to the Financial Statements for the year ended March 31, 2019**Note 24: Other Expenses (Contd.)**

ETP Expenses	11.91	10.07
Printing, stationery & xerox Expense	27.25	9.39
Commission on Sales	80.70	43.77
Commission, Brokerage & discount	161.46	40.76
Freight, insurance & clearing charge	24.92	18.70
Donation	2.01	-
Selling & Distribution Expense	499.84	363.57
Installation & Integration Expense	16.97	12.99
Bad debt written off	43.80	16.13
Bank charges	4.39	4.76
Communication Expense	34.77	40.07
Exchange difference (net)	37.62	0.79
Research & Development Expense	1.09	0.64
Designing & Art Work	1.95	1.95
Security Expense	13.98	14.45
Hire Charges-Transport Services	24.95	18.74
Total	3,041.66	3,915.08

Payment to Auditors

₹ in Lakh

Particulars	2018-19	2017-18
Audit Fee	3.50	6.00
For Other certification work	-	5.18
For reimbursement of expenses	-	2.75
Total	3.50	13.93

Note 25: Income Tax

The major component of income tax expense for the year ended March 31,2019

₹ in Lakh

Particulars	2018-2019	2017-2018
Statement of Profit and Loss		
Current Tax		
Current income tax	329.10	344.85
Short provision related to earlier years	12.01	251.67
Deferred Tax		
Deferred Tax expense/ (Credit)	55.59	72.46
Income tax expense reported in the statement of profit and loss	396.70	668.98
Statement to Other comprehensive income (OCI)		
Net (gain) on actuarial gains and losses	(10.85)	(4.69)
Net loss on FVOCI Equity Instrument	1.42	1.42
Deferred tax charged to OCI	(9.43)	(3.27)

Notes to the Financial Statements for the year ended March 31, 2019**A) Current tax**

₹ in Lakh

Particulars	2018-2019	2017-2018
Accounting profit before tax from continuing operations	821.34	796.42
Tax @ 26% (March 31, 2018: 26%)	213.55	207.07
Adjustment		
Accelerated depreciation for tax purposes	-	-
Short Provision of Income tax	12.01	251.67
Expenditure allowable on payment basis	-	-
Other Adjustments	161.71	206.97
At the effective income tax rate of 84.00% (March 31, 2018 : 84%)	387.27	665.71

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

B) Deferred tax

₹ in Lakh

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accelerated depreciation for tax purposes	(262.78)	(262.84)	0.06	60.86
Expenditure allowable on payment basis	377.65	360.08	17.57	(66.26)
Unused losses of earlier years	268.55	330.92	(62.37)	(62.37)
Impact of Fair Valuation of equity instruments	(17.98)	(16.56)	(1.42)	(1.42)
Deferred tax (expense)/income			(46.16)	(69.19)
Net deferred tax Assets/(Liabilities)	365.44	411.60		
Reflected in the balance sheet as follows				
Deferred tax Assets	646.20	691.00		
Deferred tax liabilities	(280.76)	(279.40)		
Deferred tax Assets/(Liabilities) (net)	365.44	411.60		
Reconciliation of deferred tax assets / (liabilities), net	March 31, 2019	March 31, 2018		
Opening balance as of April 1	411.60	480.79		
Tax income/(expense) during the period recognised in profit or loss	(55.59)	(72.46)		
Tax income/(expense) during the period recognised in OCI	9.43	3.27		
Closing balance as at March 31	365.44	411.60		

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.

Notes to the Financial Statements for the year ended March 31, 2019**Note 26: Earning Per Share (EPS)**

Particulars	2018-2019	2017-2018
Profit/(Loss) attributable to ordinary equity holders	424.64	127.44
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.)	0.55	0.17
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 27 : Contingent liabilities

₹ in Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	2,455.90	2,637.90
b. Claims against Company 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 Company	418.66	382.46
e. Disputed demands in respect of:		
Excise/Customs duty	135.16	135.16
Sales tax	269.33	269.13
Income tax	2,367.10	2,348.28
Employees' State Insurance Corporation	136.80	153.39
Provident Fund	435.57	-
f. Performance Gurantee	-	3.61

Notes :

- Future cash outflows in respect of (e) above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.
- 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 the notice is received on behalf of 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 in the matter at various legal forum.
- Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation / reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

Notes to the Financial Statements for the year ended March 31, 2019**Note 28: Capital commitment and other commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	58.49	889.25
Other commitments	-	-

Note 29 : Foreign Exchange Derivatives and Exposures not hedged

₹ in Lakh

Nature of exposure	Currency	As at March 31, 2019		As at March 31, 2018	
		In FC	Rs. In Lakhs	In FC	Rs. In Lakhs
Receivables	USD	13,03,469	889.62	9,01,363	583.27
	EUR	2,00,926	153.41	1,500	1.21
Payable towards borrowings	USD	64,350	44.51	-	-
Payable to creditors	USD	5,98,525	408.49	3,54,529	229.42

Note 30: Lease Rent**Operating Lease**

The Company has taken various residential and office premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 5 years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 24.

₹ in Lakh

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Not Later than one year	60.36	60.37
Later than one year and not later than five year	165.49	218.81
Later than five years	460.44	19.00
Future Minimum lease rental under non-cancellable operating leases	700.41	298.18
Lease Payment recognised in Statement of Profit and Loss	125.39	111.06

Note 31 : Disclosure pursuant to Employee benefits**A. Defined contribution plans:**

Amount of Rs. 123.16 Lakhs (March 31, 2018: Rs. 147.00 Lakhs) is recognised as expenses and included in Note No.21 "Employee benefit expense"

₹ in Lakh

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Provident Fund	63.67	65.15
Pension Fund	50.48	55.91
Superannuation Fund	9.01	25.94
Total	123.16	147.00

Notes to the Financial Statements for the year ended March 31, 2019

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.

₹ in Lakh

	Gratuity cost charged to statement of profit and loss							Remeasurement gains/(losses) in other comprehensive income				
	April 1, 2018	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 demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2019
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
March 31, 2018 : Changes in defined benefit obligation and plan assets												
Defined benefit obligation	874.64	29.01	61.37	90.38	(170.83)	(2.56)	-	(2.83)	25.56	18.46	-	812.65
Fair value of plan assets	(250.81)	-	(18.54)	(18.54)	100.45	(1.11)	-	-	-	(1.11)	(108.19)	(278.20)
Benefit liability	623.83	29.01	42.83	71.84	(70.38)	(3.67)	-	(2.83)	25.56	17.35	(108.19)	534.45

Notes to the Financial Statements for the year ended March 31, 2019

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, 2019 (%) of total plan assets	Year ended March 31, 2018 (%) of total plan assets
Insurance Fund	99.17%	99.70%
Others (including bank balances)	0.83%	0.30%
(%) 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, 2019	Year ended March 31, 2018
Discount rate	0.08	0.08
Future salary increase	0.04	0.04
Expected rate of return on plan assets	0.08	0.08
Attrition rate	0.02	0.02
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below:

₹ in Lakh

increase / (decrease) in defined benefit obligation (Impact)

Particulars	Sensitivity level	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	1% increase	(5.25)	(6.51)
	1% decrease	4.68	6.85
Salary increase	1% increase	4.78	6.99
	1% decrease	(5.44)	(6.77)
Attrition rate	1% increase	0.67	0.64
	1% decrease	(1.40)	(0.66)

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	238.25	263.56
2 to 5 years	420.08	442.44
Beyond 5 years	234.67	244.51
Total expected payments	893.00	950.51

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Years	Years
Gratuity	3	3

Notes to the Financial Statements for the year ended March 31, 2019**C. Other Long term employee benefit plans**

Leave encashment

Amount of Rs. 69.69 Lakhs (March 31, 2018: Rs. 65.74 Lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

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 Limited

Associate

- 1 Haryana Containers Limited

Key Management Personnel

- | | | |
|---|--------------------------|---------------------|
| 1 | Mr. Kartikeya V Sarabhai | Chairman |
| 2 | Mr. A. H. Parekh | Whole Time Director |
| 3 | Ms. Chaula Shastri | Whole Time Director |
| 4 | Mr. K. Mohandas | 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 :

₹ in Lakh

Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Goods		
Vovantis Laboratories Private Limited	109.63	316.07
Sale of Product		
Vovantis Laboratories Private Limited	0.85	-
Intercompany Deposit Given		
Vovantis Laboratories Private Limited	-	2.00
Haryana Containers Limited	13.20	-
Intercompany Deposit Received		
Vovantis Laboratories Private Limited	-	2.00
Haryana Containers Limited	-	13.20
Rent Income		
Vovantis Laboratories Private Limited	11.06	2.54
Rendering of services		
Vovantis Laboratories Private Limited	36.61	24.21
Investment		
Cosara Diagnostics Private Limited	196.84	38.85
Advances Given		
Cosara Diagnostics Private Limited	82.09	-
Remuneration		
Mr. Kartikeya V Sarabhai	35.79	23.83
Mr. A. H. Parekh	22.11	24.00
Ms. Chaula Shastri	21.43	18.34
Mr. K Mohandas	46.47	45.99

Notes to the Financial Statements for the year ended March 31, 2019**c. Transactions and Balances :**

₹ in Lakh

Particulars	Joint Venture		Associate		Key Management Personnel (KMP)	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Transactions						
Purchase of Goods/Services	109.63	316.07	-	-	-	-
Sale of Product	0.85	-	-	-	-	-
Intercompany Deposit given	-	2.00	13.20	-	-	-
Intercompany Deposit received	-	2.00	-	13.20	-	-
Rent income	11.06	2.54	-	-	-	-
Rendering of services	36.61	24.21	-	-	-	-
Remuneration to KMP	-	-	-	-	125.80	112.16
Loans given	82.09	-	-	-	-	-
Investment	196.84	38.85	-	-	-	-

Particulars	Joint Venture		Associate		Key Management Personnel (KMP)	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Balances as at year end						
Receivable in respect of Current assets	518.25	123.46	-	767.65	-	-
Payable in respect of Current Liabilities	-	247.92	-	13.20	2,241.49	2,235.03

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel (excluding expense of post-employment medical benefits.)

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 and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

e. Transactions with key management personnel

Compensation of key management personnel of the Company

₹ in Lakh

Particulars	2018-2019	2017-2018
Short-term employee benefits	116.67	105.35
Post employment benefits	5.57	4.20
Other long-term employment benefits	3.56	2.61
Total compensation paid to key management personnel	125.80	112.16

Notes to the Financial Statements for the year ended March 31, 2019**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, 2019 and March 31, 2018 is as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
₹ in Lakh		
Segment Revenue		
a) Pharmceuticals	7,610.95	5,539.68
b) Electronics	<u>7,576.83</u>	<u>7,022.00</u>
Total Sales	15,187.78	12,561.68
Less :Inter Segment Revenue	-	-
Net Sales	15,187.78	12,561.68
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmceuticals	136.22	247.20
b) Electronics	<u>1,009.66</u>	<u>885.12</u>
Total Segment Results	1,145.88	1,132.32
Less : Interest & Finance Cost	<u>324.54</u>	<u>335.90</u>
Profit from Ordinary Activities	821.34	796.42
Extra Ordinary Items (Net)	-	-
Profit before Tax	821.34	796.42
Other Information		
Segment Assets		
a) Pharmceuticals	16,989.22	15,874.94
b) Electronics	<u>4,740.89</u>	<u>4,150.44</u>
Total Assets	21,730.11	20,025.38
Segment Liabilities		
a) Pharmceuticals	13,559.13	11,968.64
b) Electronics	<u>1,288.18</u>	<u>1,258.91</u>
Total Liabilities	14,847.31	13,227.55
Segment Depreciation/Impairment		
a) Pharmceuticals	179.25	177.25
b) Electronics	<u>30.58</u>	<u>34.94</u>
Total Depreciation/Impairment	209.83	212.19
Capital Expenditure (Refer note (a))		
a) Pharmceuticals	1,149.93	1,112.38
b) Electronics	<u>12.37</u>	<u>46.17</u>
Total Capital Expenditure	1,162.30	1,158.55
Non cash expenses other than Depreciation		
a) Pharmceuticals	22.65	0.17
b) Electronics	<u>21.15</u>	<u>15.96</u>
Total Non cash expenses other than Depreciation	43.80	16.13

Note (a): Capital expenditure consists of additions of property, plant and equipment, intangible assets and capital work-in-progress

Notes to the Financial Statements for the year ended March 31, 2019**(B) Summary of Segment Revenue and Segment Assets**

Particulars	₹ in Lakh	
	Year ended March 31, 2019	Year ended March 31, 2018
Segment Revenue*		
(a) In India	10,671.64	9,724.41
(b) Rest of the world	4,516.14	2,837.27
Total	15,187.78	12,561.68
Carrying Cost of Assets by Location of assets@		
(a) In India	20,687.09	19,440.90
(b) Rest of the world	1,043.02	584.48
Total	21,730.11	20,025.38
Carrying Cost of Segment Non Current Assets#		
(a) In India	8,181.27	7,296.17
(b) Rest of the world	-	-
Total	8,181.27	7,296.17

* 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:

Particulars	Carrying amount		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Investments measured at fair value through OCI	115.61	99.32	115.61	99.32
Total	115.61	99.32	115.61	99.32
Financial liabilities				
Borrowings	4270.23	4321.73	4270.23	4321.73
Total	4270.23	4321.73	4270.23	4321.73

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 Financial Statements for the year ended March 31, 2019**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, 2019 and March 31, 2018**

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2019					
Assets measured at fair value					
Fair value through Other Comprehensive Income					
Investment in Equity shares, unquoted	March 31, 2019	115.61	-	-	115.61
As at March 31, 2018					
Assets measured at fair value					
Fair value through Other Comprehensive Income					
Investment in Equity shares, unquoted	March 31, 2018	99.32	-	-	99.32

**Quantitative disclosures fair value measurement hierarchy for financial liabilities
as at March 31, 2019 and March 31, 2018**

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2019					
Liabilities disclosed at fair value					
Borrowings	March 31, 2019	4,270.23	-	2,556.53	1,713.70
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	March 31, 2018	4,321.73	-	2,431.38	1,890.35

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 36 : 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.

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, 2019	March 31, 2018
Increase in 50 basis points	21.35	21.61
Decrease in 50 basis points	(21.35)	(21.61)

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 Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

₹ in Lakh

Particulars	Change in USD rate	Effect on profit before tax	
		Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	+2%	8.73	8.73
	-2%	(8.73)	(8.73)
March 31, 2018	+2%	7.08	7.08
	-2%	(7.08)	(7.08)

Particulars	Change in USD rate	Effect on profit before tax	
		Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	+2%	3.07	3.07
	-2%	(3.07)	(3.07)

Notes to the Financial Statements for the year ended March 31, 2019**(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, 2019 and March 31, 2018.

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

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

₹ in Lakh

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, 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	1,993.19	248.30	-	-	-
	4,128.31	2,782.67	3,216.18	648.26	419.29
As at March 31, 2018					
Interest bearing borrowings	3,034.24	71.33	204.10	665.43	346.63
Trade payables	-	1,839.72	2,135.93	-	-
Other financial liabilities	1,971.22	263.81	-	-	-
	5,005.46	2,174.86	2,340.03	665.43	346.63

Notes to the Financial Statements for the year ended March 31, 2019**Note 37 : 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.

₹ in Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings (Note 13 a)	4,270.23	4,321.73
Less: cash and cash equivalent (including other bank balance) (Note 7 d & 7 e)	2,326.23	2,207.25
Net debt	1,944.00	2,114.48
Equity share capital (Note 11)	7,663.33	7,663.33
Other equity (Note 12)	(4,615.23)	(5,010.92)
Total capital	3,048.10	2,652.41
Capital and net debt	4,992.10	4,766.89
Gearing ratio	38.94%	44.36%

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 Financial Statements for the year ended March 31, 2019

Note 38: Financial Instruments by category
(i) Financial assets by category

Particulars	As at March 31, 2019				As at March 31, 2018			
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Total
Investments	99.34	19.25	817.07	935.66	92.26	10.04	434.67	536.97
Trade Receivables	-	-	3,468.76	3,468.76	-	-	3,413.17	3,413.17
Loans	-	-	83.24	83.24	-	-	89.47	89.47
Cash and cash equivalents	-	-	1,699.50	1,699.50	-	-	1,350.72	1,350.72
Other bank balances	-	-	626.73	626.73	-	-	856.53	856.53
Other financial assets	-	-	1,923.38	1,923.38	-	-	2,359.56	2,359.56
Total Financial assets	99.34	19.25	8,618.68	5,268.51	92.26	10.04	8,504.12	5,193.25

(ii) Financial liabilities by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	4,270.23	4,270.23	-	4,321.73	4,321.73
Trade payable	-	4,683.00	4,683.00	-	3,975.65	3,975.65
Other Financial Liabilities	-	2,241.49	2,241.49	-	2,235.03	2,235.03
Total Financial liabilities	-	11,194.72	11,194.72	-	10,532.41	10,532.41

For Financial instruments risk management objectives and policies, refer Note 36.

Notes to the Financial Statements

Note 40 : 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).

₹ in Lakh

Sr. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest	
				As at March 31, 2019	As at March 31, 2018
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	98.99%	98.99%
8	Asence Pharma Private Limited	India	Pharmaceuticals	99.98%	99.98%
9	Haryana Containers Limited	India	Pharmaceuticals	-	100%
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	49.87%	49.87%

(2) Material - party owned subsidiaries

INDAS 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 interests that are material to the Group.

3. Group's share in Contingent Liability of Joint Ventures

₹ in Lakh

Particulars	As at	As at
	31 March, 2019	31 March, 2018
1 Contingent liability in respect of guarantee given by bank	-	-
2 Disputed demand in respect of :		
Income Tax	-	-
Indirect taxes	-	-
3 Claims against the companies not acknowledged as debts	-	-
4 Capital commitments		
Estimated amount of contracts remaining to be executed on capital account	-	-

Notes to the Financial Statements

Note 42 : Disclosures Mandated by Schedule III of Companies Act 2013

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 Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees
Parent :								
Ambalal Sarabhai Enterprises Limited	(89%)	(2,726.90)	(117%)	(497.50)	(8%)	1.19	(121%)	(496.31)
Subsidiaries :								
Systronics (I) Limited	110%	3,359.39	179%	759.65	65%	(9.32)	183%	750.33
Symbiotics Limited	33%	1,015.63	(214%)	(906.72)	(15%)	2.19	(220%)	(904.53)
Asence Pharma Private Limited	69%	2,125.76	330%	1,401.75	52%	(7.49)	340%	1,394.26
Sarabhai Chemicals (I) Pvt Ltd	(12%)	(357.31)	(62%)	(262.77)	(3%)	0.43	(64%)	(262.34)
Suvik Hitek Private Limited	(12%)	(357.75)	(8%)	(33.50)	9%	(1.36)	(8%)	(34.86)
Sarabhai M Chemicals Limited	0%	1.36	(1%)	(5.69)	0%	-	(1%)	(5.69)
Swetsri Investment Private Limited	(1%)	(44.23)	(2%)	(9.58)	0%	-	(2%)	(9.58)
Asence Inc	2%	46.93	(5%)	(20.72)	0%	-	(5%)	(20.72)
Sub Total	100%	3,062.88	100%	424.92	100%	(14.36)	100%	410.56
Inter Company Eliminations and Consolidations Adjustment	-	-	-	-	-	-	-	-
Total	100%	3,062.88	100%	424.92	100%	(14.36)	100%	410.56
Non Controlling Interest in Subsidiaries	(0%)	(0.58)	(0%)	(0.28)	-	-	(0%)	(0.28)
Grand Total	100%	3,062.30	100%	424.64	100%	(14.36)	100%	410.28

Notes to the Financial Statements**Note 42 : Disclosures Mandated by Schedule III of Companies Act 2013**

Name of the Entities	2017-18							
	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	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees
Parent :								
Ambalal Sarabhai Enterprises Limited	(47%)	(1,240.35)	(311%)	(396.15)	75%	(13.19)	(373%)	(409.34)
Subsidiaries :								
Systronics (I) Limited	103%	2,730.30	512%	652.56	42%	(7.38)	587%	645.18
Synbiotics Limited	41%	1,074.19	(780%)	(993.82)	(31%)	5.46	(900%)	(988.36)
Asence Pharma Private Limited	22%	587.81	884%	1,126.17	9%	(1.57)	1024%	1,124.60
Sarabhai Chemicals (I) Pvt Ltd	(8%)	(221.02)	(168%)	(213.79)	4%	(0.74)	(195%)	(214.53)
Suvik Hitek Private Limited	(12%)	(324.95)	(22%)	(28.23)	1%	(0.18)	(26%)	(28.41)
Sarabhai M Chemicals Limited	0%	3.64	(0%)	(0.59)	0%	-	(1%)	(0.59)
Swetsri Investment Private Limited	(1%)	(26.86)	57%	73.24	0%	-	67%	73.24
Asence Inc	3%	68.98	(72%)	(91.68)	0%	-	(83%)	(91.68)
Sub Total	100%	2,651.74	100%	127.71	100%	(17.60)	100%	110.11
Inter Company Eliminations and Consolidations Adjustment	-	-	-	-	-	-	-	-
Total	100%	2,651.74	100%	127.71	100%	(17.60)	100%	110.11
Non Controlling Interest in Subsidiaries	(0%)	(0.30)	(0%)	(0.27)	-	-	(0%)	(0.27)
Grand Total	100%	2,651.44	100%	127.44	100%	(17.60)	100%	109.84

Notes to the Financial Statements for the year ended March 31, 2019**Note 41: Standards issued but not yet effective****Ind AS 116 - Leases**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Note 42 : Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

Ambalal Sarabhai Enterprises Limited

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

CIN No. : L52100GJ1978PLC003159

PROXY FORM MGT-11

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

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

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on 29.08.2019 at 11.00 a.m. at Auditorium of Ahmedabad Textile Mills Association Ashram Road, Ahmedabad, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Annual Accounts for the year ended 31-3-2019
2	Re-appointment of Miss. Chaula Shastri, who retires by rotation

Signed this _____ day of _____ 2019

Signature of shareholder : _____

Signature of Proxy holders : _____

Affix
Rupee 1
Revenue
Stamp
here

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

Ambalal Sarabhai Enterprises Limited

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

ATTENDANCE SLIP

Annual General Meeting

to be held on

Thursday, 29th August, 2019 at 11.00 a.m.

at

Auditorium of Ahmedabad Textile Mills' Association

Ashram Road, Ahmedabad-380 009

DP Id*	
Client Id*	

No. of Shares	
Folio No.	

Name of Shareholder/Proxy Holder

Signature

*Applicable for investors holding shares in electronic form.

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



Book-Post

If undelivered please return to :
Ambalal Sarabhai Enterprises Limited
Share Department,
Shanti Sadan, Mirzapur Road,
Ahmedabad - 380 001