

ase

Ambalal Sarabhai Enterprises Limited

**36th Annual Report
2013-14**

Board of Directors

Mr. Kartikeya V. Sarabhai
Chairman

Mr. B.V. Suryakumar

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. K. Mohandas

Mr. Ashwin P. Hathi

Ms. Chaula Shastri
Whole Time Director

Mr. Chandra Shekhar Bohra

Mr. Ketan Adhvaryu
Company Secretary

Auditors

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

Registered Office :
Sarabhai Campus
Gorwa Road,
Vadodara-390 023

INDEX

Notice - - - - -	02
Directors' Report and its Annexure - - - - -	07
Auditor's Report - - - - -	15
Balance Sheet - - - - -	19
Profit and Loss Account - - - - -	20
Notes to the Accounts - - - - -	21
Cash Flow Statement - - - - -	33
Statement regarding Subsidiaries Section 212 - - - - -	34
Consolidated Financial Statements - - - - -	36

ase

Notice

Notice is hereby given that the Thirty-sixth Annual General Meeting of the Company will be held on Thursday, 25th September 2014 at 10.00 A.M. at Prof. C.C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara-390002 to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Profit and Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date, together with Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Kartikeya V. Sarabhai, who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Auditors:

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the relevant provisions and other applicable provisions, if any, of the Companies Act, 2013, M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company from the conclusion of this meeting until the conclusion of the 38th Annual General Meeting on such remuneration plus reimbursement of service tax, out of pocket expenses, traveling and other expenses, as may be mutually agreed upon between the Board of Directors and the Auditors in connection with the work of audit to be carried out by them."

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

4. RESOLVED that Mr. B V Suryakumar (DIN - 00312896) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company upto March 2019.
5. RESOLVED that Mr. Govind Das Zalani (DIN - 00308492) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act,

2013 and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company upto March 2019.

6. RESOLVED that Mr. Ashwin P. Hathi (DIN - 00326488) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company upto March 2019.
7. RESOLVED that Mr. Chandrashekhar Bohra (DIN - 00055288) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company upto March 2019.
8. To consider and if thought fit, to pass, with or without modifications, the following resolution as a special resolution:

Adoption of new set of Articles of Association :

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

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

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

Date : 14.8.2014

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 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. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22.9.2014 to 25.9.2014 (both days inclusive).
4. 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.
5. 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.
6. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer / transmission of shares in physical form. Therefore, the transferee(s) / legal heirs are requested to furnish copy of their PAN to the Registrar and Share Transfer Agents – MCS Limited.
7. The information relating to appointment / re-appointment of Directors, as required to be given pursuant to Clause 49 (IV) (E) and 49 (IV) (G) (I) of the Listing Agreement is given in Annexure A to the Explanatory Statement :
8. In accordance with MCA circular No.18/2011 dated 29-04-2011, members who desire to receive their copy of Annual report through email ,may register their email address to the Company Secretary at ketanadhvaryu@sarabhai.co.in or to our Registrar at mcsldtbaroda@yahoo.com.

Voting through electronic means: The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement (including any Statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

The instructions for e-voting are as under:

SECTION A-E-VOTING PROCESS -

Step 1 :

Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.

Step 2 :

Click on "Shareholders" to cast your vote(s) and select "Ambalal Sarabhai Enterprises Ltd." from drop down menu and click on submit

Step 3 :

Please enter User ID –

- a. For account holders in CDSL :- Your 16 digits beneficiary ID
- b. For account holders in NSDL :- Your 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.

Step 4 :

Enter the Image Verification as displayed and Click on Login

Step 5 :

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.

Step 6 :

If you are a first time user follow the steps given below:

6.1

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the 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.

*Please note- If your name in the Register of members of the Company starts with any Prefix like "Dr.", "Mr.", "Mrs.", "Shri", "Smt" etc., then please use the first two letters of the Prefix. If the second letter in your name contains any special character, then use the number 0 in its place For exact name. please refer the Address Slip.

6.2

Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format# # DOB should be entered for logging into the account. If Date of Birth is not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date (record date) i.e. 15.08.2014 in the field.

Step 7 :

After entering these details appropriately, click on "SUBMIT" tab.

Step 8 :

Members holding shares in Demat form will now reach Password Generation menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be used by the Demat holders for voting for resolution 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. If Demat account

holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

Members holding shares in physical form will then directly reach the Company selection screen.

Step 9 :

Click on the EVSN of the Company i.e. 140830024 to vote.

Step 10 :

On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.

Step 11 :

Click on the Resolution File Link if you wish to view the entire resolution details.

Step 12 :

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.

Step 13 :

Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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

- i. The e-Voting period commences on 18.09.2014 (9.00 a.m.) and ends on 20.09.2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date (record date) of 15.08.2014 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. CS Ajay Parikh & Associates, Practising Company Secretary (Membership No.: FCS 6075 CP No: 6503, C-4, Yashpal Apartment-2, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad - 380 009. has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.

- v. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. They should also upload a scanned copy of the Board Resolution / 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 vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset. x. 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 helpdesk.evoting@cdslindia.com. Contact Details

Company : Ambalal Sarabhai Enterprises Limited
Regd. Office: Sarabhai Campus, Gorwa Road, Vadodara, Gujarat, India E-mail ID: ketanadhvaryu@sarabhai.co.in
Registrar and Transfer Agent : MCS Limited E-mail ID : mcsitdbaroda@yahoo.com

e-Voting Agency : Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com
Scrutinizer : CS Ajay Parikh & Associates, Practising Company Secretary E-mail ID: ajay_ajay21@yahoo.com

Explanatory Statement

Required under section 102 of the Companies Act 2013 to accompany the Notice of the 36th Annual General Meeting.

Item 4 to 7

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. B.V SuryaKumar, Mr. G D

Zalanil, Mr. Ashwin Hathi, and Mr. ChandraShekahar Bohra, as Independent Directors of the Company at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. An Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this AGM.

Mr. B.V Surya Kumar, Mr.G D Zalanil, Mr. Ashwin Hathi , and Mr. Chandra Shekhar Bohra, Independent Directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

Mr. B.V SuryaKumar, Mr.G D Zalanil, Mr. Ashwin Hathi , and Mr. Chandra Shekhar Bohra are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from member under Section 160 of the Act proposing the candidatures of each of the directors for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith. Mr. B.V Surya Kumar, Mr. G D Zalanil, Mr. Ashwin Hathi , and Mr. Chandra Shekhar Bohra are deemed to be interested in the resolutions set out at Item no. 4 to 7 of the Notice with regard to their respective appointment.

The Board of Directors recommends the said resolution for your approval. Save and except above, none of the other Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Item No. 8

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles. The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The Board of Directors recommends the said resolution for your approval. None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

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

Date : 14.8.2014

Place : Ahmedabad

The information relating to Appointment / Reappointment of Directors, as required to be given as per Corporate Governance Code					
Name	Date of Birth	Qualifications	Experience / Expertise	Shareholding in the Company	Other Directorship in Public Limited Company
Kartikeya V. Sarabhai	27.11.1947	M.A.(Cantab) Postgraduate Studies at MIT U.S.A.	Mr. Kartikeya Sarabhai has a long association with the Sarabhai Business and with the Pharmaceutical sector. He has been a member of the Board of the Company since 1992 and was appointed Chairman in 1995. He is also involved in a number of policies initiated by the Government of India particularly in the environmental and educational fields.	12250	- Paryavaran EduTech
Mr. B.V. Suryakumar	30.5.1943	B.Com., ICWAI	At Essar Projects Limited, he was Whole-Time Director & CEO. Experience in finance and General Management. Total experience of 5 decades in different capacities.	374	1. ORG Informatics Ltd., 2. Sarabhai M Chemicals Ltd., 3. Medico Interfarm Ltd., 4. ORG Telecom Ltd.
Mr. G.D. Zalani	15.1.1927	Master of Pharmacy (M. Pharm.)	Associated with the company for last more than four decades. Expertise in Commercial aspects and liaison with Government authorities.	10	Asence Inc.
Mr. Ashwin P. Hathi	23.8.1940	B.A. LL.B. (Spc), D.L.P.	Practicing Advocate since 1964 with an experience of over 40 years. He is registered in the Gujarat Bar and has had appearances in the Supreme Court of India and various other High Courts, District Courts and Tribunals. His experience besides litigation also encompasses corporate transactional work. He specializes in industrial law, arbitration, intellectual property law and other commercial laws, He regularly represents multinationals and other companies in court litigations, arbitrations and at the same time provides opinions etc. He is extensively involved in vetting and negotiation of commercial agreements, legal due diligence reports etc.	-	-

The information relating to Appointment / Reappointment of Directors, as required to be given as per Corporate Governance Code					
Name	Date of Birth	Qualifications	Experience / Expertise	Shareholding in the Company	Other Directorship in Public Limited Company
Mr. C.S. Bohra	9.9.1972	B.Com.	Above 18 years of vast experience in Manufacturing, Marketing, Brand building and Supply Chain Management in national and international pharmaceutical industry. Expertise lies in Pharmaceutical Exports to Southeast Asian countries (ASEAN region), CIS countries and West African Countries. Associated with several WHOcGMP certified pharma formulation. Resourceful in the Indian Pharmaceutical Industry as an advisor and has been instrumental in many strategic deals among companies. Expertise will help in strengthening and stabilizing future prospects of the Company	-	1. JULIE (INDIA) LTD 2. CHIRANJILALJI FINANCE LTD

Directors' Report

To

The Shareholders,

The Directors hereby present their 36th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2014.

(Rs.lakh)

	2013-14	2012-2013
Turnover (Net)	1567	1669
Other Income	494	1883
Total Income	2061	3552
Financial Cost	912	675
Depreciation	952	1248
Loss before Extra		
Ordinary Income	(2057)	(1722)
Net Profit/(Loss) before taxation	(2057)	(1722)
Net Profit/(Loss)	(2057)	(1722)

Your Directors regret their inability to recommend payment of any dividend in view of loss during the year.

Operations:

Pharma Formulations:

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

Senaru Formulations Pvt. Ltd.,

Sarabhai Chemicals (Specialities) a Division of Senaru Formulations Pvt. Ltd., is marketing various pharmaceutical products of Oncology and Infertility and has achieved turnover of about Rs 8 crores during the year under review :

Asence Inc.

Asence Inc., A wholly-owned subsidiary of the Company, incorporated in US specializes in the supply of quality pharmaceuticals preparations (Finished Dosage Forms and Active Pharmaceutical Ingredients) to international markets. Asence Inc., through the company, pursues a multi-layered growth strategy combining internal product development, strategic alliances and collaboration with eGMP manufacturing partners, acquisitions of products and leverages of infrastructure in India and the US.

Asence Pharma Pvt.Ltd., A wholly-owned subsidiary of Asence Inc., has continued to maintain its turnover. Asence has made significant inroads into growth related projects through investment and partnerships in

group companies as well as external manufacturing sites. This has shown significant increase in sales and relatively high impact on profitability. Asence is expected to grow well even in the current year and is planning to sustain its growth. Asence is making full efforts to boost up the international activities as well as domestic sales and endeavor to improve the performance of our various current and new products.

Vovantis Laboratories Pvt. Ltd., (VLPL)

During the year, the Company has observed major changes in the operations due to change in the share holding of the Company. Your company now holds 1/3rd shares of total paidup capital of this company. However, before such change, Company faced continuous shortage of working capital in the first five months of the current financial year due to hold of orders from its major customer. But in the remaining period of the year the Company could arranged supply of its know how documents relating to Products developed in last three years as well as many new products in form of Effervescent Tablets and powder packed in sachet. These products are very well accepted by many customer Companies and therefore the Company could set up domestic / foreign marketing arrangements with these Companies for new products. As a result of these effective arrangements the Company has performed very well in second half of the year. Furthermore, the Company has also installed tube and sachet packing facilities which has helped the Company to compete with international brands. The Company has also initiated some modification to the existing facility to the extent necessary for compliance to achieve approval from International health regulation bodies such as MHRA. This will help Company to have European and other Markets for its products.

Bulk Drugs:

The sales turnover of **Synbiotics Limited**, a wholly-owned subsidiary of the Company has decreased by about 8% as compared to previous year due to reduction in off take by the overseas parties.

Synbiotics has successfully passed the audit inspection from various international and domestic Companies. However, due to delay in necessary procedural clearances from the concerned authorities, expected sizeable amount of orders were delayed by about 6 months time.

During the year under review, Company's sales for Parental market has increased and Synbiotics has also developed Lyophilized grade of Amphotericin for which there is a good market. Synbiotics is also exploring possibilities to bring new products in line with existing products for the turnaround of Synbiotics. With all

these developments Synbiotics is confident to reach a sales turnover of about Rs.11 crores in financial year 2014-15.

Synbiotics has made an application to GPCB to increase Discharge Permission of Effluent considering increased production activity.

Synbiotics's manufacturing facilities have got recognition from overseas authorities and also received approval from PMDA (Japan), WHO-GMP, EU, and USFDA. Synbiotics continuously strives to improve its efficiency in the production process and this should improve Synbiotics's future.

Electronics :

During the year under report, the turnover of Systronics (India) Limited, a wholly owned subsidiary of the Company has increased by 9.55%. Systronics is expecting to continue to make such progress even in the forthcoming years.

Corporate Governance:

Pursuant to clause 49 of the Listing Agreement with the BSE Ltd, 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:

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of Subsidiary companies is appended to the balance sheet. The report and the accounts of the Company may be treated as abridged accounts as contemplated under Section 219 of the Companies Act, 1956. Those shareholders, who are desirous of receiving full reports and accounts including the report and the accounts of the Subsidiaries of the Company, will be provided the same on receipt of written request / requisition in this regard. This will help to save considerable cost in connection with printing and mailing of the report and accounts in respect of the various subsidiaries of the company.

The shareholders who desire to get their Annual Reports through email may register their email address with the Company or its STA.

Consolidated Financial Statement:

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

Directorate:

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Mr. Kartikeya V. Sarabhai, retires by rotation and being eligible offers himself for re-appointment.

Pursuant to provisions of the Companies Act 2013, the Independent Directors of the Company Viz B.V. Suryakumar, G.D. Zalani, Ashwin Hathi and Chandrashekhar Bohra are proposed to be reappointed for a fixed term of five years.

Fixed Deposits:

The Company has not accepted any fixed deposit during the year.

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 by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure to this Report in the prescribed format.

Particulars of Employees:

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees Rules 1975) is not given since there was no employee drawing remuneration as prescribed under the said Section.

Directors' Responsibility Statement.

We hereby state:

- (I) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (li) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at 31st March, 2014 and its loss for the year ended on that date.
- (lii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (Iv) That the Directors have prepared the annual accounts on a going concern basis.

Insurance:

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

Auditors:

M/s. Sorab S. Engineers, Chartered Accountants, Mumbai, existing Auditors of the Company, who retires in the forthcoming Annual General Meeting have already completed their two terms of five years each in the Company, hence in terms of transitional period of three years given for compliance of provisions of section 139 of the Companies Act 2013, they are proposed to be appointed up to conclusion of 38th AGM.

Acknowledgement:

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

For and on behalf of the Board

Date : 14.8.2014

Place : Ahmedabad

Kartikeya V. Sarabhai

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 31st March 2014.

(A) Conservation of Energy &**(B) Technology absorption.**

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

(C) Foreign exchange earnings and outgo:

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

ii) Total foreign exchange earned and used

	Rs. Lakh
Foreign exchange earned	--
Foreign exchange used	109.38

Management Discussions and Analysis Report**Industry structure and developments:****Overview of Indian Pharmaceutical Industry:**

India is among the top five emerging pharma markets and has grown at an estimated compound annual growth rate (CAGR) of 13 per cent during the period FY 2009–2013. The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, according to the report titled 'India Pharma 2020'.

Due to the presence of low cost manufacturing facilities, educated and skilled manpower and cheap labour force among others, the industry is set to scale new heights in the fields of production, development, manufacturing and research. Indian pharmaceutical industry ranks very high amongst all third world countries, in terms of technology, quality and the vast range of medicines that are manufactured.

A new cluster of countries is contributing to the growth of the pharma industry, resulting in a robust jump in exports of drugs. The country's pharma industry accounts for about 1.4 per cent of the global pharma industry in value terms and 10 per cent in volume terms. Both domestic and export-led demand contributed towards the robust performance of the sector.

An increase in insurance coverage, an ageing population, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favourable government initiatives are some of the important factors expected to drive the pharma industry in India. The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing.

Industry Trends:

On improved utilization of manufacturing facilities, the domestic pharmaceutical market is likely to see high revenue growth and profit margins. Pharmaceutical sales in India are expected to grow by 14.4 per cent to US\$ 27 billion in 2016 from US\$ 22.6 billion in 2012, according to a report by Deloitte called '2014 Global Life Sciences Outlook'.

The Pharma industry generally grows at about 1.6 times the Gross Domestic Product growth.

The Indian pharmaceutical industry is expected to grow at a rate of 9.5% till 2015.

Challenges:

Each industry has its own sets of advantages and disadvantages under which they have to work, the pharmaceutical industry is no exception to this. Some of the challenges the industry faces are:

- Regulatory obstacles
- Lack of proper infrastructure
- Lack of qualified professionals
- Expensive research equipments
- Lack of academic collaboration
- Underdeveloped molecular development program.
- Divide between the industry and academia

Government Initiatives

As per extant policy, FDI up to 100 per cent, under the automatic route, is permitted in the pharmaceuticals sector for Greenfield investment. Hundred per cent FDI is also permitted for investments in existing companies under the government approval route. Further, the Government of India has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

The government plans to create a special entity in partnership with private firms for a 'Brand India Pharma' campaign with the objective of improving the image of drug exporters. The special purpose vehicle (SPV) will be in operation in the next few weeks, said Mr Rajeev Kher, Commerce Secretary, Government of India.

In a move to simplify the barcode procedures for pharmaceutical companies and to ensure quality, the Government of India has decided to treat mono cartons containing medicines as primary level packaging, as per the Directorate General of Foreign Trade (DGFT).

The Ministry of Chemicals and Fertilisers has unveiled a scheme that will enable pharma units in different clusters across the country to set up common infrastructure facilities with substantial financial assistance from the government.

Pharma Export:

India's pharmaceutical exports stood at US\$ 14.84 billion in FY 2013–14. The United States (US) is the country's biggest market for pharma exports accounting for about 25 per cent, followed by the United Kingdom (UK). "India has been able to make its name as a quality supplier of affordable medicines across the globe. We are expecting around 12 per cent growth this fiscal (2014–15)," said Mr P V Appaji, Executive Director, Pharmaceutical Export Promotion Council of India (Pharmexcil).

Pharma exports from India will be more than the size of the domestic sales by FY 2015, according to a report by India Ratings & Research. The country provides generic medicines to almost 200 countries. It is responsible for about 40 per cent of the generic and over-the-counter

drugs consumed in the US. Indian generics market is expected to grow to US\$ 26.1 billion by 2016 from US\$ 11.3 billion in 2011.

Future Scenario

India Ratings and Research has revised its outlook on the pharmaceuticals sector for FY 2014–15 to positive from stable on the back of increased exports. With the support of Pharmexcil and the government in the form of Brand India Pharma project iPHEX, the sector would continue to grow and meet the healthcare requirements of the developing world. The country will also see the largest number of mergers and acquisitions (M&A) in the pharmaceutical and healthcare sector, according to consulting firm Grant Thornton.

With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth.

According to a study by FICCI –Emst & Young India will open a probable US\$ 8 billion market for MNCs selling expensive drugs by 2015.

The study also says that the domestic Pharma market is likely to reach US\$ 20 billion by 2015.

The ministry of commerce estimates that US\$ 6.31 billion will be invested in the domestic pharma sector.

Performance of your Company:

Your company operates in an area where a large market exists and other ample opportunities for growth. As per the statistics available, Indian pharmaceutical export will have potential to increase around 12% growth by the year 2014-15.

In order to sustain for future growth, the Indian companies must achieve the right product-mix. The Indian pharmaceutical industry has witnessed some regulatory and much awaited patent law changes. Due to expansion of patent law covering products into new patent system, MNCs have shown much interest to acquire skill and infrastructure for their research and manufacturing activities. The Indian companies had to make extra efforts to match with the international standards of pharmacy.

During the year 2013-14 the Indian pharmaceutical industry has significantly exported to regulated markets of US and Europe in Generic Drugs Market, wherein your company has also exported substantially its product through Asence Pharma Private Limited, a wholly owned subsidiary of the company.

Segment wise performance:

Segment wise performance has been enumerated in the Director's Report.

Internal control systems and their adequacy:

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

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

Financial performance:

Financial performance has been indicated in the Director's Report.

Human resources/Industrial relations:

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

The relations between management and workmen continue to remain cordial.

As on date of the report, total employees strength of the company is 374.

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

I. Corporate Governance Philosophy:

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

a) Composition of the Board:

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

Name of Director	Category / Designation	No. of Directorships held in other Public Ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	1	-
B.V. Suryakumar	Non-Executive/ Independent	4	1
G.D. Zalani	Non-Executive/ Independent	1	-
K. Mohandas	Non-Executive/	1	-
A.H. Parekh	Whole-Time Director & President (Formulations)	-	-
Ashwin P. Hathi	Non-Executive/ Independent	-	-
Ms. Chaula Shastri	Whole-Time Director		
Chandrashekhar S. Bohra*	Non-Executive-Independent	2	

b) Board Meetings:

The Board met 7 times on the following dates during the financial year 2013-2014 and the maximum time-gap between the two meetings did not exceed four months.

31.5.2013	13.11.2013
13.8.2013	9.12.2013
23.8.2013	13.2.2014
30.9.2013	

The Agenda papers were circulated to the Directors in advance before the meetings with sufficient information. The details of attendance of each Directors at the Board Meeting held during the financial year 2013-2014 and at the last Annual General Meeting held on 30.9.2013, together with the sitting fees paid to each Director are given below:

Name of Director	No. of Meetings held during the tenure	No. of Meetings attended	Sitting fees paid for Board Meetings & other Committee Meetings (Rs.)	Attendance at the last AGM	Date of Appointment
Kartikeya V. Sarabhai	7	7	Nil	Yes	30.07.1992
B.V. Suryakumar	7	7	21,000	-	18.05.2005
G.D. Zalani	7	4	12,000	Yes	01.04.1996
K. Mohandas	7	--	Nil	-	19.07.2005
A.H. Parekh	7	--	Nil	Yes	03.01.2006
Ashwin P. Hathi	7	3	9,000	Yes	26.06.2010
Ms. Chaula Shastri	7	--	NIL	N.A.	16.10.2012
Chandrashekhar Bohra	7	3	9,000	Yes	13.08.2013

III Committees of Directors :

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

The Board has accordingly as required under the Code of Corporate Governance, constituted following Committees:

A) Audit Committee:

The Company has complied with requirements of Clause 49(ii)(D) with regard to composition of the Audit Committee. The details of attendance of Audit

Committee Meetings held during the financial year 2013-2014 are as under:

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

The broad terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement and under the Companies Act.

B) Stake holders Relationship Committee:

The details of attendance of Stake holders Relationship Committee of Directors Meetings held during the financial year 2013-2014 are as under:

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

C) Nomination and Remuneration Committee :

The details of attendance of Nomination and Remuneration Committee of Directors Meetings held during the financial year 2013-2014 are as under:

Name of Director	Status	No. of Meeting held	No. of Meeting attended
BV Suryakumar	Member	1	1
Ashwin P. Hathi	Member	1	1

IV) Details of Terms of Contracts of Whole time Directors :

- The Contract of Mr. Kartikeya V. Sarabhai, Whole-Time Director and Chairman is for a period of 3 years w. e. f. 1.4.2012 and the terms of remuneration were approved by the shareholders at the Annual General Meeting held on 27.9.2012.

The Contract of Mr. A.H. Parekh, Whole-Time Director is for a period of 3 years w. e. f. 26.12.2011 and the terms of remuneration were approved by the shareholders at the Annual General Meeting held on 24.9.2011.

- The Contract of Ms. Chaula Shastri, Whole-Time Director is for a period of 3 years w. e. f. 16.10.2012 and the terms of remuneration were approved by the shareholders at the Annual General Meeting held on 13.11.2013.

V) General Body Meetings:

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

Year	Date	Time	Location
2010-11	33rd AGM 24th September, 2011	10.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2011-12	34th AGM 27th September, 2012	11.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2012-13	35th AGM 30th September, 2013 adjourned to 13th November 2013	11.00 / 10.00 A.M.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda

VI) 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 301 of the Companies Act, 1956 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 2014. Adequate care was taken by the Board to ensure that the potential conflict of interest did not harm the interest of the Company.
- The Company has tried to comply with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2013-14 by the Company on any matter related to Capital Markets.

4) Means of Communications:

- Quarterly/Half yearly Financial Result of the Company are being submitted to the BSE Limited and published in Loksatta (Gujarati Language) and the Business Standard (English Language).
- Management Discussion & Analysis Report is a part of this Directors' Report to the shareholders.

VII) General Shareholder Information:

- 1 Registered Office Sarabhai Campus
Gorwa Road, Vadodara-390 023
- 2 Venue, Day & Date of 36th Annual General Meeting. Prof. C.C. Mehta Auditorium,
General Education Centre,
The Maharaja Sayajirao
University of Baroda,
Vadodara-390002.
Thursday, 25th September, 2014
at 10.00 a.m.
- 3 Financial Calendar From 1st April 2013 to
31st March 2014
- 4 Book Closure dates From 22.09.2014 to
25.09.2014 (Both days inclusive)
- 5 Dividend Payment Date Not applicable
- 6 Listing on stock exchange: BSE Ltd.
Stock Code No. - 500009

transferred share certificates are dispatched to the respective shareholders.

Total shares transferred during financial year 2013-14	723161
Total Transfer Deeds received and processed during financial year 2013-14	268
Total No. of shares(s) Demated as on 31st March 2014	61743549
% of total Equity shares in Demat as on 31st March 2014	80.57%

X) Distribution of Shareholding - as on 31st March, 2014:

Category	No. of Shares	%
Promoters	23318951	30.43
FII/NRI	315644	0.42
Public Financial		
Institutions & Nationalized Banks	358912	0.47
Mutual Funds/UTI	-	-
Bodies Corporate	19666857	25.66
Indian Public	32973932	43.02
Total	76633296	100.00

VIII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2013	3.13	2.31	19622.68	18144.22
May-2013	2.9	2.31	20443.62	19450.62
June-2013	3.1	2.21	19860.19	18467.16
July-2013	2.57	1.75	20350.06	19126.82
August-2013	1.86	1.57	19569.2	17448.71
September-2013	2.03	1.65	20739.69	18166.17
October-2013	1.85	1.62	21205.44	19264.72
November-2013	2.9	1.67	21321.53	20137.67
December-2013	2.5	2.02	21483.74	20568.7
January-2014	3.2	2.33	21409.66	20343.78
February-2014	3.59	2.76	21140.51	19963.12
March-2014	3.04	2.27	22467.21	20920.98

IX) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialization form, w.e.f.. 28.8.2000, as per SEBI's directive. The Company has already appointed MCS Ltd., Vadodara as its RTA for dematerialization purposes and has also set up the requisite facilities for dematerialization of shares with National Securities Depositories Ltd. (NSDL) and Central Depository Securities (India) Ltd. (CDSL).

For physical Share Transfer, if the share transfer documents are in order, share transfers are registered upon approval by the Share Transfer Committee of Directors, the meetings of which Committee of Directors are generally held at regular intervals of about 15/20 days. Thereafter, duly

XI) Distribution of Shareholding as on 31st March, 2014 (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	159057	93.4656	11661121	15.2168
501 to 1000	7396	4.3461	5644249	7.3653
1001 to 2000	2307	1.3556	3400453	4.4373
2001 To 3000	480	.2821	1225273	1.5989
3001 To 4000	213	.1252	758137	.9893
4001 To 5000	196	.1152	926710	1.2093
5001 To 10000	260	.1528	1949769	2.5443
Over 10000	268	0.1577	51067582	66.6389
Total.....	170177	100.0000	76633294	100.0000

XII) Dematerialization of Shares:

During the year under review, 66,398 (0.09%) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : E432A01017

XIII) Plant Locations:

Village Ranoli, Dist. Vadodara.

XIV) Address for Correspondence:

Shareholders can correspond either at the office of its Share Transfer Agent viz. MCS limited, Neelam Apartment, 88 Sampatrao Colony, Alkapuri, Vadodara-390007 or at the Company's Registered

Office, situated at Sarabhai Campus, Gorwa Road, Vadodara-390 023. Office, situated at Sarabhai Campus, Gorwa Road, Vadodara-390 023.

Queries of shareholders shall be addressed to Mr. Ketan Adhvaryu, Company Secretary - Email - ketanadhvayu@sarabhai.co.in.

The Company Secretary is designated by the Company as 'Compliance Officer'.

AUDITORS' CERTIFICATE

To the Members of

Ambalal Sarabhai enterprises Limited

Vadodara

We have examined the compliance of conditions of Corporate Governance by Ambalal Sarabhai Enterprises Limited, for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement with stock exchange.

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

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

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

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

For and on behalf of

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417 W
Chartered Accountants

C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date : 14-08- 2014
Place : Ahmedabad

AUDITORS' REPORT

TO THE MEMBERS OF AMBALAL SARABHAI ENTERPRISES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AMBALAL SARABHAI ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Date : 31-05-2014
Place : Ahmedabad
Partner
Membership No. 100892

ANNEXURE TO THE AUDITORS' REPORT

Re: AMBALAL SARABHAI ENTERPRISES LIMITED

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

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets except for Furniture.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and as per the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As explained to us, 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.
- (iii) The Company has not granted/taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c),

(iii,d), (iii,e), (iii,f) and (iii,g) of paragraph 4 of the order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market price at the relevant time;

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA 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.

- (vii) The Company does not have formal internal auditors.

- (viii) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of these records with a view to determine whether they are accurate and complete.

- (vii) (a) The Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Service Tax. The extent of arrears of such outstanding statutory dues as at 31.03.2014 for a period of more than six months from the date they became payable are as under:

Particulars	Rs. in Lakh
Income Tax	12.98
Sales Tax	1347.71
ESIC	79.59
PF	273.65
Service Tax	25.44

(b) Following amounts have not been deposited as on March 31, 2014 on account of any dispute :

Nature of the Statute	Nature of the dues	Rs. in Lakh	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	18.90	1985-1986, 1989-1990, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006	Appellate Tribunal / Commissioner
Central Excise Act	Excise Duty	54.36	1985-1986, 1986-1987, 1987-1988, 1988-1989	CESTAT
		8.62	2003-2004	Jt. DGFT
Finance Act	Service Tax	70.84	2006-2007, 2007-2008, 2008-2009, 2009-2010	CESTAT
Income Tax Act	Income Tax	172.42	1978-1979, 1980-1981, 1981-1982,	High Court
		2452.51	2002-2003, 2008-2009, 2009-2010	ITAT

- (ix) Accumulated losses at the end of the financial year are more than fifty percent of Company's net worth. The Company has incurred cash losses in the financial year under report. The Company has incurred cash losses in the immediately preceding financial year.

- (x) 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, banks.

- (xi) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xii) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.

- (xiii) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause

- (xiv) of paragraph 4 of the order are not applicable.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial Institutions are not prejudicial to the interest of the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans during the year.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not prima facie, been used during the year for long-term investments.
- (xvii) During the year, the Company has not made any preferential allotment of shares to persons covered in the register maintained under section 301 of the Act.

- (xviii) According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Sorab S. Engineer & Co.
Firm Registration No. 110417 W
Chartered Accountants

C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date : 31-05-2014
Place : Ahmedabad

Balance Sheet

	Notes	As at 31.03.14 Rs. Lakh	As at 31.03.13 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(6,433.52)	(4,357.15)
Non-current liabilities			
Long Term Borrowings	3	-	-
Long Term Provisions	4	669.39	738.58
Current liabilities			
Short Term Borrowings	5	2,727.17	2,214.95
Trade Payables	6	1,457.99	1,333.37
Other Current Liabilities	7	7,415.11	6,404.19
Short Term Provisions	4	202.37	273.39
Total		13,701.84	14,270.66
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	3,405.30	3,555.05
Intangible Assets	9	1,235.70	1,252.70
Capital Work-in-progress		10.09	10.09
Non-current Investments	10	5,615.88	5,798.52
Long Term Loans and Advances	11	168.56	128.16
Other Non-current Assets	12	8.26	266.73
Current assets			
Inventories	13	20.80	183.50
Trade Receivables	14	336.37	381.92
Cash and Bank Balances	15	353.43	84.27
Short Term Loans and Advances	11	2,534.52	2,596.63
Other Current Assets	12	12.93	13.09
Total		13,701.84	14,270.66
Significant Accounting Policies and Notes to Accounts	26	-	-

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 31.05.2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31.05.2014

Place : Ahmedabad

Statement of Profit & Loss

	Notes	Year Ended 31st March, 14 Rs. Lakh	Year Ended 31st March, 13 Rs. Lakh
Revenue from operations (Gross)	16	1,628.17	1,718.73
Less : Excise Duty		60.88	49.60
Revenue from operations (Net)		1,567.29	1,669.13
Other Income	17	493.94	1,882.69
Total Revenue		2,061.23	3,551.82
Expenses:			
Cost of materials Consumed	18	278.69	201.38
Purchases of Stock in Trade	19	948.73	1,104.61
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	134.49	(56.58)
Employee benefits expense	21	998.26	1,411.56
Finance costs	22	912.03	675.40
Depreciation and amortization expense	23	152.48	1,247.57
Other expenses	24	693.34	689.48
Total Expenses		4,118.02	5,273.42
Profit/(Loss) before exceptional and extraordinary items and tax		(2,056.79)	(1,721.60)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(2,056.79)	(1,721.60)
Extraordinary Items		-	-
Profit/(Loss) before Tax		(2,056.79)	(1,721.60)
Tax expense:			
Current Tax		-	-
Profit/(Loss) for the year		(2,056.79)	(1,721.60)
Earnings per equity share			
(Face Value per Share Rs. 10/- (Previous year Rs. 10/-) 25			
Basic and Diluted		(2.68)	(2.25)

**Significant Accounting Policies
and Notes to Accounts**

26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 31.05.2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31.05.2014

Place : Ahmedabad

SHARE CAPITAL

	As at March 31, 2014 Rs. Lakh	NOTE 1 As at March 31, 2013 Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share	<u>9,500.00</u>	<u>9,500.00</u>
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share		
fully paid up	7,663.33	7,663.33
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	No. of Share	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 No. of Share	Rs. Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>	<u>7,663.33</u>

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

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

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

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at March 31, 2014 Rs. Lakh	NOTE 2 As at March 31, 2013 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	531.34	550.86
Less: Transfer to statement of Profit & Loss (Note a)	19.58	19.52
Balance at the end of the year	511.76	531.34
General Reserve		
Balance as per last financial statements	5,121.38	5,121.38
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(11,070.79)	(9,349.19)
Add: Profit / (Loss) for the year	(2,056.79)	(1,721.60)
Balance at the end of the year	(13,127.58)	(11,070.79)
Total	<u>(6,433.52)</u>	<u>(4,357.15)</u>

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
(a) Transfer from Capital Reserve to Statement of Profit and Loss represents the difference between depreciation charged on "revalued amount" on Assets and depreciation calculated on "historical cost" of assets. (Note 23)	19.58	19.52

LONG TERM BORROWINGS **NOTE 3**

	Non- Current portion		Current Maturities	
	As at March	As at March	As at March	As at March
	31, 2014	31, 2013	31, 2014	31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Secured:				
Term Loans :				
From Others	-	-	-	-
	-	-	-	-
Amount disclosed under the head "Other Current Liabilities" (Note 7)	-	-	-	-
Total	-	-	-	-

PROVISIONS **NOTE 4**

	Long Term		Short Term	
	As at March	As at March	As at March	As at March
	31, 2014	31, 2013	31, 2014	31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Provision for Gratuity	576.64	632.27	167.16	226.18
Provision for Leave				
Encashment	92.75	106.31	34.53	46.53
Provision for Wealth tax (Net of Advance tax)	-	-	0.68	0.68
Total	669.39	738.58	202.37	273.39

SHORT TERM BORROWINGS **NOTE 5**

	As at	As at
	March 31, 2014	March 31, 2013
	Rs. Lakh	Rs. Lakh
Interest bearing		
Secured:		
From Others	1,018.82	867.53
	1,018.82	867.53
Unsecured:		
From Others	1,708.35	1,347.42
	1,708.35	1,347.42
Total	2,727.17	2,214.95

Nature of Security
From Others **Rs. Lakh****Secured:**

1. Secured by Charge on one of the immoveable properties of the On demand company.	193.82
2. Secured by charge on one of the immoveable property of the company & pledge of 80,946 Equity Shares of M/s Synbiotics Ltd	825.00
Total	1018.82

TRADE PAYABLES **NOTE 6**

	As at	As at
	March 31, 2014	March 31, 2013
	Rs. Lakh	Rs. Lakh
Creditors in respect of		
Goods and Services (Note a)	1,457.99	1,333.37
Total	1,457.99	1,333.37

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

- Amount due and outstanding to suppliers as at the end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year have not been given.

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

OTHER CURRENT LIABILITIES **NOTE 7**

	As at	As at
	March 31, 2014	March 31, 2013
	Rs. Lakh	Rs. Lakh
Interest accrued and due	2.95	2.95
Statutory dues	2,195.41	1,899.90
Due to related Parties	43.04	19.04
Payable to Employees	1,711.28	1,540.53
Due to Director	18.42	13.03
Security Deposits	108.95	117.56
Others	3,335.06	2,811.18
Total	7,415.11	6,404.19

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

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As on 01.04.13	Additions	Deductions	As on 31.03.14	As on 01.04.13	for the year	Deductions	As on 31.03.14	As on 31.03.14	As on 31.03.13
Own Assets										
Freehold Land	2,195.84	-	-	2,195.84	-	-	-	-	2,195.84	2,195.84
Building	769.84	-	-	769.84	498.98	23.89	-	522.87	246.97	270.86
Plant and Machinery	4,053.55	0.33	77.63	3,976.25	2,999.65	126.23	77.63	3,048.25	928.00	1,053.90
Furniture and Fixtures	313.45	0.88	-	314.33	281.69	3.80	-	285.49	28.84	31.76
Vehicles	61.31	5.90	13.55	53.66	58.63	1.14	11.75	48.02	5.64	2.68
Library	0.10	-	-	0.10	0.09	-	-	0.09	0.01	0.01
Total	7,394.09	7.11	91.18	7,310.02	3,839.04	155.06	89.38	3,904.72	3,405.30	3,555.05
Previous Year	7,685.69	0.16	291.76	7,394.09	3,960.17	157.17	278.30	3,839.04	3,555.05	-

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

Particulars	Gross Block				Amortization / Impairment				Net Block	
	As on 01.04.13	Additions	Disposals	As on 31.03.14	As on 01.04.13	for the year	Deductions	As on 31.03.14	As on 31.03.14	As on 31.03.13
Own Assets										
Goodwill	2,277.62			2,277.62	1,100.00	-		1,100.00	1,177.62	1,177.62
Know how	85.00	-		85.00	9.92	17.00		26.92	58.08	75.08
Total	2,362.62	-	-	2,362.62	1,109.92	17.00	-	1,126.92	1,235.70	1,252.70
Previous Year	2,277.62	85.00	-	2,362.62	-	1109.92		1109.92	1,252.70	-

NON CURRENT INVESTMENTS**NOTE 10**

Particulars	Rs. in Lakh		Rs. in Lakh	
	Face Value Per Share (Rs.)	No. of Share	As at March 31, 2014	As at March 31, 2013

**I Trade Investments
(At Cost)**

Ordinary shares of each fully paid of ORG Informatics Limited (unquoted) Less: Diminution in Value of Investment (3,00,000 Ordinary Shares pledged) (4,91,935 shares sold during the year)	10	1,559,340	156.30	205.49
			(125.11)	(123.44)
			31.19	82.05

**II Other Investments
(Unquoted)**

Ordinary shares each fully paid of Co-operative Bank of Baroda Limited Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd Ordinary shares each fully paid of Manekchowk Co-op	25	1100	0.28	0.28
	1000	1	0.01	0.01

Bank Ltd	25	1204	0.30	0.30
----------	----	------	------	------

"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1 Pound	73498	36.33	36.33
---	---------	-------	-------	-------

Ordinary shares of Asence Limited (Rs.445)	US 1 \$	9	-	-
--	---------	---	---	---

Ordinary shares of each fully paid of Sardar Vallabh bhai Sahkari Bank Ltd	25	40	0.01	0.01
			36.93	36.93

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

Ordinary shares each paid of Synbiotics Limited (Rs. 100 paid up) (shares pledged)	1000	35,000	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited. (shares pledged)	1000	80,946	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd.	10	50000	5.00	5.00

Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	8.53	8.53
Non-assessable shares of Asence Inc. (India) Limited	US\$10	500	2.34	2.34
Ordinary shares fully paid of Systronics (India) Limited	10	11,985,018	1,198.50	1,198.50
Ordinary shares fully paid of Senaru Formulations Pvt. Limited (Acquired during the year)	10	700,000	70.00	-
Ordinary shares each fully paid of Suvik Hitek P Limited	100	250,000	1.00	1.00

IV In Joint**Venture Company**

Ordinary shares each fully paid of Vovantis Laboratories P Ltd (2,48,298 shares acquired during the year and 22,66,084 Shares sold during the year.)	10	4,229,258	422.93	624.71
			<u>5,547.76</u>	<u>5,679.54</u>
Total			<u>5,615.88</u>	<u>5,798.52</u>

a Aggregate amount of quoted investments	-	-
Market value of quoted investments	-	-
Aggregate amount of unquoted investments	5,615.88	5,798.52
Aggregate provision for diminution in value of investments	<u>125.11</u>	<u>123.44</u>

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	5,615.88	5,798.52
Current Investments	-	-
Total	<u>5,615.88</u>	<u>5,798.52</u>

LOANS AND ADVANCES**NOTE 11**

	Long Term		Short Term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Security Deposits	46.12	46.98	-	-
Advance tax paid (Net of Provision of Rs. 3318.98 Lakhs Previous Year Rs. 3318.98)	122.44	81.18	-	-

Loans and Advances:				
To Related Parties	-	-	-	-
Considered good	-	-	1732.22	1,724.02
			-	-
Advances recoverable in cash or in kind or for value to be received				
Considered good	-	-	794.35	834.42
Considered doubtful	-	-	362.50	383.30
Less: Provision	-	-	<u>362.50</u>	<u>383.30</u>
	-	-	-	-
Prepaid Expenses	-	-	3.69	3.22
Balances with Government Authorities	-	-	4.26	34.97
Total	<u>168.56</u>	<u>128.16</u>	<u>2,534.52</u>	<u>2,596.63</u>

OTHER ASSETS**NOTE 12**

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 15)	8.26	266.73	-	-
Interest Accrued	-	-	12.93	13.09
Total	<u>8.26</u>	<u>266.73</u>	<u>12.93</u>	<u>13.09</u>

INVENTORIES**NOTE 13**

	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	11.95	40.08
Stores and Spares	8.00	8.08
Work-in-Progress	0.85	25.88
Finished Goods	-	10.77
Stock in Trade	-	98.69
Total	<u>20.80</u>	<u>183.50</u>

a. Details of Inventory

	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh
Raw Material and Packing Material		
Antibiotics	0.56	8.89
Anti Cancer	0.36	-
Board and Paper	0.36	0.69
Chemotherapeutic Agents	-	7.22
Geletine Capsules	0.15	0.52
Sugar	-	0.01
Others	2.85	9.29
Packing Materials	7.67	13.46
Total	<u>11.95</u>	<u>40.08</u>

Work-in-Progress

Tablets & Capsules	0.85	7.73
Injections	-	18.15
Total	0.85	25.88

Finished Goods

Tablets & Capsules	-	10.77
Total	-	10.77

Stock in Trade

Tablets & Capsules	-	19.31
Injections	-	79.38
Total	-	98.69

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)	As at	NOTE 14
	March 31, 2014	March 31, 2013
	Rs. Lakh	Rs. Lakh

Outstanding for a period exceeding six months from the date they became payable	-	-
Considered good	84.00	127.43
Considered doubtful	430.44	409.64
Less: Provision for Doubtful Debts	430.44	409.64
	-	-
Others	252.37	254.49
Total	336.37	381.92

CASH AND BANK BALANCES

	NOTE 15
	Non Current
	Current
As at March 31, 2014	As at March 31, 2013
Rs. Lakh	Rs. Lakh

Cash and Cash Equivalents:

Cash on Hand	-	-	0.47	0.64
Cheques on Hand	-	-	0.52	16.00
Balances with Banks				
In Current Accounts	-	-	24.61	32.34
	-	-	25.60	48.98

Other Bank Balances:**In Deposits Accounts**

With original maturity more than 3 months but less than 12 months	-	-	58.26	25.00
With original maturity more than 12 months	0.01	2.13	-	-
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	2.00	263.00	263.00	-
Lodged with Sales Tax/Excise Department	6.25	1.60	6.57	10.29
	8.26	266.73	327.83	35.29

Amount disclosed under the head "Other Non Current Assets"

8.26	266.73	-	-
(Note 12)			
Total	-	-	353.43
			84.27

REVENUE FROM OPERATIONS

Year Ended	Year Ended
March 31, 2014	March 31, 2013
Rs. Lakh	Rs. Lakh

Sale of Products

Finished Goods and Stock-in-Trade	1,625.05	1,715.61
Less : Excise Duty	60.88	49.60
	1,564.17	1,666.01
Sale of Services	3.12	3.12
Total	1,567.29	1,669.13

a Details of Sales and Services

Year Ended	Year Ended
March 31, 2014	March 31, 2013
Rs. Lakh	Rs. Lakh

Sale of Products**(including Excise Duty)**

Tables/Capsules	682.48	692.29
Liquid	336.92	397.22
Injectable	407.43	500.03
Ointment	29.27	29.84
Powder	168.90	96.06
Others	0.05	0.17
	1,625.05	1,715.61

Sale of Services

Income on EDP Charges	3.12	3.12
	3.12	3.12
Total	1,628.17	1,718.73

OTHER INCOME

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Interest Income	173.93	204.95
Dividend Income on:		
Long Term Investments	0.04	-
Sundry Credit Balances		
Appropriated (net)	0.09	405.32
Provision no longer required (net)	30.45	1,013.26
Profit on sales of Assets (net)	63.56	44.15
Miscellaneous Income	135.75	109.28
Sale of Scrap	56.76	35.73
Royalty	33.36	6.02
Surplus on transfer of Trade Marks	-	63.98
Total	493.94	1,882.69

COST OF MATERIALS CONSUMED**NOTE 18**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Stock at the beginning of the year	40.08	74.96
Purchases	250.56	166.50
	<u>290.64</u>	<u>241.46</u>
Less: Stock at the end of the year	11.95	40.08
Total	<u>278.69</u>	<u>201.38</u>

a. RAW MATERIAL AND PACKING MATERIAL CONSUMED

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Antibiotics	52.11	19.54
Board and Paper	1.75	1.19
Chemotherapeutic Agents	134.89	89.83
Geletine Capsules	2.87	3.73
Sugar	-	1.53
Anti Cancer	15.34	21.22
Others	6.56	18.02
Packing Materials	65.17	46.32
Total	<u>278.69</u>	<u>201.38</u>

b Value of imported and indigenous materials consumed

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	134.89	89.83
	48.40%	44.61%
Indigenous	143.80	111.55
	51.60%	55.39%
Total	<u>278.69</u>	<u>201.38</u>

PURCHASE OF STOCK IN TRADE**NOTE 19**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Drug and Pharmaceuticals formulations		
1. Injectable	87.27	257.69
2. Liquid	301.67	355.10
3. Ointments	27.65	28.15
4. Powders	75.44	48.32
5. Tablets & Capsules	456.70	415.35
Total	<u>948.73</u>	<u>1,104.61</u>

CHARGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**NOTE 20**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	-	10.77
Stock-in-trade	-	98.69
Work-in-Progress	0.85	25.88
	<u>0.85</u>	<u>135.34</u>

Stock at the beginning of the year		
Finished Goods	10.77	5.62
Stock-in-trade	98.69	36.87
Work-in-Progress	25.88	36.27
	<u>135.34</u>	<u>78.76</u>
(Increase) in stocks	<u>134.49</u>	<u>(56.58)</u>

EMPLOYEE BENEFITS EXPENSE**NOTE 21**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Salaries and Wages	833.37	1,213.30
Contribution to Provident Fund and Other Funds	77.64	107.97
Staff Welfare Expenses	49.92	58.97
	<u>960.93</u>	<u>1,380.24</u>
Directors' Remuneration	37.33	31.32
Total	<u>998.26</u>	<u>1,411.56</u>

FINANCE COST**NOTE 22**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Interest		
Others	691.36	507.73
Other Borrowing Costs	220.67	167.67
Total	<u>912.03</u>	<u>675.40</u>

DEPRECIATION EXPENSE**NOTE 23**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	155.06	157.17
Less: Transfer from Capital Reserve (Note 2a)	19.58	19.52
Depreciation of Tangible Assets (Net)	135.48	137.65
Amortisation / Impairment of Intangible Assets	17.00	1,109.92
	<u>17.00</u>	<u>1,109.92</u>
Total	<u>152.48</u>	<u>1247.57</u>

OTHER EXPENSES

	NOTE 24
	Year Ended
	March 31, 2014
	Rs. Lakh
Power and fuel	23.24
Insurance	1.38
Rent	5.84
Rates and taxes	45.37
Repairs:	
To Buildings	19.29
To Machineries (Note a)	0.42
To others	2.12
Factory Over Heads	98.91
Royalty paid	13.66
Selling Commission	-
Wholesalers' /	
Distributors Discount	-
Selling Expenses	1.90
Distribution Expenses	0.03
Loss on sales of Investment	150.30
Directors' Fees	0.99
Excise Duty - others	0.16
Legal Charges	168.51
Travelling Expenses	26.97
Diminution of value of	
Investment	31.19
Payments to the auditor as	
(a) Auditor	5.62
(b) For tax audit matters	1.85
(c) For Other Certification work	4.04
(d) For reimbursement of expenses	2.12
Miscellaneous Expenses	89.43
Total	693.34

SPARE PARTS

	NOTE 24-A
	Year Ended
	March 31, 2014
	Rs. Lakh
Imported	-
Indigenous	0.42
Total	0.42

EARNING PER SHARE (EPS)

	NOTE 25
	Year Ended
	March 31, 2014
	Rs. Lakh
Calculation of EPS	
(Basic & Diluted)	
Profit/(Loss) available to	
Equity Shareholder	(2,056.79)
Weighted average no. of	
Equity Shares for	76,633,296
Basic and Diluted EPS	
Nominal value of	
Equity Shares (Rs.)	10
Basic and Diluted	
Earning per Equity Share (Rs.)	(2.68)

NOTE 26**Significant Accounting Policies and Notes to Accounts****I. SIGNIFICANT ACCOUNTING POLICIES:****ACCOUNTING CONVENTION****(A) BASIS OF PREPARATION**

These financial statements have been prepared on accrual basis and under historical cost compliance, in all material aspects except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts and with the generally accepted accounting principles accepted in India. Consequent to the clarification issued by the Minister of Corporate Affairs vide General Circular 08/2014 dated April 04, 2014 these financial statements have been prepared in accordance with the relevant provisions of the Companies Act, 1956, which inter alia include the applicable Accounting Standards notified under Section 211 (3C).

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

(B) INFLATION

Assets and Liabilities are recorded at historical cost to the company (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts).

(C) REVENUE RECOGNITION

(C.1) Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated inclusive of excise duty and net of returns & Sales Tax / VAT.

(C.2) Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

(D) VALUATION OF INVENTORY

(D.1) The stock of Raw Materials and finished goods have been valued at the lower of cost and net realizable value. The cost has been measured on weighted average cost basis and includes cost of materials and cost of conversion.

(D.2) All other inventories of stores and consumables are valued at cost. Cost is measured on weighted average cost basis. Excise duty wherever applicable is provided on finished goods lying within the factory.

(E) FIXED ASSETS & DEPRECIATION

(E.1) Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition.

(E.2) Depreciation on Revalued Fixed Assets is calculated on Straight Line Method based on their expected life as determined by the values or lives as determined on Straight Line Method as per Schedule XIV to the Companies Act, 1956 whichever is lower.

(E.3) Depreciation on additions other than vehicles and few other assets is calculated on Straight Line Method as per Schedule XIV to the Companies Act, 1956. Depreciation of vehicles and few other assets is calculated on Written Down Value Method as per Schedule XIV to the Companies Act, 1956.

(E.4) Difference between depreciation calculated on revalued cost and historical cost of assets is withdrawn from capital reserve.

(E.5) Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchases.

(F) IMPAIRMENT OF ASSETS

An Asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to profit & loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

(G) INVESTMENTS

Long Term investments are stated at cost/book value. Fall in the value, other than temporary, has been charged to Profit & Loss

(H) FOREIGN CURRENCY TRANSACTIONS

(H.1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

(H.2) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(H-3) Non monetary foreign currency items are carried at cost / book value.

(H.4) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

(I) EMPLOYEE BENEFITS

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

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

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

(J) TAXES ON INCOME

(J.1) Tax expense consists of both current as well as deferred tax liability. Current tax represents amount of income tax payable in respect of taxable income for the year.

(J2) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

(J.3) Deferred tax asset is recognised and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(K) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

II. NOTES TO ACCOUNTS**1 Deferred Tax**

In terms of the provisions of the Accounting Standard -22 "Accounting for Taxes on Income", there is a net deferred tax asset on account of accumulated business losses and unabsorbed depreciation.

In compliance with provisions of Accounting Standard and based on General Prudence, the Company has not recognized the deferred tax asset while preparing the accounts for the year under review.

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

3. No provision is considered necessary for following contingent liabilities:

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
(i) Disputed demand in respect of Customs and Excise		
(a) Customs and Excise	133.82	133.82
(b) Sales Tax	18.90	18.90
(c) Income Tax	2,624.93	2,624.93
(d) Employees' State Insurance Corporation	10.23	-
(e) Provident Fund	10.56	-
(ii) Claims not acknowledged as debt	39,282.61	39,296.28
(iii) Claims by Government for payment in to DPEA	39.25	39.25
(iv) Guarantee given by banks on behalf of the Company	265.29	262.29
(v) Guarantee given by company on behalf of other Companies	1,225.65	1,371.65

3b Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the Single Judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division While allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of

Baroda in respect of their dues in the suit filed by them which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee.

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the demand made of Rs. 37770.51 lakh and based on legal advice, the Company has taken necessary action required in the matter at various legal forum.

4 Capital and Other Commitments

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	-	-
Other Commitments	-	-

5. Employee benefits AS-15 (Revised)

(I) Define benefit Plans – As per Actuarial Valuation as on 31.03.14

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh

I	Expense recognized in the Statement of Profit & Loss for the year ended		
1.	Current Service Cost	21.39	21.29
2.	Interest Cost	68.68	74.65
3.	Expected Return on plan Assets	-	-
4.	Past Service cost (Non vested Benefit) Recognized	-	-
5.	Past Service cost (Vested Benefit) Recognized	-	-
6.	Acurial (Gain) / Loss	(20.54)	69.77
7.	Total Expenses	69.53	165.71

II Amount recognized in the Balance Sheet as on

1.	Liability at the end of the year	743.80	858.45
2.	Fair Value of Plan Assets	-	-
3.	Amount recognized in the Balance Sheet under "Provision for Gratuity"	(743.80)	(858.45)

III Change in Obligation during The year ended

1.	Liability at the beginning of the year	858.45	878.19
2.	Interest Cost	68.68	74.65
3.	Current Service Cost	21.39	21.29
4.	Benefit paid	(184.18)	(185.45)
5.	Acurial (Gain) / Loss obligation	(20.54)	69.77
6.	Liability at the end of the year	743.80	858.45

IV Change in Fair value of Plan Assets during the year ended

1.	Fair value of plan Assets at the beginning of the year	-	-
2.	Expected return of plan Assets	-	-
3.	Contribution by Employer	184.18	185.45
4.	Actual Benefit paid	(184.18)	(185.45)
5.	Acurial Gain / (Loss) of plan Assets	-	-
6.	Fair value of plan Assets at the end of the year	-	-
7.	Acurial Gain / (Loss) to be recognized	20.54	(69.77)

V Balance Sheet Reconciliation

1.	Opening Net Liability	858.45	878.19
2.	Expenses Recognized in the statement of profit & Loss	69.53	165.71
3.	Employer's Contribution	(184.18)	(185.45)
4.	Amount Recognized in the Balance Sheet	743.80	858.45

(II) Actuarial Assumption:

1.	Discount Rate:	8%	8%
2.	Salary Growth Rate:	4%	4%

6. Segment Note:

Segment Information for the year ended 31st March 2014.

Information About Primary and Secondary Business Segments. The Company is in the business of manufacturing, trading and dealing in the Pharmaceuticals only operating in India

In view of above the Company has only one reportable business Segments i.e. Pharmaceuticals

Asence Pharma Pvt. Ltd	Subsidiary of Subsidiary Company
Sarabhai M Chemicals Ltd	Subsidiary Company
Systronics (I) Ltd	Subsidiary Company
Suvik Hitek Pvt. Ltd	Subsidiary Company
Senaru Formulations Pvt. Ltd	Subsidiary of Subsidiary Company
(B) Vovantis Lab. Pvt. Ltd	Joint Venture Company

7. Related Party Disclosures:

As per the Accounting Standard on "Related Party Disclosures (AS 18)" notified by Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follow:

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

Synbiotics Limited	Subsidiary Company
Haryana Containers Limited	Subsidiary Company
Asence Inc USA	Subsidiary Company

(C) Key Management Personnel:

Name of the related party	Nature of relationship
Mr. Kartikeya V. Sarabhai	Chairman
Mr. A.H. Parekh	Whole time Director
Ms Chaula Shastri	Whole time Director

Note:

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

2 Related Party Transactions:

Rs. in Lakh

	Related Parties		Related Parties		Key Management Personnel	
	(1A) above		(1B) above		(1C) above	
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2014	Year Ended March 31, 2013
EXPENSES						
Purchase of Goods/Services	44.61	24.57	2.32	2.21		
Purchase of Fixed Assets			-	85.00		
Processing Charges	-	0.09	-	-		
Interest paid	-	-	0.93	2.07		
INCOME						
Recovery of salaries etc. of seconded employees	12.04	14.50	11.17	28.47		
Sales of Goods	268.26	76.12	-	-		
Sales of Assets	-	1.47	-	2.10		
Royalty	33.36	6.02				
Recovery of share in cost of various utilities and expenditures etc.	111.09	110.44	9.08	4.04		
Remuneration to key management personnel					37.33	31.32
Interest received	145.85	166.13	-	-		
Sale of Trade Mark / Brands	-	63.98				
Investment	94.83	50.00	-	-		
Loan Given	45.68	-				
Loan Received	64.88	-				
Receivable in respect of Current Assets	1,732.22	1,724.02	-	-		
Payable in respect of Current Liabilities	25.57	6.59	17.47	12.45	18.42	13.03

8 CIF Value of Imports

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Raw Materials	107.70	55.20

9 Expenditure in Foreign Currency

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Others	1.68	1.53

10 Earing in Foreign Currencies

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
FOB Value of Exports	-	-
Commission	-	-

11. Impairment of Fixed Assets

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

12 Previous year's figures have been regrouped to make them comparable with those of the current year.

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 31-05-2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31-05-2014

Place : Ahmedabad

Cash Flow Statement

	March 31, 2014 Rs. Lakh	March 31, 2013 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(2,056.79)	(1,721.60)
Adjustments for:		
Depreciation /Amortization	152.48	1,247.57
Interest Income	(173.93)	(204.95)
Interest Expenses	912.03	675.40
Dividend Income	(0.04)	-
Provision for Diminution in value of Investments	31.19	100.72
Sundry Credit Balances Appropriated	(0.09)	(405.32)
Provision written Back	(30.45)	(1,013.26)
Profit on Sale of Tangible/Intangible assets	(63.56)	(44.15)
Loss on sale of Investment	150.30	-
	<u>977.93</u>	<u>356.01</u>
Operating Profit before Working Capital Changes	(1,078.86)	(1,365.59)
Working Capital Changes:		
Changes in Inventories	162.70	(21.70)
Changes in trade payables	124.62	(1,244.42)
Changes in other current liabilities	1,041.46	2,135.21
Changes in provisions	(140.21)	(27.11)
Changes in loans and advances	62.97	155.79
Changes in trade receivables	45.55	(22.34)
Changes in Other Bank Balances	(34.07)	352.06
Net Changes in Working Capital	<u>1,263.02</u>	<u>1,327.49</u>
Cash Generated from Operations	184.16	(38.10)
Direct Taxes paid (Net of Income Tax refund)	(41.26)	(63.15)
Net Cash Flow from Operating Activities	142.90	(101.25)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(7.11)	(85.16)
Sale of tangible assets	65.36	57.61
Change in Long Term Investments	1.15	(50.00)
Dividend Income	0.04	-
Interest Income	174.09	206.83
Net cash flow before Extra Ordinary Item	233.53	129.28
Net cash flow from Investing Activities	233.53	129.28
C Cash Flow from Financing Activities		
Changes in short term borrowings	512.22	675.76
Interest Paid	(912.03)	(675.53)
Net Cash flow from Financing Activities	(399.81)	0.23
Net Increase/(Decrease) in cash & cash equivalents	(23.38)	28.26
Cash & Cash equivalents at the beginning of the period	48.98	20.72
Cash & Cash equivalents at the end of the period	25.60	48.98
a Cash and cash equivalents comprise of: (Note 15)		
Cash on Hand	0.47	0.64
Cheques on Hand	0.52	16.00
Balances with Banks	24.61	32.34
Total	25.60	48.98

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 31-05-2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 31-05-2014

Place : Ahmedabad

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Haryana Containers Limited	Synbiotics Limited	Asence Inc. USA	Sarabhai M. Chemicals Ltd.	Asence Pharma P. Ltd.	Vovantis Laboratories P. Ltd.	Systronics (India) Ltd.	Suvik Hitek P. Ltd.	Senaru Formulation Pvt. .Ltd.
Financial year of the subsidiary ended on	31.03.2014	31.03.2014	31.12.2013	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
Percentage of Ordinary share capital of the subsidiary held by the holding company at the above date	100%	100%	100%	100%	100%	33.34%	100%	100%	100%
The net aggregate amount o Profits/(Losses) of the subsidiary so far as they concern the members of Ambalal Sarabhai Enterprises Limited:									
(i) Dealt with in the accounts of Ambalal Sarabhai Enterprises Limited for the subsidiary's financial year and the previous financial years. Rs Lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Not dealt with in the accounts of Ambalal Sarabhai Enterprises Limited									
(a) For the subsidiary's financial year Rs. Lakh	(0.32)	(241.05)	28.42	(0.33)	101.66	77.28	40.77	(45.62)	(68.84)
(b) For the previous financial year(s) of the subsidiary since it became subsidiary of the Company. Rs. Lakh	(2.59)	(978.29)	(2.43)	(1.88)	685.58	(376.64)	64.09	(450.59)	(2.71)
Change in the interest of Ambalal Sarabhai Enterprises Limited in the subsidiary between end of financial year of subsidiary and that of Ambalal Sarabhai Enterprises Limited	NA	NA	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the financial year of subsidiary and that of Ambalal Sarabhai Enterprises Limited in respect of subsidiary's fixed assets, investments, lending and borrowing for any purpose other than meeting current liabilities	NA	NA	NA	NA	NA	NA	NA	NA	NA

Date : 30-06-2014
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Advharyu
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Ambalal Sarabhai Enterprises Limited

We have audited the accompanying consolidated financial statements of Ambalal Sarabhai Enterprises Limited ("the Company") and its subsidiaries, jointly controlled entities and associates; hereinafter referred to as the "Group" which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The Company has not provided for doubtful debts of Rs. 118.17 Lacs and doubtful advance of Rs. 13.25 Lacs. Accordingly, expenses would have been increased by

Rs. 132.02 Lacs and net loss and shareholders' funds would have been reduced to that extent.

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Based on our audit and on consideration of the reports of the other auditors on the financial statements and on the other financial information of the components of the Group as noted below, and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

Financial Statement of a foreign subsidiary in USA have been compiled and certified by other auditors (Certified Public Accountant) for the year ended on 31st December, 2013. This report has been furnished to us. They have reported that: "We have not audited or reviewed the accompanying financial statement and accordingly, do not express an opinion or any other form of assurance on them." We are informed that audit is not necessary under USA Law considering the size of the Company. These financial statements (before giving effect to the consolidation adjustments) reflect net assets of Rs. 101.37 Lacs as at 31st December, 2013, total revenue of Rs 184.65 Lacs and net cash inflows amounting to Rs. 61.90 Lacs for the year then ended.

We did not audit the financial statements of a joint venture entities entity whose financial statements reflect (before giving effect to the consolidation adjustments) net assets of Rs. 292.52 Lacs as at 31st March 2014, total revenue of Rs. 320.21 Lacs and net cash inflows of Rs. 17.22 lacs for the year then ended. These Financial Statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion is based solely on the report of the other auditors.

Our opinion is not qualified in respect of these matters.

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

Date : 30-06-2014
Place : Ahmedabad

Partner
Membership No. 100892

Consolidated Balance Sheet

	Note	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(7,879.41)	(5,869.39)
Non-current liabilities			
Long Term Borrowings	3	319.76	408.93
Deferred Tax Liabilities (Net)	4	-	72.03
Long Term Provisions	5	1,132.95	1,232.79
Current liabilities			
Short Term Borrowings	6	3,667.44	3,344.75
Trade Payables	7	2,833.35	2,113.16
Other Current Liabilities	8	8,631.98	7,361.42
Short Term Provisions	5	321.89	365.04
Total		16,691.29	16,692.06
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	5,727.17	6,154.95
Intangible Assets	10	3,704.72	3,684.51
Capital Work-in-progress		20.91	10.09
Non-current Investments	11	77.70	129.59
Long Term Loans and Advances	12	393.59	291.83
Other Non-current Assets	13	21.55	285.22
Deferred Tax Assets (Net)	4	2.57	-
Current assets			
Current Investments	11	15.10	-
Inventories	14	1,513.46	1,371.72
Trade Receivables	15	2,717.67	2,784.02
Cash and Bank Balances	16	1,228.17	715.50
Short Term Loans and Advances	12	1,240.77	1,250.79
Other Current Assets	13	27.91	13.84
Total		16,691.29	16,692.06

Notes to Accounts & Significant Accounting policies²⁶

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

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-06-2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30-06-2014

Place : Ahmedabad

Consolidated Statement of Profit & Loss

	Note	March 31, 2014 Rs. Lakh	March 31, 2013 Rs. Lakh
Revenue from operations (Gross)	17	10,725.17	10,276.97
Less : Excise Duty		260.03	252.50
Revenue from operations (Net)		10,465.14	10,024.47
Other Income	18	300.73	1,641.35
Total Revenue		10,765.87	11,665.82
Expenses:			
Cost of materials and accessories consumed	19	1,028.55	1,446.38
Purchases of Stock in Trade	-	4,901.57	4,170.30
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(119.83)	(199.19)
Employee benefits expense	21	2,806.96	3,059.41
Finance costs	22	1,092.76	852.49
Depreciation, Amortization and Impairment expense	23	300.89	1,402.30
Other expenses	24	2,709.72	2,583.84
Total Expenses		12,720.62	13,315.53
Profit/(Loss) before exceptional and extraordinary items and tax		(1,954.75)	(1,649.71)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1,954.75)	(1,649.71)
Extraordinary Items		-	-
Profit/(Loss) before tax and after extraordinary items		(1,954.75)	(1,649.71)
Tax expense:			
Current Tax		102.21	118.46
Deferred Tax		(36.10)	29.24
Profit/(Loss) after Tax		(2,020.86)	(1,797.41)
(Excess)/Short Provision for Taxation of earlier years		(0.16)	34.83
Profit/(Loss) for the year		(2,020.70)	(1,832.24)
Earnings per equity share			
Face Value per Share Rs. 10/- (Previous year Rs. 10/-): 25			
Basic and Diluted		(2.64)	(2.39)
Notes to Accounts & Significant Accounting policies	26		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-06-2014

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30-06-2014

Place : Ahmedabad

SHARE CAPITAL

	As at March 31, 2014 Rs. Lakh	NOTE 1 As at March 31, 2013 Rs. Lakh
Authorised Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share	<u>9,500.00</u>	<u>9,500.00</u>
Issued Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share fully paid up	<u>7,663.33</u>	<u>7,663.33</u>
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	As at March 31, 2014	As at March 31, 2013
No. of Share	No. of Share	No. of Share
Rs. Lakh	Rs. Lakh	Rs. Lakh
Balance at the beginning of the year	76,633,296	76,633,296
Balance at the end of the year	<u>76,633,296</u>	<u>76,633,296</u>

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

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

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

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	531.34	550.86
Less: Transfer to Statement of Profit and Loss (Note (a))	19.58	19.52
Balance at the end of the year	<u>511.76</u>	<u>531.34</u>
General Reserve		
Balance as per last financial statements	5,121.77	5,121.77
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(12,583.42)	(10,751.18)
Add: Adjustment on Consolidation	30.26	-
	(12,553.16)	(10,751.18)
Add: Profit/(Loss) for the year	(2,020.70)	(1,832.24)
Balance at the end of the year	<u>(14,573.86)</u>	<u>(12,583.42)</u>
Total	<u>(7,879.41)</u>	<u>(5,869.39)</u>

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
(a) Transfer from Capital Reserve to Statement of Profit and Loss represents the difference between depreciation charged on "revalued amount" on Assets and depreciation calculated on "historical cost" of assets.	19.58	19.52

LONG TERM BORROWINGS **NOTE 3**

	Non- Current portion		Current Maturities	
	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh

Secured:**Term Loans :**

From Bank	319.76	408.93	157.90	134.21
From Others	-	-	-	3.77

Unsecured:

From Others	-	-	5.96	5.40
Total	319.76	408.93	163.86	143.38

Amount disclosed
under the head
"Other Current
Liabilities"

(Note 8)	-	-	163.86	143.38
----------	---	---	--------	--------

Total	319.76	408.93	-	-
--------------	---------------	---------------	----------	----------

DEFERRED TAX LIABILITIES (NET) **NOTE 4**

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
Deferred Tax Liability		
Depreciation	60.13	83.05
Deferred Tax Asset		
Disallowance u/s 43B	(22.34)	(11.02)
Unabsorbed Depreciation	(40.36)	-
Total	(2.57)	72.03

PROVISIONS **NOTE 5**

	Long Term		Short Term	
	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
Provision for Accrued Gratuity Liabilities	919.56	1,004.23	248.48	287.21
Provision for Accrued Leave Liabilities	213.39	228.56	72.73	77.15
Provision for Wealth tax	-	-	0.68	0.68
Total	1,132.95	1,232.79	321.89	365.04

SHORT TERM BORROWINGS **NOTE 6**

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
--	-------------------------------------	-------------------------------------

Secured:

Working Capital Loans repayable on demand from Banks	661.35	612.72
Foreign Bill purchased	-	96.09
From Others	1,018.82	969.23
Total	1,680.17	1,678.04

Unsecured:

From Others	1,987.27	1,666.71
Total	1,987.27	1,666.71

Total	3,667.44	3,344.75
--------------	-----------------	-----------------

TRADE PAYABLES **NOTE 7**

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
--	-------------------------------------	-------------------------------------

Creditors in respect of Goods and Services (Note a)	2,833.35	2,113.16
Total	2,833.35	2,113.16

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:

- Amount due and outstanding to suppliers as at the end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year have not been given.

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

OTHER CURRENT LIABILITIES **NOTE 8**

	As at March 31, 2014 Rs. Lakh	As at March 31, 2013 Rs. Lakh
Current maturities of long-term borrowings (Note 3)	163.86	143.38
Payable in respect of Capital Goods	3.98	-
Interest accrued and due on borrowings	2.95	2.95
Income received in advance	10.75	6.38
Advances from Customers	290.13	44.83
Statutory dues	2,434.02	2,106.05
Due to Director	18.42	13.03
Security Deposits	191.67	159.86
Payable to employees	1,965.90	1,785.86
Book Overdraft	0.05	0.05
Others	3,550.25	3,099.03
Total	8,631.98	7,361.42

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

Particulars	Gross Block					Depreciation					Net Block	
	As on 01.04.13	Adjust- ment consolidation	Additi- ons	Deduc- tions	As on 31.03.14	As on 01.04.13	Adjust- ment consolidation	for the year	Deduc- tion	As on 31.03.14	As on 31.03.14	As on 31.03.13
Leasehold Land	17.40	-	-	0.33	17.07	-	-	-	-	-	17.07	17.40
Own Assets												
Freehold Land	2,266.35	(6.84)	-	-	2,259.51	-	-	-	-	-	2,259.51	2,266.35
Building	1,925.44	(56.34)	2.89	-	1,871.99	646.62	(4.92)	63.19	-	704.89	1,167.10	1,278.82
Plant and Machinery	5,820.61	(122.42)	52.74	124.11	5,626.82	3,389.98	(15.25)	214.38	87.15	3,501.96	2,124.86	2,430.63
Furniture and Fixtures	484.38	(3.67)	4.97	-	485.68	380.92	(0.24)	13.18	-	393.86	91.82	103.46
Library	0.10	-	-	-	0.10	0.09	-	-	-	0.09	0.01	0.01
Vehicles	141.58	(3.26)	27.29	20.97	144.64	83.30	(0.94)	11.71	16.23	77.84	66.80	58.28
Total	10,655.86	(192.53)	87.89	145.41	10,405.81	4,500.91	(21.35)	302.46	103.38	4,678.64	5,727.17	6,154.95
Previous Year	10,853.57	0.18	95.29	293.18	10,655.86	4,465.46	0.14	314.41	279.10	4,500.91	6,154.95	

Note : Amortization of Lease hold Land is shown as deduction

INTANGIBLE ASSETS**NOTE 10****Rs. Lakh**

Particulars	Gross Block					Amortization/ Impairment					Net Block	
	As on 01.04.13	Adjust- ment consolidation	Additi- ons	Deduc- tions	As on 31.03.14	As on 01.04.13	for the year	Impair- ment Loss/ (Reversal)	Deduc- tion	As on 31.03.14	As on 31.03.14	As on 31.03.13
Own Assets												
Goodwill	4,732.38	-	-	-	4,732.38	1,100.00	-	-	-	1,100.00	3,632.38	3,632.38
Know How	54.52	-	1.42	-	55.94	6.53	11.22	-	-	17.75	38.19	47.99
Software	3.09	-	36.47	-	39.56	0.15	6.16	-	-	6.31	33.25	2.94
Brand Value	5.00	-	-	-	5.00	3.80	0.30	-	-	4.10	0.90	1.20
Total	4,794.99	-	37.89	-	4,832.88	1,110.48	17.68	-	-	1,128.16	3,704.72	3,684.51
Previous Year	4,736.57	0.81	57.61	-	4,794.99	3.40	7.08	1,100.00	-	1,110.48	3,684.51	

INVESTMENTS**NOTE 11**

	As at 31-3-14	As at 31-3-13	As at 31-3-14	As at 31-3-13
	Non Current	Current	Non Current	Current
Face Value Per Share (Rs.)	No. Share	No. Share	No. Share	No. Share
I Trade Investments				
(Unquoted)				
Ordinary shares of each fully paid of ORG Informatics Limited	10 1559340	156.30 205.49	-	-
Less: Diminution in Value of Investment	(125.11)	(123.44)	-	-
	31.19	82.05	-	-

II Investments in Government Securities**(Unquoted)**

National Saving Certificate	0.21	0.31	-	-
--------------------------------	------	------	---	---

Other Investments**(Unquoted)**

Ordinary shares each fully paid of Co-operative Bank of Baroda Ltd.	25 1100	0.28 0.28	-	-
Ordinary share fully paid of Baroda Ind.Dev. Corp.Ltd	1000 1	0.01 0.01	-	-
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd.	25 1204	0.30 0.30	-	-

"B" class shares of each

fully paid of Teknoserv

(Jersey) Ltd. 1 pound 73498 36.33 36.33 - -

Ordinary shares of

Asence Limited (Rs.445)1 US\$ 9 - - - -

Ordinary shares of

each fully paid of

Sardar Vallabh Bhai

Sahakari Bank Limited 25 9540 2.40 3.33 - -

Ordinary shares of

each fully paid of

Kalupur Commerical

Co. Op. Bank Limited 25 26000 6.50 6.00 - -

In Mutual Fund**(Unquoted, Non trade)**

Bank of India

Axa Liquid Fund

- - 15.10 -

45.82 46.25 15.10 -**Gold Coins**

0.48 0.48

Share Application Money

- 0.50 - -

Total**77.70 129.59 15.10 -****a Disclosure as per****AS 13 - Accounting for Investments**

Long Term Investments 77.70 129.09 - -

Current Investments - - 15.10 -

Total**77.70 129.09 15.10 -**

- b. 3,00,000 shares of Rs. 10 each fully paid of ORG Informatics Limited are pledged with a bank on behalf of another company .

LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

NOTE 12

	Long Term		Short Term	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Capital Advances	5.93	0.60	-	-
Security Deposits				
Considered Good	177.44	140.80	0.05	-
Considered Doubtful	13.11	18.08	-	-
Less: Provision	13.11	18.08	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advance tax paid (Net of Provision of Rs. 4,450.90 Lakh, Previous Year Rs. 4,349.59)	195.40	131.79	-	-
Advances:				
To Others	-	-	29.67	18.86
Advances recoverable in cash or in kind or for value to be received				
Considered good	9.62	5.32	936.76	935.94
Considered doubtful	5.10	0.10	373.92	396.63
Less: Provision	0.10	0.10	365.68	386.46
	<u>5.00</u>	<u>-</u>	<u>8.24</u>	<u>10.17</u>
Prepaid Expenses	-	13.12	12.02	9.75
Balances with Government Authorities				
Considered good	0.20	0.20	143.56	168.55
Considered doubtful	-	-	1.09	1.09
Less: Provision	-	-	1.09	1.09
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CENVAT/Custom Duty Receivable	-	-	110.47	107.52
Total	<u>393.59</u>	<u>291.83</u>	<u>1,240.77</u>	<u>1,250.79</u>

OTHER ASSETS**NOTE 13**

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 16)	21.55	272.13	-	-
Interest Accrued	-	13.09	19.55	3.91
Income Receivable			8.36	9.93
Total	<u>21.55</u>	<u>285.22</u>	<u>27.91</u>	<u>13.84</u>

INVENTORIES**NOTE 14**

	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	266.47	233.93
Stores and Spares	19.73	21.70
Work-in-Progress	358.41	422.94
Finished Goods	286.22	192.86
Finished Goods in Transit	2.68	-
Stock in Trade	579.95	500.29
Total	<u>1,513.46</u>	<u>1,371.72</u>

TRADE RECEIVABLES**NOTE 15**

(Unsecured, considered good unless otherwise stated)	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	498.16	515.49
Considered doubtful	579.91	570.97
Less: Provision for Doubtful Debts	<u>461.14</u>	<u>448.45</u>
	<u>118.77</u>	<u>122.52</u>
Others	2,100.74	2,146.01
Total	<u>2,717.67</u>	<u>2,784.02</u>

CASH AND BANK BALANCES**NOTE 16**

	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Cash and Cash Equivalents:				
Cash on Hand	-	-	5.99	9.36
Cheques on Hand	-	-	0.59	16.00
Balances with Banks				
In Current Accounts	-	-	588.82	521.34
In Exchange Earners Foreign Currency A/c	-	-	0.03	0.02
In Deposit Account (with original maturity up to 3 months)	<u>-</u>	<u>-</u>	<u>157.94</u>	<u>32.23</u>
	<u>-</u>	<u>-</u>	<u>746.79</u>	<u>553.59</u>

Other Bank Balances:**In Deposits Accounts**

With original maturity more than 3 months but less than 12 months	-	-	144.10	78.51
With original maturity more than 12 months	6.92	2.13	315.14	-
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	8.38	268.40	7.99	47.25

Lodged with Sales				
Tax / Excise				
Department	6.25	1.60	7.57	10.79
	<u>21.55</u>	<u>272.13</u>	<u>474.80</u>	<u>136.55</u>
Amount disclosed under the head "Other Non Current Assets" (Note 13)	21.55	272.13	-	-
Total	<u>-</u>	<u>-</u>	<u>1,228.17</u>	<u>715.50</u>

REVENUE FROM OPERATIONS**NOTE 17**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	10,435.76	9,970.00
Less : Excise Duty	<u>260.03</u>	<u>252.50</u>
	10,175.73	9,717.50
Sale of Services	177.08	187.21
Other Operating Revenues		
Export Incentives	9.99	9.21
Others	102.34	110.55
Total	<u>10,465.14</u>	<u>10,024.47</u>

OTHER INCOME**NOTE 18**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Interest Income	57.54	66.59
Dividend Income on:		
Long Term Investments	1.14	0.43
Exchange Difference (Net)	-	20.12
Sundry Credit Balances		
Appropriated (Net)	19.59	408.80
Provision no longer required (Net)	46.67	1,013.41
Profit on sales of Assets (Net)	47.04	41.86
Scrap Income	59.81	40.99
Miscellaneous Income	60.16	44.40
Insurance Claim	4.64	-
Recoveries	4.07	3.86
Bad Debts recovered	0.07	0.89
Total	<u>300.73</u>	<u>1,641.35</u>

Cost Of Materials And Accessories Consumed**NOTE 19**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Stock at the beginning of the year	233.93	277.92
Less: Adjustment on Consolidation	<u>14.66</u>	<u>-</u>
	219.27	277.92

Purchases	1,075.75	1,402.39
	<u>1,295.02</u>	<u>1,680.31</u>
Less: Stock at the end of the year	266.47	233.93
Total	<u>1,028.55</u>	<u>1,446.38</u>

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

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	286.22	192.86
Stock-in-trade	579.95	500.29
Work-in-Progress	358.41	422.94
	<u>1,224.58</u>	<u>1,116.09</u>
Stock at the beginning of the year		
Finished Goods	192.86	137.98
Stock-in-trade	500.29	318.86
Work-in-Progress	422.94	464.43
	<u>1,116.09</u>	<u>921.27</u>
Less: Adjustment on Consolidation	20.35	-
	1,095.74	921.27
Excise duty in value of stock	9.01	(4.37)
(Increase)/Decrease in stocks (119.83)	<u>(119.83)</u>	<u>(199.19)</u>

EMPLOYEE BENEFITS EXPENSE**NOTE 21**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Salaries and Wages	2,478.34	2,708.14
Contribution to Provident Fund and Other Funds	165.05	187.52
Staff Welfare Expenses	126.24	132.43
	<u>2,769.63</u>	<u>3,028.09</u>
Directors' Remuneration	37.33	31.32
Total	<u>2,806.96</u>	<u>3,059.41</u>

FINANCE COSTS**NOTE 22**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Interest		
On Term Loans	90.14	84.83
On working capital loans	62.39	65.79
Others	707.90	524.86
Interest on shortfall of advance tax	0.70	0.06
Other Borrowing Costs	231.63	176.95
Total	<u>1,092.76</u>	<u>852.49</u>

DEPRECIATION / AMORTIZATION EXPENSE	Year Ended March 31, 2014 Rs. Lakh	NOTE 23 Year Ended March 31, 2013 Rs. Lakh
Depreciation of Tangible Assets	302.46	314.41
Less: Transfer from Capital Reserve (Note 2 (a))	<u>19.58</u>	<u>19.52</u>
	282.88	294.89
Amortization/ Impairment of Intangible Assets	17.68	1,107.08
Amortization of Lease hold Land	0.33	0.33
Total	<u>300.89</u>	<u>1,402.30</u>

OTHER EXPENSES	Year Ended March 31, 2014 Rs. Lakh	NOTE 24 Year Ended March 31, 2013 Rs. Lakh
Power and fuel	236.44	297.30
Stores Consumed	68.68	70.25
Insurance	15.17	12.84
Processing Charges	202.29	213.03
Rent	91.51	84.34
Rates and taxes	98.58	87.86
Repairs:		
To Buildings	50.76	18.72
To Machineries	17.34	27.25
To others	20.56	27.17
Factory Over Head	180.36	119.83
Integration & Installation Expense	1.14	14.93
Selling Commission	87.91	86.89
Selling Expenses	315.15	281.59
Distribution Expenses	55.19	41.98
Loss on Sales of Investment (net)	149.06	-
Research and Development	0.86	0.16
Excise Duty - Others	32.58	34.92
Legal and Professional Fees	248.36	239.48
Conveyance and Travelling Expenses	351.04	330.58
Directors' sitting fees	0.99	0.63
Provision for Doubtful Debts & Advances	-	6.22
Advances written off	-	1.52
Bad Debts written off	33.72	40.53
Communication Expenses	21.15	15.47
ETP Expenses	6.86	6.78
Hire Charges (Transportation Services)	31.52	29.64
Product Development Expenses	7.69	0.90
Royalty paid	16.67	-
Labour Charges	10.09	20.41
Provision for Diminution in Value of Investment	31.19	100.72

Payments to the auditor as		
(a) Auditor	12.00	9.88
(b) For tax audit matters	2.99	0.74
(c) For Other Certification work	4.86	5.87
(d) For reimbursement of expenses	2.85	2.43
Exchange Difference (Net)	10.87	-
Miscellaneous Expenses	293.29	352.98
Total	<u>2,709.72</u>	<u>2,583.84</u>

EARNING PER SHARE (EPS) Calculation of EPS (Basic & Diluted)	Year Ended March 31, 2014 Rs. Lakh	NOTE 25 Year Ended March 31, 2013 Rs. Lakh
Profit/ (Loss) available to Equity Shareholder (Rs. Lakh)	(2,020.70)	(1,832.24)
Weighted average no. of Equity Shares for Basic and Diluted EPS	76,633,296	76,633,296
Nominal value of Equity Shares (Rs.)	10.00	10.00
Basic and Diluted Earning per Equity Share (Rs.)	(2.64)	(2.39)

NOTE 26**Notes to Accounts:****Basis of Consolidation**

1. The consolidated Financial Statements relate to Ambalal Sarabhai Enterprises Limited, its Subsidiaries and Joint Venture Company. The Subsidiaries/ Joint Venture company considered in consolidated financial statements are hereunder:

Name of Entity	% of ownership as on 31.03.2014
(i) Subsidiary Companies & Country of of Incorporation	
a) Synbiotics Limited, India	100%
b) Haryana Containers Limited, India	100%
c) Sarabhai M Chemicals Ltd, India	100%
d) Asence Inc., USA	100%
e) Asence Pharma Pvt. Ltd., India	100%
f) Systronics India Limited, India	100%
g) Suvik Hitek Private Limited, India	100%
h) Senaru Formulations Limited, India	100%

(ii) Joint Venture Company & Country of Incorporation

Vovantis Lab Limited, India	33.34%
-----------------------------	--------

2. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements" notified by Companies (Accounting Standards) Rules, 2006 and relevant clarifications issued by the Institute of Chartered Accountants of India.

3. Principles

- (i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.
- (II) The difference between cost to the Company of its investment in the subsidiary companies/Joint Venture Company and its share of the equity of the subsidiary companies/Joint Venture Company, at the dates on which the investment in the subsidiary companies are made, is recognized as Goodwill or Capital Reserve as the case may be.

- (iii) In case of Foreign Subsidiary, revenue items are consolidated at the average rate prevailing during the year. All assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on translation is charged to Statement of Profit and Loss.

NOTE 27**SIGNIFICANT ACCOUNTING POLICIES:****(A) ACCOUNTING CONVENTION**

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention (except so far as they relate to revaluation of fixed assets and providing for depreciation on revalued amounts) and accounting principles generally accepted in India.

The Preparation of financial statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable . Future results could differ from these estimates.

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

(B) INFLATION

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

(C) REVENUE RECOGNITION

(C.1) Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns, excise duty & Sales Tax/VAT. Export incentives are accounted on accrual basis at the time of export of goods, if

the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

(C.2) Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

(D) VALUATION OF INVENTORY

(D.1) The stock of Raw Materials and finished goods have been valued at the lower of cost and net realizable value. The cost has been measured on weighted average cost basis and includes cost of materials and cost of conversion.

(D.2) All other inventories of stores and consumables are valued at cost. Cost is measured on weighted average cost basis. Excise duty wherever applicable is provided on finished goods lying within the factory.

(E) FIXED ASSETS & DEPRECIATION

(E.1) Fixed assets are stated at their original cost of acquisition/revalued cost wherever applicable less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition.

(E.2) Depreciation on Revalued Fixed Assets is calculated on Straight Line Method based on their expected life as determined by the values or lives as determined on Straight Line Method as per Schedule XIV to the Companies Act, 1956 whichever is lower.

(E.3) Depreciation on additions other than vehicles and few other assets is calculated on Straight Line Method as per Schedule XIV to the Companies Act, 1956. Depreciation of vehicles and few other assets is calculated on Written Down Value Method as per Schedule XIV to the Companies Act, 1956.

(E.4) Difference between depreciation calculated on revalued cost and historical cost of assets is withdrawn from capital reserve.

(E.5) Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchases.

(E.6) Premium on lease hold land is amortised over the period of lease.

(F) IMPAIRMENT OF ASSETS

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

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

(G) INVESTMENTS

Long Term investments are stated as cost/book value. Fall in the value, other than temporary, has been charged to Statement of Profit and Loss.

(H) FOREIGN CURRENCY TRANSACTIONS

(H.1) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

(H.2) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(H-3) Non monetary foreign currency items are carried at cost / book value

(H.4) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

(I) EMPLOYEE BENEFITS

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

Employee's Pension Scheme are charged to revenue every year.

(I.2) The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. Gratuity scheme is partially unfunded.

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

(J) TAXES ON INCOME

(J.1) Tax expense consists of both current as well as deferred tax. Current tax represents amount of income tax payable in respect of taxable income for the year.

(J2) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date.

(J.3) Deferred tax asset is recognized and carried forward to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(K) EARNING PER SHARE

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

(L) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent

liabilities are not recognised but are disclosed in the accounts by way of a note. Contingent assets are neither recognised nor disclosed in the financial statements.

No Provision is considered

necessary for following	Year Ended	Year Ended
contingent liabilities:	March 31, 2014	March 31, 2013
	Rs. Lakh	Rs. Lakh

Disputed demand in respect of		
(a) Customs and Excise	138.34	138.34
(b) Sales Tax	73.48	67.61
(c) Income Tax	2,788.01	2,791.67
(d) E.S.I.C.	93.88	84.31
(e) Provident Fund	10.56	-
Claims not acknowledged as debt	39,309.60	39,318.93
Claims by Government for payment in to DPEA	39.25	68.67
Guarantee given by banks on behalf of the Company	300.20	262.29
Guarantee given by the Company on behalf of Joint Venture	1,225.65	238.50

NOTE 29

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

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

Capital and Other Commitments **NOTE 30**

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	25.80	4.73
Other Commitments	-	-

Segment Reporting :

	Rs. in Lakh	Rs. in Lakh
Particulars	March 31, 2014	March 31, 2013
Segment Revenue		
a) Pharmaceuticals	5,356.30	5,361.01
b) Electronics	5,108.84	4,663.46
Total Sales	10,465.14	10,024.47
Less: Inter Segment Revenue	-	-
Net Sales	10,465.14	10,024.47
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	(1,054.59)	(1,149.47)
b) Electronics & Broadcast Equipments	192.60	352.25
Total Segment Results	(861.99)	(797.22)
Less: Interest & Finance Cost	1,092.76	852.49
Profit/(Loss) from ordinary Activities	(1,954.75)	(1,649.71)
Extra ordinary Items (Net)	-	-
Profit/(Loss) before Tax	(1,954.75)	(1,649.71)
Segment Assets		
a) Pharmaceuticals	13,473.18	13,606.96
b) Electronics & Broadcast Equipments	3,218.11	3,085.10
c) Unallocable	-	-
Total Assets	16,691.29	16,692.06
Segment Liabilities		
a) Pharmaceuticals	11,739.11	10,164.98
b) Electronics & Broadcast Equipments	1,017.20	764.05
c) Unallocable	-	-
Total Liabilities	12,756.31	10,929.03
Segment Depreciation		
a) Pharmaceuticals	265.38	1,371.75
b) Electronics & Broadcast Equipments	35.51	30.55
c) Unallocable	-	-
Total Depreciation	300.89	1,402.30
Capital Expenditure		
a) Pharmaceuticals	60.99	129.40
b) Electronics & Broadcast Equipments	64.79	21.85

c) Unallocable	-	-
Total Capital Expenditure	125.78	151.25
Non Cash Expenses other than Depreciation		
a) Pharmaceuticals	184.25	141.25
b) Electronics & Broadcast Equipments	29.72	7.74
c) Unallocable	-	-
Total Non Cash Expenses other than Depreciation	213.97	148.99

B Secondary Segment (Geographical by customers)

	Rs. in Lakh	Rs. in Lakh
Particulars	March 31, 2014	March 31, 2013
Segment Revenue		
a) In India	8,060.07	7,964.37
b) Out side India	2,405.07	2,060.10
Total Sales	10,465.14	10,024.47
Carrying Cost of Assets by location of assets		
a) In India	16,582.41	16,639.91
b) Out side India	108.88	52.15
Total	16,691.29	16,692.06
Addition to Assets		
a) In India	125.52	150.41
b) Outside India	0.26	0.84
Total	125.78	151.25

Notes:

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

NOTE 32**Related Party Disclosures:**

As per the Accounting Standard on " Related Party disclosures (AS 18) " notified by Companies (Accounting Standards) Rules, 2006, the related parties of the Company are as follow :

Name of Related Parties and Nature of Relationship :**a Name of the party Nature of relationship****Key Managerial Personnel:**

Mr. Kartikeya V. Sarabhai	Chairman
Mr. A.H. Parekh	Whole time Director
Ms Chaula Shastri	Whole time Director

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

b Transactions and Balances :**Nature of Transactions**

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
Transactions		
Remuneration to key management personnel	37.33	31.32
Balances as at year end		
Payable in respect of Current Liabilities	18.42	13.03

NOTE 33

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 34

No Provision is made for doubtful debts Rs. 118.77 Lakh (Rs. 122.52 Lakh) and doubtful advances of Rs.13.24 Lakh (Rs. 10.17 Lakh).

NOTE 35

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

As per our report of even date attached

For, Sorab S. Engineer & Co.	Kartikeya V. Sarabhai
Firm Registration No. 110417 W	Chairman
Chartered Accountant	B. V. Suryakumar
CA. Chokshi Shreyas B.	Director
Partner	Ketan Adhvaryu
Membership No. 100892	Company Secretary
Date : 30-06-2014	Date : 30-06-2014
Place : Ahmedabad	Place : Ahmedabad

Consolidated Cash Flow Statement

	Year Ended March 31, 2014 Rs. Lakh	Year Ended March 31, 2013 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(1,954.75)	(1,649.71)
Adjustments for:		
Depreciation /Amortization	300.89	1,402.30
Interest Income	(57.54)	(66.59)
Interest and other Borrowing cost	1,092.76	675.54
Income from Investments	(1.14)	(0.43)
Bad Debts/Advances Written Off	33.72	42.05
Provision for Diminution in value of Investments	31.19	100.72
Loss on Sale of Investment	149.06	-
Provision for Bad Debts/Advances	-	6.22
Provision no Longer Required	(46.67)	(1,013.41)
Sundry Credit Balances Appropriated	(19.59)	(408.80)
Foreign Exchange Loss/(Gain)	10.87	(20.12)
(Profit)/Loss on Sale of Tangible/Intangible assets	(47.04)	(41.86)
Preliminary Expense written off	-	0.01
Extra Ordinary Income	-	-
	<u>1,446.51</u>	<u>675.63</u>
Operating Profit before Working Capital Changes	(508.24)	(974.08)
Working Capital Changes:		
Changes in Inventories	(176.75)	(152.86)
Changes in current liabilities	2,033.95	1,016.83
Changes in current assets, loans and advances	(26.56)	101.50
Changes in trade receivables	32.63	(650.78)
Changes in Other Bank Balances	(87.67)	511.64
	<u>1,775.60</u>	<u>826.33</u>
Net Changes in Working Capital	1,267.36	(147.75)
Cash Generated from Operations	(165.66)	(178.05)
Direct Taxes paid (Net of Income Tax refund)	-	-
Net Cash Flow from Operating Activities	1,101.70	(325.80)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(136.60)	(152.24)
Sale of tangible assets	88.74	55.75
Change in Investments	(96.79)	(1.00)
Dividend Income	1.14	0.43
Interest Income	54.99	68.72
Net cash flow before extraordinary item	(88.52)	(28.34)
Proceeds from Sale of Investment in Joint Venture (Extra ordinary Items)	-	-
Net cash flow from Investing Activities	(88.52)	(28.34)
C Cash Flow from Financing Activities		
Changes in Borrowings	254.00	951.06
Interest Paid	(1,092.76)	(675.67)
Net Cash flow from Financing Activities	(838.76)	275.39
Net Increase/(Decrease) in cash & cash equivalents	174.42	(78.75)
Cash & Cash equivalents at the beginning of the period	578.95	657.70
Cash & Cash equivalents at the end of the period	753.37	578.95
Particulars	As at Year Ended March 31, 2014	As at Year Ended March 31, 2013
a Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	5.99	9.36
Cheques on Hand	0.59	16.00
Balances with Banks	746.79	553.59
Total	753.37	578.95

As per our report of even date attached

For Sorab S Engineer & Co.
Firm Registration No 110417 W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Date : 30-06-2014
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 30-06-2014
Place : Ahmedabad

ase**Ambalal Sarabhai Enterprises Limited**

Regd. Office : Sarabhai Campus, Gorwa Road Vadodara-390 023

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 36th Annual General Meeting of the Company to be held on 25.09.2014 at 10.00 a.m. at CC Mehta Auditorium, M. S. University, Vadodara 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 31.3.2014
2	Re-appointment of Mr. Kartikeya V. Sarabhai, who retires by rotation.
3	Appointment of M/s. Sorab S. Engineer & Co. Chartered Accountants, Mumbai as Auditors
4	Re-appointment of Mr. B. V. Suryakumar as an Independent Director
5	Re-appointment of Mr. G. D. Zalani as an Independent Director
6	Re-appointment of Mr. Ashwin P. Hathi as an Independent Director
7	Re-appointment of Mr. Chandrashekhar Bohra as an Independent Director
8	Adoption of New Set of Articles of Association

Signed this _____ day of _____ 2014

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 : Sarabhai Campus, Gorwa Road Vadodara-390 023

ATTENDANCE SLIP

**Annual General Meeting
to be held on
Thursday, 25th September 2014 at 10.00 A.M.
at
Prof. C. C. Mehta Auditorium, General Education Centre,
The Maharaja Sayajirao University of Baroda
Vadodara-390002**

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,
Sarabhai Campus, Gorwa Road,
Vadodara - 390 023.

ase

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1.	Name of the Company	Ambalal Sarabhai Enterprises Ltd.
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	Second time
5.	To be Signed by ➤ MD/ WholeTime Director ➤ CFO ➤ Auditor of the Company ➤ Audit Committee Chairman	 Resigned Chowk. Shree A. 