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Ambalal Sarabhai Enterprises Limited

**37th Annual Report
2014-15**

Board of Directors

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

Mr. B.V. Suryakumar

Mr. Govind Das Zalani

Mr. Anil H. Parekh
Whole-time Director

Mr. K. Mohandas

Mr. Ashwin P. Hathi

Ms. Chaula Shastri
Whole-time Director

Mr. Chandrashekhar Bohra

Mr. Ketan Advharyu
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 - - - - -	10
Auditor's Report - - - - -	29
Balance Sheet - - - - -	32
Statement of Profit and Loss - - - - -	33
Notes to the Accounts - - - - -	34
Cash Flow Statement - - - - -	47
Statement regarding Subsidiaries Form AOC-1 - - - - -	48
Consolidated Auditors Report - - - - -	49
Consolidated Financial Statements - - - - -	53
Consolidated Cash Flow Statement - - - - -	68

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Notice

Notice is hereby given that the Thirty-seventh Annual General Meeting of the Company will be held on Tuesday, the 29th September 2015 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 Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March 2015, together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. Mohandas, (DIN-00312802) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Sorab S Engineer & Co., Chartered Accountants as approved by the members at the 36th Annual General Meeting of the Company held on 25-9-2014, as Statutory Auditors of the Company to hold their office till the conclusion of 38th Annual General Meeting of the Company and to authorize the Board to fix their remuneration for the financial year ending 31st March, 2016.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Anil H. Parekh as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of Section 196,197,198, 199 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the re-appointment of Mr. Anil H. Parekh (DIN-00312504) as “Whole-time Director” for a period of 3 years with effect from 26.12.2014 on the terms and conditions as stated in Explanatory Statement.”

5. Re-appointment of Mr. Kartikeya V. Sarabhai as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 196,197,198, 199 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the

Company be and is hereby accorded to the re-appointment of Mr. Kartikeya V. Sarabhai (DIN-00313585) as “Whole-time Director” for a period of 3 years with effect from 1.4.2015 on the terms and conditions as stated in Explanatory Statement.”

6. Re-appointment of Ms. Chaula Shastri as Whole-time Director.

To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of Section 196,197,198, 199 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the re-appointment of Ms. Chaula Shastri (DIN-06404118) as “Whole-time Director” for a period of 3 years with effect from 1.4.2015 on the terms and conditions as stated in Explanatory Statement.”

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

Date : 28.7.2015

Place : Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. 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 22.9.2015 to 29.9.2015 (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) (1) 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 mcsltbaroda@yahoo.com.

Voting through electronic means:

The Company offers e-voting facility to members as per section 108 of the Companies Act, 2013 and Companies (Management and Administration Rules) 2014 and clause 35b of the Listing Agreement.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25-9-2015 at 9.00 a.m. and ends on 28-9-2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-9-2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field. The Sequence Number is printed on address slip In case the sequence 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. for example If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the no. of shares held by you as on cutoff date 22-09-2015.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Ambalal Sarabhai Enterprises Ltd.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer to the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

- i. The e-Voting period commences on 25.9.2015 (9.00 a.m.) and ends on 28.9.2015 (5.00 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 22-9-2015 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 forthwith to the Chairman of the Company.
- v. The Results shall be declared within 3 days of the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> and communicated to the BSE Limited, where the shares of the Company are listed.
- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- 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.
- Company : Ambalal Sarabhai Enterprises Limited
Regd. Office: Sarabhai Campus, Gorwa Road, Vadodara, Gujarat, India
CIN: L52100GJ1978PLC0003159
E-mail ID: ketanadhvaryu@sarabhai.co.in
Registrar and Transfer Agent : MCS Limited
e-Voting Agency : Central Depository Services (India) Limited
E-mail ID: helpdesk.evoting@cdslindia.com,
Scrutinizer : CS Ajay Parikh & Associates,
Practising Company Secretary
E-mail; ID : ajay_ajay21@yahoo.com

Explanatory Statement

Required under section 102 of the Companies Act 2013 to accompany the Notice of the 37th Annual General Meeting.

Item 5

Mr. A. H. Parekh is M. Pharm., and holding extensive and varied experience of over 43 years in various areas of Production and Management. He has been associated with the Company for more than 4 decades. At present, he is carrying out all day to day management functions related to Pharmaceuticals (formulations) production, subject to the superintendence and control of the Board of Directors.

The tenure of Mr. Parekh as Whole-time Director & President (Formulation) was completed on 25th December 2014.

In view of the involvement and contribution in formulation segment and for restructuring of Company's business, the Nomination and Remuneration Committee and Board of Directors at their respective Meetings held on 14.11.2014 have subject to requisite approval/s, re-appointed him for a further period of 3 years with effect

from 26th December, 2014 on the following terms and conditions.

1. a) Basic Salary : Rs.90,000/- p.m. in the grade of 90,000/- 5,000/- 1,05,000/-.
- b) House rent allowance @ 40% of (a) : Rs.36,000/- p.m.
- c) Newspaper allowance : Rs.400/- p.m.
- d) Perquisites : Total perquisite shall be restricted to 70% of basic salary.
 - i) Expenditure : To be valued as per I.T. Rules incurred on gas, and in absence of such rules, electricity, to be valued at actual cost. water, furnishing.
 - ii) Medical benefits for : Reimbursement of expenses self and family. actually incurred for self, wife and dependent children. However, such reimbursement as it would exceed maximum limit laid down under I.T. Rules, would be subject to tax, from time to time.
 - iii) Leave Travel : Only travel fare, once a year to & Concession for fro for any place in India. self and family
 - iv) Telephone facilities : Personal long distance call to be at Residence paid by the appointee
- *v) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- *vi) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
- vii) Club fees and personal accident insurance, as per Company's rules.
- * ix) Gratuity would become payable at the rate not exceeding half a month's salary for each completed year of service.
- x) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
- * These items would not be considered while computing Managerial remuneration.
- 2) Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the basic salary of Rs.90,000/- per month in the grade of 90,000/- 5,000/- 1,05,000/-.
- 3) Rs.3,00,000/- per annum : Mr parekh shall be entitled for compensation on achieving pre determined Key Performance Area as determined by Nomination and Remuneration Committee of Directors in

proportion to achievement of key performance target both quantitative and qualitative.

- 4) In absence of or in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
 - 5) Other terms and conditions:
 - i) In the capacity of a Whole-time Director, he shall not be paid any sitting fees to attend the meeting of the Board and/or Committee thereof.
 - ii) In the event of cessation of his respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) He shall not so long as he functions as a Whole-time Director of the Company become interested or otherwise concerned directly or through wife/or minor children in any selling agency / wholesalers / distributors of the company.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither he nor any of his relatives nor any firm or private company in which he or any of his relatives are a Director, member or partner shall enter into any contract with the Company for sale, purchase or supply of any goods, materials or services for whatever value. He shall also report to the Board the names of all private companies, firms or proprietorship in which he or any of his relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.
 - vi) The appointment is terminable by notice on either side or by payment of three months' salary in lieu thereof.
 - 6) The Board/Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or reenactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s, if any, as might be then required.
 - 7) Terms of the appointment of Whole-time Director & President – Formulation) can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, he shall cease to be Whole-time Director & President - (Formulation) on expiration of the present term.
- The proposed resolution and explanatory statement

may be treated as an abstract of the terms and conditions of the appointment of Mr. A.H. Parekh as Whole-time Director in terms of section 190 of the Companies, Act 2013.

Mr. A.H. Parekh may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Item No. 6

Mr. Kartikeya V. Sarabhai is M.A. (Cantab), did Post Graduate studies at MIT, USA. He joined the Board of Directors of the Company in 1992 and has been appointed as the Chairman of the Company since 1995. He has been very actively associated with the operations of the Company and monitoring various areas of operations and management on day to day basis.

The tenure of Mr. Sarabhai as Whole-time Director was completed on 31st March 2015.

The Nomination and Remuneration Committee of Directors and the Board of Directors at their respective meeting held on 13.2.2015 and 30-5-2015 had subject to requisite approval/s, re-appointed him for a period of 3 years with effect from 1-4-2015 and his terms and conditions including remuneration have been decided at their meetings held on 28.7.2015 as under.

1. a) Basic Salary : Rs. 100,000/- p.m. in the grade of 100,000-5,000-110,000
- b) House rent allowance : Rs.40,000/- p.m.
@ 40% of (a)
- c) Perquisites : In addition to the above the following perquisites shall be allowed
 - i) Expenditure : To be valued as per I.T. Rules and incurred on gas, in absence of such rules, to be electricity, water, valued at actual cost. furnishing.
 - ii) Medical benefits for : Reimbursement of expenses self and family : actually incurred for self, wife and dependent children. However, such reimbursement as it would exceed maximum limit laid down under I.T. Rules, would be subject to tax, from time to time.
 - iii) Leave Travel : Only travel fare, once a year to & Concession for self and family. fro for any place in India.
 - iv) Addl.Allowance : In the form of conveyance / petrol /misc. expenses
 - v) Telephone facilities : Personal long distance call to be at Residence paid for by the appointee.
 - vi) Club fees and personal accident insurance, as per Company's rules.

Mr. Sarabhai shall also be entitled to the following benefits. However the same will not be taken into account while computing Managerial Remuneration.

Other Benefits:

- A) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
 - B) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
 - C) Company's contribution towards superannuation fund as per rules of the Company.
 - D) Gratuity would become payable at the rate not exceeding half a month's salary for each completed year of service.
 - E) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
2. Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the basic salary of Rs.100,000/- p.m in the grade of 100,000-5,000-110,000/-.
 3. Rs. 3,00,000/- per annum : Mr.Sarabhai shall be entitled for compensation on achieving pre determined Key Performance Area as determined by Nomination & Remuneration committee in proportion to achievement of key performance target both quantitative and qualitative during the year.
 4. In absence of or in-adequacy of profits in any financial year, he will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
 5. Other terms and conditions:
 - i) In the capacity of a Whole-time Director, he shall not be paid any sitting fees to attend the meeting of the Board and/or Committee thereof.
 - ii) In the event of cessation of his respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) He shall not so long as he functions as a Whole-time Director of the Company become interested or otherwise concerned directly or through wife/or minor children in any selling agency of the company.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither he nor any of his relatives nor any firm or private company in which he or any of his relatives are a Director, member or partner shall enter into any contract with the Company for

sale, purchase or supply of any goods, materials or services for whatever value. He shall also report to the Board the names of all private companies, firms or proprietorship in which he or any of his relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.

vi) This appointment is terminable by three months' notice on either side or payment of salary in lieu thereof.

6. The Board of Directors / Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or reenactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s, if any, as might be required.

7. Terms of the appointment of Whole-time Director can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, Mr. Sarabhai shall cease to be a Whole-time Director on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Sarabhai as Whole Time Director in terms of section 190 of the Companies, Act 2013.

Mr. Sarabhai may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Item 7

Ms. Chaula Shastri is B.Com. LL.B, Diploma in Business Management. She is in the organization since 1979. Ms. Shastri has wide and varied experience of over 33 years in various areas of Administration and Management. At present, she is looking after all day to day management functions at Vadodara campus under the superintendence and control of the Board of Directors. The tenure of Ms. Shastri as Whole-time Director would be completed on 15.10.2015. In view of her involvement and contribution in restructuring of the Company, the Nomination and Remuneration Committee and Board of Directors at their respective meeting held on 28.7.2015 have subject to the requisite approval/s, re-appointed her for a further period of 3 years with effect from 1.4.2015 on following terms and conditions:

- | | |
|--|---|
| | March 2018. |
| 2. a) Basic Salary | : Rs. 59,000/- p.m. in the grade of 59,000 - 3,000 - 65,000 |
| b) House rent allowance | : Rs.23,600/- p.m.
@ 40% of (a) |
| c) Perquisites | : Total perquisites shall be restricted to 60% of basic salary. |
| i) Expenditure incurred on gas, electricity, water, furnishing | : To be valued as per I.T. Rules and in absence of such rules, to be valued at actual cost. |
| ii) Medical benefits for self and family | : Reimbursement of expenses actually incurred for self, spouse and dependent children. However, such reimbursement as it would exceed maximum limit laid down under I.T. Rules, would be subject to tax, from time to time. |
| iii) Leave Travel Concession for self and family | : Only travel fare, once a year to & fro for any place in India. |
| iv) Additional allowance | : In the form of conveyance / petrol / miscellaneous expenses. |
| v) Telephone facilities | : Personal long distance call to be paid for by the appointee. |
| vi) Club fees and personal accident insurance, as per Company's rules. | |

Ms. Shastri shall also be entitled for the following benefits. However the same will not be taken into account while computing Managerial Remuneration.

Other Benefits:

- A) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
 - B) Leave on full pay, as per rules of the Company, but not exceeding one month's leave for every eleven months of service.
 - C) Company's contribution towards provident fund and superannuation fund as per rules of the Company.
 - D) Gratuity would become payable at the rate not exceeding half a month's salary for each completed year of service.
 - E) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
3. Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the basic salary of Rs. 59,000/- p.m. in the grade of 59,000 - 3000 - 65,000/-.
 4. Rs. 2,00,000/- per annum : Ms. Shastri shall be entitled for compensation on achieving pre determined Key Performance

Area as determined by Nomination and Remuneration committee in proportion to achievement of key performance target both quantitative and qualitative during the year.

5. In absence of or in-adequacy of profits in any financial year, she will be entitled to said salary, perquisites etc. as mentioned above as minimum remuneration.
6. Other terms and conditions:
 - i) In the capacity of a Whole-time Director, she shall not be paid any sitting fees to attend the meeting of the Board and/or Committee thereof.
 - ii) In the event of cessation of her respective office during any financial year, the aforesaid remuneration will be paid on a pro-rata basis.
 - iii) She shall not so long as she functions as a Whole-time Director of the Company become interested or otherwise concerned directly or through spouse/or minor children in any selling agency of the company further without the prior approval of the Central Government.
 - iv) The Company shall deduct all taxes from the remuneration, as per applicable law, from time to time.
 - v) Without the approval of the Board of Directors of the Company, neither she nor any of her relatives nor any firm or private company in which she or any of her relatives are a Director, member or partner shall enter into any contract with the Company for sale, purchase or supply of any goods, materials or services for whatever value. She shall also report to the Board the names of all private companies, firms or proprietorship in which she or any of her relatives as defined in the Companies Act, have any interest as Director, member, partner or proprietor.
 - vi) This appointment is terminable by three months' notice on either side or payment of salary in lieu thereof.
7. The Board of Directors / Nomination and Remuneration Committee of Directors of the Company would be empowered to modify the terms of remuneration as may be required and also to increase the above remuneration on an annual basis during the tenure and such an increase would be within the limit of Schedule V of the Companies Act, 2013 (or any amendment or reenactment made thereof from time to time) as applicable to the Company and would be subject to other compliance/s, if any, as might be required.
8. Ms. Shastri's terms of the appointment of Whole-time Director can be renewed by the Board of Directors before the expiry of the said term and in case the terms are not renewed before the expiry of the existing term by the Board of Directors, Ms.

Shastri shall cease to be a Whole-time Director on expiration of the present term.

The proposed resolution and explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Ms. Shastri as Whole-time Director in terms of section 190 of the Companies, Act 2013.

Ms. Shastri may be considered to be concerned or interested in the proposed resolution.

None of the other Directors of the Company are concerned or interested in the said resolution.

Your Directors commend the resolutions as set out in the Notice for your approval and acceptance.

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

Date : 28.7.2015
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
Mr. 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	--
Mr. A.H. Parekh	18.10.1948	M. Pharm (Pharmaceuticals & Pharmaceutical Technology)	He has experience of Pharma production facilities of more than four decades. Technical Expertise in: - Formulation, Production, Planning - Inventory Control - Stores, Distribution & Logistic - Knowledge of Quality Control	--	--
Ms. Chaula Shastri	19.1.1959	B.Com. LL.B, Diploma in Business Management	She has very good experience in Administration, Communication, Public Relation and liaisoning with people from different segment.	--	--
Mr. K. Mohandas	12.5.1948	Graduate with Economics & Diploma in Materials Management	Joined the organization in 1996 and has vast and varied experience of over 48 years in various areas of management and administration in electronics segment.	--	Systronics (India) Limited

Directors' Report

To

The Shareholders

The Directors hereby present their 37th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2015.

	(Rs.lakh)	
	2014-15	2013-2014
Turnover(Net)	1524	1567
Other Income	1417	494
Total Income	2941	2061
Financial Cost	791	912
Depreciation	336	152
Loss before Extra Ordinary Income (915)		(2057)
Net Profit/ (Loss) before taxation (915)		(2057)
Net Profit/ (Loss) (915)		(2057)

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

Consolidated Results :

The Company's Operations are organised through 7 Subsidiaries and a joint venture company each of which represents a focused area of Business Strategy which led to better growth and consolidation of operations. The combined revenue from operations gone up from 10,465 lakhs to 12,450 lakhs showing a growth of nearly 20%, consequently the loss before tax reduced from nearly 2021 lakhs to 667 lakhs.

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. The Company has discontinued its Generics Marketing business in 2015.

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

Sarabhai Chemicals Specialties, a division of SCPL markets speciality pharmaceutical products for Oncology and Infertility . In spite of adverse market scenario, the turn-over has increased by 13.5% during the year under review. SCPL has launched a new division viz. Uro - Gynaec in January, 2015 which has received good response from the market.

Asence Inc.

Asence Inc., a wholly-owned subsidiary of the Company, incorporated in US, specializes in the supply

of quality pharmaceutical preparations (Finished Dosage Forms and Active Pharmaceutical Ingredients) to international markets.

Asence Pharma Pvt.Ltd.,(Asence)

Asence,a wholly owned subsidiary of Asence Inc. has grown significantly during the year . It has achieved gross turnover of Rs.3755.17 lakhs with a net profit of Rs.103.90 lakhs for the year ended 31st March 2015. Asence has made inroads into growth related projects through investment and partnerships in group companies as well as external manufacturing sites. This has shown increase in sales and relatively high impact on profitability. The Company is expected to grow well in the current year .

Asence is making full efforts to boost up the international activities as well as domestic sales and endeavours to improve the performance of all its products.

Vovantis Laboratories Pvt. Ltd.,(Vovantis)

During the year,Vovantis , a joint venture company, has observed noteworthy growth in the operations as compared to previous years. Many new products in the form of Effervescent Tablets and powder packed in sachet have been developed and these products are very well accepted by the market. As a result, Vovantis could achieve considerable orders from market and booked significant increase in sales. The gross sales increased to Rs 1732 Lakhs as compared to Rs.961 Lakhs in last year. Profit before tax increased to Rs.190 Lakhs as against Rs. 116 Lakhs in last year.

In view of expecting much more demand in future from the existing as well as new customers, Vovantis is planning to enhance its production capacity by creating additional plant facilities near the existing plant. The project evaluation is under finalization considering alternative sources of investment. Vovantis is confident to create its distinguished presence in the international market by ensuring upward graphs in its growth.

Suvik Hitek Private Limited (Suvik)

Suvik, a wholly owned subsidiary of the Company, has started new business activities of Generics marketing with effect from 1st January 2015. Suvik has already entered into necessary agreements with Manufacturers and Distributors and started generics marketing. Suvik would market these under the brand name of "Sarabhai" and its logo for which Suvik has executed license agreement with the company. Suvik expects to achieve better results in the current year due to increase in turnover from Generics business.

In the year under review,Suvik achieved a turnover

of Rs 399 lakhs in comparison to Rs 52 lakhs in last year. The net loss has also come down to Rs 30.81 lakhs in the year.

Bulk Drugs:

SYNBIOTICS LIMITED (Synbiotics)

During the year under report, there has been an increase of about 50% in the turnover of Synbiotics, another wholly owned subsidiary of the Company. This has been mainly due to increased demand of product- Amphotericin Oral grade and Lyophilized grade in the overseas market. Increased off take by overseas parties has also helped in stabilizing the demand for the products.

Synbiotics has successfully passed the audit inspection from various international and domestic companies. Synbiotics manufacturing facilities have got recognition from overseas authorities and also received approval from PMDA [Japan], WHO-GMP, EU, and USFDA. Synbiotics R & D department is constantly working for improving yield of EP Grade product for which there is a good potential market both at domestic and international level. Synbiotics has planned to invest about Rs. 100 lakhs in setting up facilities to increase yield efficiency of the product securing high productivity. Synbiotics achieved a turnover of Rs.1203.41 lacs for the year ended 31st March, 2015.

ELECTRONICS:

Systronics(India) Limited: (Systronics)

During the year under report, the turnover of Systronics, a wholly owned subsidiary of the Company has decreased from Rs 5172 lakhs to Rs 4793 lakhs. Systronics is exploring the possibilities of expansion /diversification to achieve better results and expecting to make progress 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 as a part of the Annual Report.

Subsidiaries:

A statement pursuant to Section 129 of the Companies Act, 2013 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 136 of the

Companies Act, 2013. 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.

In order to ease the distribution of Annual Report, shareholders are requested to register their email address with the Company or its STA to get the Annual Report through email.

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 152 of the Companies Act, 2013, Mr. K. Mohandas, who retires by rotation and being eligible, offers himself for re-appointment.

Declaration by Independent Directors

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

Board Evaluation

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (SEBI) under clause 49 of the Listing Agreements ("Clause 49").

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

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

The Board and the Nomination and Remuneration

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

Particulars of Loans, Guarantees or Investments

Information regarding Loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are detailed in the financial statements.

Related Party Transactions

Since all the related party transactions are carried out in the ordinary course of business on arm's length basis such transactions entered into by the Company during the financial year did not attract the provisions of Section 188 of the Companies Act, 2013. There being no 'material' related party transactions as defined under clause 49 of the Listing Agreement, there are no details to be disclosed in Form AOC-2 in that regard.

During the year 2014-15, pursuant to Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement, all RPTs were placed before Audit Committee for its prior/omnibus approval.

Material Changes and Commitments

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

Extract of Annual Return

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in the prescribed Form MGT-9 is annexed to this report.

Number of Meetings of the Board

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

Policy on Directors' Appointment and Remuneration and other details

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been followed by Nomination and Remuneration Committee while recommending appointment of Directors or key Managerial Personnel.

They have fixed criteria for appointment of directors and key Managerial Persons. Every year their performance is evaluated by the committee and accordingly suitable recommendation is made.

Internal financial control systems and their adequacy

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

Audit Committee

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

Auditors' Report and Secretarial Auditors' Report

Auditors' Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an annexure which forms part of this report. Regarding appointment of CFO, the company had selected one person for the post of CFO in the last accounting year, who did not join for personal reasons. Thereafter the company is in the process of looking for a right person for appointment of CFO and it is expected that CFO will be appointed soon by the Company.

Risk Management

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

Corporate Social Responsibility

Since the company has been incurring losses for last more than three years, the provisions relating to Corporate Social Responsibility are not attracted.

Particulars of Employees

The information required under Section 197 of the Act read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will

be provided upon request. In terms of section 136 of the Act, the reports and accounts are being sent to the members and others excluding the information on employees' particulars, which is available for inspection by members at the registered office of the Company during 11.00 a.m. to 4.00 p.m. on working days of the Company upto the date of AGM. If any member is interested in obtaining a copy thereof, he/she may write to Secretarial Department of the Company.

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, are given in the Annexure to this Report in the prescribed format.

Directors' Responsibility Statement.

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

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015.
- (iii) 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.
- v) That the directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- vi) That the Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems are adequate and operating effectively.

Insurance:

Building, Plant and machinery and stocks, have been

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

Statutory Auditors:

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the existing Auditors M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, (Reg. No. 110417W) were appointed by the shareholders at 36th Annual General Meeting to hold office until the conclusion of the 38th Annual General Meeting, subject to the ratification by Shareholders at each Annual General Meeting.

Acknowledgement:

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

	For and on behalf of the Board
Date : 28.7.2015	Kartikeya V. Sarabhai
Place : Ahmedabad	Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' report for the year ended 31st March 2015.

(A) Conservation of Energy &

(B) Technology absorption.

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

(C) Foreign exchange earnings and outgo

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

	Rs. Lakh
Foreign exchange earned	--
Foreign exchange used	379.96

cardiovascular, anti-diabetes, anti-depressants and anti-cancers are on the rise.

Moreover, the government has been taking several cost effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies. In addition, the thrust on rural health programmes, life saving drugs and preventive vaccines also augurs well for the pharma companies.

Performance of your Company:

Your company operates in an area where a large market exists and other ample opportunities for growth. During the year 2014-15 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 products through Asence Pharma Private Limited, a wholly owned subsidiary of the company.

Internal control systems and their adequacy:

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

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

Human resources/Industrial relations:

The focus of the management is on the organizational development such as imbining 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, the total employee strength of the company is 330.

Management Discussions and Analysis Report

Overview Of Indian Pharmaceutical Industry

The pharmaceutical industry in India is the world's third-largest in terms of volume. According to the Department of Pharmaceuticals of the Indian Ministry of Chemicals and Fertilizers, the total turnover of India's pharmaceuticals industry between 2008 and September 2009 was US\$21.04 billion. The domestic market was worth US\$12.26 billion.

The exports of pharmaceutical products from India increased from US\$6.23 billion in 2006-07 to US \$10.1billion in 2013 (according to India Brand Equity Foundation), a combined annual growth rate of 21.25%. According to Price Waterhouse Coopers (PWC) in 2010, India will join the top 10 global pharmaceutical markets in 2020 with turnovers reaching US\$50 billion.

Market Size

The Indian pharmaceutical industry is estimated to grow at 20% compound annual growth rate (CAGR) over the next five years, as per India Ratings, a Fitch Group company.

Government Support

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

Challenges

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

Road Ahead

Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

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	--	--
B.V. Suryakumar	Non-Executive/ Independent	3	1
G.D. Zalani	Non-Executive/ Independent	--	--
K. Mohandas	Non-Executive/	1	--
A.H. Parekh	Whole-time Director & President (Formulations)	--	--
Ashwin P. Hathi	Non-Executive/ Independent	--	--
Ms. Chaula Shastri	Whole-time Director	--	--
Chandra-shekhar Bohra	Non-Executive/ Independent	2	1

b) Board Meetings:

The Board met 6 times on the following dates during the financial year 2014-2015 and the maximum time-gap between the two meetings did not exceed four months.

31.5.2014	25.9.2014
30.6.2014	14.11.2014
14.8.2014	13.2.2015

The Agenda papers were circulated to the Directors in advance before the meetings with sufficient information. The details of attendance of each Director at the Board Meeting held during the financial year 2014-2015 and at the last Annual General Meeting held on 25.9.2014, together with the sitting fees paid to each Director are given below:

Name of Director	No. of Meetings held during the tenure	No. of Meetings attended	Sitting fees paid for Board Meetings & other Committee Meetings (Rs.)	Attendance at the last AGM	Date of Appointment
Kartikeya V. Sarabhai	6	5	Nil	Yes	30.07.1992
B.V. Suryakumar	6	5	39,000	-	18.05.2005
G.D. Zalani	6	5	36,000	Yes	01.04.1996
K. Mohandas	6	4	Nil	-	03.03.2011
A.H. Parekh	6	6	Nil	Yes	04.05.2005
Ashwin P. Hathi	6	2	12,000	-	24.06.2010
Ms. Chaula Shastri	6	6	Nil	Yes.	16.10.2012
Chandrashekhar Bohra	6	4	15,000	Yes	13.6.2013

II) Committees of Directors :

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

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

2014-2015 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
B.V. Suryakumar	Chairman	5	5
G.D. Zalani	Member	5	4
Ashwin Hathi	Member	3	1
K. Mohandas	Member	5	4

Mr. Ashwin P. Hathi resigned from Audit Committee on 14.8.2014

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 Meetings held during the financial year 2014-2015 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 Meetings held during the financial year 2014-2015 are as under:

Name of Director	Status	No. of Meeting held	No. of Meeting attended
G.D. Zalani	Chairman	3	3
B.V. Suryakumar	Member	3	3
Ashwin P. Hathi	Member	3	1

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

- The contract of Mr. Kartikeya V. Sarabhai, Whole-time Director and Chairman was for a period of 3 years with effect from 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. AH Parekh, Whole-time Director was for a period of 3 years with effect from 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 with effect from 16.10.2012 and the terms of remuneration were approved by the shareholders at the Adjourned Annual General Meeting held on 13.11.2013.

Necessary resolutions for the re-appointments of Whole-time Directors and their terms of remuneration are incorporated in the Notice of the 37th Annual General Meeting for the approval of the Shareholders.

Details of Remuneration of Directors (2014-15)

Name of Director	Salary & perquisites	Sitting Fees	Total
Kartikeya Sarabhai	13,48,162	----	13,48,162
Anil H Parekh	17,07,296	---	17,07,296
Ms Chaula Shastri	9,35,728	----	9,35,728
BV Suryakumar	-----	39,000	39,000
G D Zalani	-----	36,000	36,000
Ashwin Hathi	-----	12,000	12,000
C S Bohra	-----	15,000	15,000
K Mohandas	----	-----	-----

CODE OF CONDUCT:

In terms of clause 49 of the Listing Agreement, the Board of Directors of the Company has laid down a code of conduct for all Board members and senior management personnel of the company. The Board members and senior management personnel of the company have affirmed compliance with the code. The Chairman and Whole-time Director of the Company has given a declaration to the company that all the Board members and senior management personnel have affirmed compliance with the code.

WHISTLE BLOWER POLICY:

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

Protection against Sexual Harassment at work place:

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

IV) 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
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	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2013-14	36th AGM 25th September, 2014	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda

V) Disclosures:

- As required under the Companies Act, the Directors disclose the name of the Companies / parties in which they are interested and accordingly the Register of Contracts under Section 189 of the Companies Act, 2013 is tabled and signed at the Board Meeting/s.
- Transactions with the “related parties” are disclosed in detail in note forming part of Accounts’ annexed to the financial statements for the year ended 31st March 2015. 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 2014-15 by the Company on any matter related to Capital Markets.
- 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.

Postal Ballot:

During the year under review the company has not passed any resolution by way of postal ballot.

Related Party Transactions:

The transactions with related party are disclosed in Financial statement for the year ended 31st March 2015.

VI) General Shareholder Information:

- Registered Office: Sarabhai Campus, Gorwa Road, Vadodara-390 023
- Venue, Day & Date of 37th Annual General Meeting: Prof. C.C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara-390002. Tuesday, 29th September, 2015 10.00 a.m.
- Financial Calendar: From 1st April 2014 to 31st March 2015
- Book Closure dates: From 22.09.2015 to 29.09.2014 (both days inclusive)
- Dividend Payment Date: Not applicable
- Listing on stock exchange: BSE Ltd. Stock Code No. 500009

VII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2014	3.15	2.26	22,939.31	22,197.51
May-2014	4.70	2.36	25,375.63	22,277.04
June-2014	6.99	4.93	25,725.12	24,270.20
July-2014	5.68	4.00	26,300.17	24,892.00
August-2014	4.57	3.75	26,674.38	25,232.82
September-2014	7.21	4.20	27,354.99	26,220.49
October-2014	5.48	4.43	27,894.32	25,910.77
November-2014	6.03	4.80	28,822.37	27,739.56
December-2014	5.47	3.90	28,809.64	26,469.42
January-2015	5.00	3.60	29,844.16	26,776.12
February-2015	4.78	3.75	29,560.32	28,044.49
March-2015	4.80	3.08	30,024.74	27,248.45

VIII) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialised form, with effect from 28.8.2000, as per SEBI's directive. The Company has already appointed MCS Ltd., Vadodara as its RTA for dematerialization purposes and has also set up the requisite facilities for dematerialization of 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 transferred share certificates are despatched to the respective shareholders.

Total shares transferred during financial year 2014-15	14729
Total Transfer Deeds received and processed during financial year 2014-15	119
Total No. of shares(s) Demated as on 31st March 2015	61938570
% of total Equity shares in Demat as on 31st March 2015	80.82%

IX) Distribution of Shareholding - as on 31st March, 2015:

Category	No. of Shares	%
Promoters	23318500	30.43
FII/NRI	311376	0.41
Public Financial Institutions & Nationalized Banks	358912	0.47
Mutual Funds/UTI	-	-
Bodies Corporate	19679172	25.68
Indian Public	32965336	43.01
Total	76633296	100.00

X) Distribution of Shareholding as on 31st March, 2015 (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	157198	93.4884	11418878	14.9007
501 to 1000	7270	4.3236	5542787	7.2329
1001 to 2000	2274	1.3524	3356586	4.3801
2001 To 3000	478	.2843	1214502	1.5848
3001 To 4000	214	.1273	763052	0.9957
4001 To 5000	202	.1201	957011	1.2488
5001 To 10000	237	.1409	1778731	2.3211
Over 10000	274	0.1630	51601749	67.3359
Total.....	168147	100.0000	76633296	100.0000

XI) 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

XII) Plant Locations:

Village Ranoli, Dist. Vadodara.

XIII) Address for Correspondence:

Shareholders can correspond either at the office of its

Share Transfer Agent viz. MCS limited, 10, Aaram Apartment, 12, Sampatarao Colony, Behind Laxmi Hall, Alkapuri, Vadodara-390007 or at the Company's Registered Office, situated at Sarabhai Campus, Gorwa Road, Vadodara-390 023. Queries of shareholders shall be addressed to Mr. Ketan Advharyu, Company Secretary - Email - ketanadvharyu@sarabhai.co.in. The Company Secretary is designated by the Company as 'Compliance Officer'.

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

This is to confirm that the Company has in respect of financial year ended 31st March, 2015, received from the members of the Board and Senior Management of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For, Ambalal Sarabhai Enterprises Ltd.

Ahmedabad

Kartikkeya V Sarabhai

30-5-2015

Chairman & Whole-time Director

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, 2015 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 ensuing the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For 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 : 28-07- 2015

Place : Ahmedabad

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

To, The Members,

Ambalal Sarabhai Enterprises Limited

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

Based on my verification of the **Ambalal Sarabhai Enterprises Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

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

1992; (Not applicable to the Company during audit period)

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Though it is not applicable for the year 2014.15.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares / debentures / sweat equity.
- (ii) Redemption/buyback of securities.
- (iii) Major decisions taken by the members in pursuant to section 180 of the Companies Act, 2013.
- (iv) Merger/amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

I further report that during the audit period:

The Company has approved -

- 1) Alteration of Articles of Association of the Company.

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

For, Ajay Parikh & Associates

Company Secretaries

Ajay M. Parikh

Place: Ahmedabad

Proprietor

Date: 28/07/2015

FCS: 6075 C P No.:6503

‘Annexure A’

(To the Secretarial Audit Report of M/s. Ambalal Sarabhai Enterprises Limited for the financial year ended 31/03/2015)

To, The Members,

Ambalal Sarabhai Enterprises Limited

Sarabhai Campus, Gorwa Road,

Vadodara- 390 023

Gujarat.

Our Secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter.

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

For, Ajay Parikh & Associates

Company Secretaries

Ajay M. Parikh

Place: Ahmedabad

Proprietor

Date: 28/07/2015

FCS: 6075 C P No.:6503

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2015

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:-	L52100GJ1978PLC003159
(ii)	Registration Date -	27-06-1977
(iii)	Name of the Company	Ambalal Sarabhai Enterprises Ltd.,
(iv)	Category / Sub- Category of the Company	Public Limited Company
(v)	Address of the Registered office and contact details	Sarabhai Campus, Gorwa Road, Vadodara.
(vi)	Whether listed company	Yes / No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Limited. 10, Aaram Apartment, 12 Sampatrao Colony, B/H. Laxmi Hall, Alkapuri, Vadodara – 390 007.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

All the business activities contributing 10% or more of the to

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares held	Applicable Section
1	Synbiotics Ltd	U24232GJ1960PLC000992	115,946	100%	
2	Systronics (I) Ltd	U32201GJ1973PLC002437	11,985,015	100%	
3	Sarabhai Chemicals (India) Ltd	U24231GJ2004 PTC043478	984,000	99%	
4	Asence Inc.		500	100%	
5	Sarabhai M Chemicals Ltd	U50101GJ2000PLC039109	50,000	100%	
6	Haryana Containers Ltd	U25202GJ1970CLC037926	50,000	100%	
7	Suvik Hitek Pvt Ltd	U24231GJ1977PTC003036	2,50,000	100%	

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

(i) Categor wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2014				No. of Shares held at the beginning of the year 31.3.2015			
	Demat	Physical	Total	% of Shares	Demat	Physical	Total	% of Shares
A. Promoters								
(I) Indian								
g) Individual/HUF	91,970	10	91,980	0.12	92,047	384	92,431	0.12
h) Central Govt	--	--	--	--	--	--	--	--
i) State Govt.(s)	--	--	--	--	--	--	--	--
j) Bodies Corp	23,226,520	--	23,226,520	30.31	23,226,520	--	23,226,520	30.31
k) Any Other	--	--	--	--	--	--	--	--
Sub Total (A)(1)	23,318,490	10	23,318,500	30.43	23,318,567	384	23,318,951	30.43
(II) Foreign								
a) NRIs Individuals	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--
c) Bodies Corp	--	--	--	--	--	--	--	--
d) Bank/FI	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--
Total Shareholding Promoter (A)=(A)(1)+(A)(2)	23,318,490	10	23,318,500	30.43	23,318,567	384	23,318,951	30.43
B. Public Shareholding. Institutions								
a) Mutual Funds	--	--	--	--	--	--	--	--
b) Banks/FI	355,292	1,420	356,712	0.47	355,292	1,420	356,712	0.47
c) Central Govts	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--
e) Capital Funds	--	--	--	--	--	--	--	--
f) Insurance Companies	--	2,200	2,200	--	--	2,200	2,200	--
g) FII	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--
Sub Total (B)(1)	355,292	3,620	358,912	0.47	355,292	3,620	358,912	0.47
2) Non Institutions								
a) Body Corp								
i) Indian	19,536,486	142,686	19,679,172	25.68	19,524,171	142,686	19,666,857	25.66
ii) Overseas	--	--	--	--	--	--	--	--
b) Individuals								
i) Individual Shareholders Holding Nominal								

Share Capital upto Rs. 1 Lakh	11,373,987	13,304,568	24,678,555	32.20	11,416,875	13,467,799	24,884,674	32.47
i) Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh	7,168,995	1,117,786	8,286,781	10.81	6,971,472	1,117,786	8,089,258	10.55
c) Others	153,902	157,474	311,376	0.41	157,170	157,474	314,644	0.42
NRI	153,902	157,474	311,376	0.41	157,170	157,474	314,644	0.42
Sub Total (B)(2)	38,233,370	14,722,514	52,955,884	69.10	38,069,688	14,885,745	52,955,433	69.10
Total Public Shareholding (B)=(B)(1)+(B)(2)	38,588,662	14,726,134	53,314,796	69.57	38,424,980	14,889,365	53,314,345	69.57
B. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	61,907,152	14,726,144	76,633,296	100.00	61,743,547	14,889,749	76,633,296	100.00

ii Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2014			Shareholding at the end of the year 31.03.2015		
		No of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares
1	Kartikeya V Sarabhai	12250	0.016	—	12250	0.016	—
2	Govind D Zalani	10	0.00	—	10	0.00	—
3	B. V. Suryakumar	374	0.00	—	0	0.00	—
4	Mallika S. Sarabhai	49960	0.065	—	49960	0.065	—
5	Mohal Sarabhai	12610	0.017	—	12610	0.017	—
6	Samvit Sarabhai	12655	0.017	—	12655	0.017	—
7	Mrilani S. Sarabhai	4495	0.006	—	4495	0.006	—
8	Rajashree S. Sarabhai	77	0.00	—	0	0.00	—
9	Sarabhai Holding PL	19303972	25.19	—	19303972	25.19	—
10	Rajka Designs PL	163850	0.214	—	163850	0.214	—
11	Leena Inv. PL	128217	0.167	—	128217	0.167	—
12	Himalaya Inv. P L	1911	0.002	—	1911	0.002	—
13	Yudhisthir Inv. PL	469305	0.612	—	469305	0.612	—
14	Koshalya Inv. P.L.	456722	0.596	—	456722	0.596	—
15	Medicinal Drugs Mfg. P L	157716	0.206	—	157716	0.206	—
16	Sahayog Inv. P L	161011	0.21	—	161011	0.21	—
17	Talimi Inv. P L	163323	0.213	—	163323	0.213	—
18	Vasantbahar Inv. PL	200989	0.262	—	200989	0.262	—
19	Adana Inv. P L	157920	0.206	—	157920	0.206	—

20	Kanda Inv. P L	209288	0.273	—	209288	0.273	—
21	Mrigank Inv P L	178669	0.233	—	178669	0.233	—
22	Jonpuri Inv. P.L.	178667	0.233	—	178667	0.233	—
23	Bhadrapad Inv P L	157920	0.206	—	157920	0.206	—
24	Bhilwal Inv. P L	157920	0.206	—	157920	0.206	—
25	Madhavbag Holdings P L	178651	0.233	—	178651	0.233	—
26	Ashavari Inv. P.L.	182513	0.238	—	182513	0.238	—
27	Vaishakhi Inv. P L	181561	0.237	—	181561	0.237	—
28	Todirag Holdings	185675	0.242	—	185675	0.242	—
29	Khamaj Inv. P L	159086	0.208	—	159086	0.208	—
30	Sarabhai Management Corp. Ltd.	91634	0.12	—	91634	0.12	—
	Total	23318951	30.43	—	23318500	30.43	—

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

SI No		Shareholding at the beginning of the year 1.04.2014		Cumulative shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	At the beginning of the year	23318951	30.43	23318951	30.43
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/Bonus/sweat equity etc):	451	0.0005	451	0.0005
	At the End of the year (or on the date of seperation, if seperated during the year	23318500	30.43	23318500	30.43

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

SI No		Shareholding at the beginning of the year 1.04.2014		Cumulative Shareholding during the year 31.03.2015	
	For Each of the Top 10 Shareholders	No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
1	At the beginning of the year				
1	Caplin Vinayog Pvt Ltd	4222879	5.5106	4222879	5.5106
2	Navtech Farm Products Pvt Ltd	3646167	4.7879	3646167	4.7879
3	On Time Hire Purchase Agencies Pvt Ltd	3295625	4.3005	3295625	4.3005
4	Gyan Traders Limited	2740836	3.5766	2740836	3.5766
5	The Methoni Tea Co Ltd	2470625	3.224	2470625	3.2240
6	JVL Agro Industries Ltd	834512	1.089	834512	1.0890
7	Manju Bholatia Manju	633494	0.8267	633494	0.8267
8	Sarita Govind Yadav	556528	0.7262	556528	0.7262
9	Indi Stock Pvt Ltd	537691	0.7016	537691	0.7016
10	Bank of India	354000	0.4619	354000	0.4619

	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/Bonus/sweat equity etc):	—	—	—	—
	At the End of the year (or on the date of seperation, if seperated during the year				
1	Caplin Vinayog Pvt Ltd	4222879	5.5106	4222879	5.5106
2	Navtech Farm Products Pvt Ltd	3646167	4.7879	3646167	4.7879
3	On Time Hire Purchase Agencies Pvt Ltd	3295625	4.3005	3295625	4.3005
4	Gyan Traders Limited	2740836	3.5766	2740836	3.5766
5	The Methoni Tea Co Ltd	2470625	3.224	2470625	3.2240
6	JVL Agro Industries Ltd	834512	1.089	834512	1.0890
7	Manju Bholatia Manju	633494	0.8267	633494	0.8267
8	Sarita Govind Yadav	556528	0.7262	556528	0.7262
9	Indi Stock Pvt Ltd	537691	0.7016	537691	0.7016
10	Bank of India	354000	0.4619	354000	0.4619

iv Shareholding of Directors and Key Management Personnel

SI No		Shareholding at the beginning of the year 1.04.2014		Cumulative Shareholding during the year 31.03.2015	
	For Each of the Director and Key Management Personnel	No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	At the beginning of the year				
1	Kartikeya V Sarabhai	12250	0.016	12250	0.016
2	Govind D Zalani	10	0.00	10	0.00
3	B. V. Suryakumar	374	0.00	374	0.00
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/Bonus/sweat equity etc):	374	0.00	374	0.00
	At the End of the year (or on the date of seperation, if seperated during the year				
1	Kartikeya V Sarabhai	12250	0.016	12250	0.016
2	Govind D Zalani	10	0.00	10	0.000
3	B. V. Suryakumar	0.00	0.00	0.00	0.000

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the end of the financial year				
(i) Principal Amount	542.67	1245.88	—	1788.55
(ii) Interest Due but not paid	476.15	462.47	—	938.62
(iii) Interest accrued but not due				
Total (i+ii+iii)	1018.82	1708.35	—	2727.17
Changes in Indebtedness during the financial year				
Addition	90.98	191.75	—	282.73
Reduction				
Net Change	90.98	191.75	—	282.73
Indebtedness at the end of the financial year				
(i) Principal Amount	542.67	1245.88	—	1788.55
(ii) Interest Due but not paid	567.13	654.22	—	1221.35
(iii) Interest accrued but not due				
Total (i+ii+iii)	1109.8	1900.1	—	3009.9

VI. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

		Kartikeya V Sarabhai	Anilkumar H Parekh	Chaula Shastri	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961	810000	1035968	523790	2369758
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	332776	561841	253571	1148188
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit Others specify	— — —	— — —	— — —	— — —
5	Others, Please specify	205386	109487	158421	473294
	Total (A)	1348162	1707296	935782	3991240
	Ceiling as per the Act				

B. Remuneration of other Directors

SI No	Particulars of Remuneration	Name of Directors				Total Amount
		B. V. Suryakumar	G. D. Zalani	A. P. Hathi	C. S. Bohra	
	3. Independent Directors Fees for attending Board committee meetings	39,000	36,000	12,000	15,000	102,000
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (1)	39,000	36,000	12,000	15,000	102,000
	4. Other Non-Executive Directors Fees for attending Board Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	39,000	36,000	12,000	15,000	102,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per Act	-	-	-	-	-

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

SI No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961		649546		
2	Stock Option		—		
3	Sweat Equity		—		
4	Commission as % of profit		—		
	Others specify		—		
5	Others, Please specify		44046		
	Total		693610		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **AMBALAL SARABHAI ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal

financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule

11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26(II)(4) to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Date : 30-05- 2015
 Place : Ahmedabad

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.
- (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 any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or other relevant provisions of the Act and the rules framed there under.
- (vi) 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 148 (1) of the Companies Act, 2013 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, Value added Tax and Service Tax. The extent of arrears of such outstanding statutory dues as at 31.03.2015 for a period of more than six months from the date they became payable are as under:

Particulars	Rs. in Lakh
Income Tax	194.09
Sales Tax	1343.79
ESIC	111.27
PF	387.36

Service Tax 59.85

Professional Tax 64.35

(b) Following amounts have not been deposited as on March 31, 2015 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
		2647.01	2002-2003, 2007-2008, 2008-2009	ITAT
		563.91	2009-2010, 2010-2011	CIT (A)

facie, been used during the year for long-term investments.

(xii) 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 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 : 30-05- 2015
 Place : Ahmedabad

(c) There were no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under during the year.

- (viii) 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 and in the immediately preceding financial year.
- (ix) 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.
- (x) 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.
- (xi) 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

Balance Sheet

	Notes	As at March 31.2015 Rs. Lakh	As at March 31.2014 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(7,348.59)	(6,433.52)
Non-current liabilities			
Long Term Borrowings	3	—	—
Long Term Provisions	4	607.57	669.39
Current liabilities			
Short Term Borrowings	5	3,009.90	2,727.17
Trade Payables	6	1,200.79	1,457.99
Other Current Liabilities	7	8,268.19	7,415.11
Short Term Provisions	4	247.15	202.37
Total		<u>13,648.34</u>	<u>13,701.84</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	3,046.92	3,405.30
Intangible Assets	9	1,218.70	1,235.70
Capital Work-in-progress		10.09	10.09
Non-current Investments	10	5,628.69	5,615.88
Long Term Loans and Advances	11	516.11	168.56
Other Non-current Assets	12	5.73	8.26
Current assets			
Inventories	13	285.95	20.80
Trade Receivables	14	156.07	336.37
Cash and Bank Balances	15	336.11	353.43
Short Term Loans and Advances	11	2,429.83	2,534.52
Other Current Assets	12	14.14	12.93
Total		<u>13,648.34</u>	<u>13,701.84</u>

Significant Accounting Policies & Notes to Accounts 26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 30.05.2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30.05.2015

Place : Ahmedabad

Statement of Profit & Loss

	Notes	Year Ended 31st March, 15 Rs. Lakh	Year Ended 31st March, 14 Rs. Lakh
Revenue from operations (Gross)	16	1,597.55	1,628.17
Less : Excise Duty		72.91	60.88
Revenue from operations (Net)		1,524.64	1,567.29
Other Income	17	1,416.82	493.94
Total Revenue		2,941.46	2,061.23
Expenses:			
Cost of materials consumed	18	316.33	278.69
Purchases of Stock in Trade	19	1,075.21	948.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(24.63)	134.49
Employee benefits expense	21	880.37	998.26
Finance costs	22	790.92	912.03
Depreciation and amortization expense	23	336.15	152.48
Other expenses	24	482.18	693.34
Total Expenses		3,856.53	4,118.02
Profit/(Loss) before exceptional and extraordinary items and tax		(915.07)	(2,056.79)
Exceptional items		—	—
Profit/(Loss) before extraordinary items and tax		(915.07)	(2,056.79)
Extraordinary Items		—	—
Profit/(Loss) before Tax		(915.07)	(2,056.79)
Tax expense:			
Current Tax		—	—
Profit/(Loss) for the year		(915.07)	(2,056.79)
Earnings per equity share			
(Face Value per Share Rs. 10/- (Previous year Rs. 10/-)	25		
Basic and Diluted		(1.19)	(2.68)

Significant Accounting Policies

& Notes to Accounts

26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 30.05.2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30.05.2015

Place : Ahmedabad

SHARE CAPITAL

	As at March 31, 2015 Rs. Lakh	NOTE 1 As at March 31, 2014 Rs. Lakh
Authorised Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share	9,500.00	9,500.00
Issued Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share	7,663.33	7,663.33
Subscribed and fully paid up Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share fully paid up	7,663.33	7,663.33
Total	7,663.33	7,663.33

(a) Reconciliation of Number of Equity Shares

	As at March 31, 2015 No. of Share	As at March 31, 2014 No. of Share
Balance at the beginning of the year	76,633,296	76,633,296
Balance at the end of the year	76,633,296	76,633,296

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

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

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

Particulars	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 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, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	511.74	531.34
Less: Transfer to statement of Profit & Loss (Note a)	--	19.58
Less: Transfer to General Reserve (Note a)	18.76	-
Balance at the end of the year	492.98	511.74
General Reserve		
Balance as per last financial statements	5,121.40	5,121.40
Add: Transfer from Capital Reserve (Note a)	18.76	-
	5140.16	5121.40
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	(13,127.58)	(11,070.79)
Add: Profit / (Loss) for the year	(915.07)	(2,056.79)
Balance at the end of the year	(14,042.65)	(13,127.58)
Total	(7,348.59)	(6,433.52)

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
(a) Transfer from Capital Reserve to General Reserve		
Previous year 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)	18.76	19.58

LONG TERM BORROWINGS**NOTE 3**

	Non- Current portion		Current Maturities	
	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 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 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Provision for Gratuity	525.88	576.64	206.35	167.16
Provision for Leave				
Encashment	81.69	92.75	40.12	34.53
Provision for Wealth tax	—	—	0.68	0.68
Total	607.57	669.39	247.15	202.37

SHORT TERM BORROWINGS**NOTE 5**

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Interest bearing		
Secured:		
From Others	1,109.80	1,018.82
Unsecured:		
From Others	1,900.10	1,708.35
Total	3,009.90	2,727.17

Nature of Security

From Others	Rs. Lakh	Rate of Interest
-------------	----------	---------------------

Secured:

1. Secured by Charge on one of the immoveable properties of the company.	198.14	16 to 18
2. Secured by charge on one of the immoveable property of the company & pledge of 80,946 Equity Shares of M/s Synbiotics Ltd.	911.66	20 to 24
Total	1,109.80	

TRADE PAYABLES**NOTE 6**

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Creditors in respect of Goods and Services (Note a)	1,200.79	1,457.99
Total	1,200.79	1,457.99

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 March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Interest accrued and due	433.32	2.95
Advance against		
Sale of Property	2,429.31	3,094.00
Statutory dues	2,711.64	2,195.41
Due to related Parties	341.18	43.04
Payable to Employees	1,922.88	1,711.28
Due to Directors	30.06	18.42
Security Deposits	109.07	108.95
Book Overdraft	0.05	—
Others	290.68	241.06
Total	8,268.19	7,415.11

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

Particulars	Gross Block				Depreciation / Amortization					Net Block	
	As on 01.04.14	Additions	Deductions	As on 31.03.15	As on 01.04.14	for the year	Adjust- ment*	Deductions	As on 31.03.15	As on 31.03.15	As on 31.03.14
Own Assets											
Freehold Land	2,195.84	—	39.79	2,156.05	—	—	—	—	—	2,156.05	2,195.84
Building	769.84	—	—	769.84	522.87	1.16	23.05	—	547.08	222.76	246.97
Plant and Machinery	3,976.25	0.13	—	3,976.38	3,048.25	28.47	241.39	—	3,318.11	658.27	928.00
Furniture and Fixtures	314.33	0.43	—	314.76	285.49	14.25	11.91	—	311.65	3.11	28.84
Vehicles	53.66	—	—	53.66	48.02	(2.21)	1.12	—	46.93	6.73	5.64
Library	0.10	—	—	0.10	0.09	-	0.01	—	0.10	—	0.01
Total	7,310.02	0.56	39.79	7,270.79	3,904.72	41.67	277.48	—	4,223.87	3,046.92	3,405.30
Previous Year	7,394.09	7.11	91.18	7,310.02	3,839.04	—	155.06	89.38	3,904.72	3,405.30	—

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

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

Particulars	Gross Block				Amortization / Impairment				Net Block	
	As on 01.04.14	Additions	Disposals	As on 31.03.15	As on 01.04.14	for the year	Deductions	As on 31.03.15	As on 31.03.15	As on 31.03.14
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	26.92	17.00	—	43.92	41.08	58.08
Total	2,362.62	—	—	2,362.62	1,126.92	17.00	—	1,143.92	1,218.70	1,235.70
Previous Year	2,362.62	—	—	2,362.62	1,109.92	1109.92	—	1126.92	1,235.70	—

NON CURRENT INVESTMENTS**NOTE 10**

Particulars	Face Value Per Share (Rs.)	No. of Share	Rs. in Lakh	
			As at March 31, 2015	As at March 31, 2014
I Trade Investments (At Cost)				
Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	1,559,340	156.30	156.30
Less: Diminution in Value of Investment (3,00,000 Ordinary Shares pledged)			(140.70)	(125.11)
			<u>15.60</u>	<u>31.19</u>
II Other Investments (Unquoted)				
Ordinary shares each fully paid of Co-operative Bank of Baroda Limited	25	1100	0.28	0.28
Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd	1000	1	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op				

Bank Ltd	25	1204	0.30	0.30
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1Pound	73498	36.33	36.33
Ordinary shares of Asence Limited (Rs.445)	US \$	9	—	—
Ordinary shares of each fully paid of Sardar Vallabh bhai Sahkari Bank Ltd	25	40	<u>0.01</u>	<u>0.01</u>
			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 (2,84,000 Shares acquired during the year)	10	984,000	98.40	70.00
Ordinary shares each fully paid of Suvik Hitek P Limited IV In Joint Venture Company (Unquoted)	100	250,000	1.00	1.00
Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	4,229,258	<u>422.93</u>	<u>624.71</u>
			<u>5,576.16</u>	<u>5,547.76</u>
Total			<u>5,628.69</u>	<u>5,615.88</u>

a Aggregate amount of quoted investments
Market value of quoted investments

Aggregate amount of unquoted investments	5,628.69	5,615.88
Aggregate provision for diminution in value of investments	140.70	125.11

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	5,628.69	5,615.88
Current Investments	—	—
Total	5,628.69	5,615.88

LOANS AND ADVANCES

NOTE 11

	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Security Deposits	45.48	46.12	—	—
Advance tax paid (Net of Provision of Rs. 3,302.72 Lakhs Previous Year Rs. 3,318.98)	470.62	122.44	—	—

Loans and Advances:

To Related Parties				
Considered good	—	—	1,688.31	1,732.22
			—	—
Advances recoverable in cash or in kind or for value to be received				
Considered good	0.01	—	692.28	794.35
Considered doubtful	—	—	486.77	362.50
Less: Provision	—	—	<u>486.77</u>	<u>362.50</u>
			—	—
Prepaid Expenses	—	—	3.36	3.69
Balances with Government Authorities	—	—	2.10	2.10
Cenvat/Custom Duty Receivable	—	—	43.78	2.16
Total	516.11	168.56	2,429.83	2,534.52

OTHER ASSETS

NOTE 12

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 15)	5.73	8.26	—	—
Interest Accrued	—	—	14.14	12.93
Total	5.73	8.26	14.14	12.93

INVENTORIES

NOTE 13

	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	252.47	11.95
Stores and Spares	8.00	8.00
Work-in-Progress	20.66	0.85
Finished Goods	4.82	—
Total	285.95	20.80

a. Details of Inventory

	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh
Raw Material and Packing Material		
Antibiotics	4.85	0.56
Anti Cancer	5.13	0.36
Board and Paper	0.60	0.36
Other Therapeutic Agents	214.84	—
Others	3.08	3.00
Packing Materials	23.97	7.67
Total	252.47	11.95

Work-in-Progress

Tablets & Capsules	1.48	0.85
Injections	19.18	—

Total	20.66	0.85
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Finished Goods

Injections	4.82	—
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Total	4.82	—
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TRADE RECEIVABLES

(Unsecured, considered As at As at
good unless otherwise stated) March 31, 2015 March 31, 2014
Rs. Lakh Rs. Lakh

Outstanding for a period exceeding six months from the date they became payable	—	—
Considered good	125.28	84.00
Considered doubtful	306.16	430.44
Less: Provision for Doubtful Debts	306.16	430.44

Others	30.79	252.37
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Total	156.07	336.37
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CASH AND BANK BALANCES**NOTE 15**

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh

Cash and Cash Equivalents:

Cash on Hand	—	—	0.38	0.47
Cheques on Hand	—	—	—	0.52
Balances with Banks				
In Current Accounts	—	—	14.76	24.61
	—	—	15.14	25.60

Other Bank Balances:

In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	—	—	34.10	58.26
With original maturity less than 3 months but less than 12 months (Rs. 263 Lakhs under lien with Bank as Security Guarantee Facility.)				
(Previous year Rs. 263 Lakhs)			273.00	263.00
With original maturity more than 12 months	0.01	0.01	—	—
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	2.00	2.00	11.34	—

Lodged with Sales Tax/

Excise Department	3.72	6.25	2.53	6.57
	5.73	8.26	320.97	327.83

Amount disclosed under

the head "Other Non Current Assets" (Note 12) 5.73 8.26 — —

Total	—	—	336.11	353.43
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REVENUE FROM OPERATIONS**NOTE 16**

Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh

Sale of Products

Finished Goods and Stock-in-Trade	1,595.33	1,625.05
Less : Excise Duty	72.91	60.88
	1,522.42	1,564.17
Sale of Services	2.22	3.12
Total	1,524.64	1,567.29

a Details of Sales and Services

Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh

Sale of Products (including Excise Duty)

Tables/Capsules	687.89	682.48
Liquid	402.72	336.92
Injectable	335.65	407.43
Ointment	36.38	29.27
Powder	132.69	168.90
Others	—	0.05
	1,595.33	1,625.05

Sale of Services

Income on EDP Charges	2.22	3.12
	2.22	3.12

Total	1,597.55	1,628.17
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OTHER INCOME**NOTE 17**

Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh

Interest Income	143.79	173.93
Service Income	90.00	90.00
Dividend Income on :		
Long Term Investments	0.04	0.04
Sundry Credit Balances		
Appropriated (net)	—	0.09
Provision no longer required (net)	—	30.45
Profit on sales of Assets (net)	1,116.71	63.56
Miscellaneous Income	19.27	45.75
Sale of Scrap	11.92	56.76
Royalty	35.08	33.36
Foreign Exchange Gain	0.01	—
Total	1,416.82	493.94

COST OF MATERIALS CONSUMED **NOTE 18**

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Stock at the beginning of the year	11.95	40.08
Purchases	556.85	250.56
	568.80	290.64
Less: Stock at the end of the year	252.47	11.95
Total	316.33	278.69

a. RAW MATERIAL AND PACKING MATERIAL CONSUMED

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Antibiotics	12.50	52.11
Board and Paper	2.00	1.75
Other Therapeutic Agents	219.12	134.89
Anti Cancer	32.12	15.34
Others	0.82	9.43
Packing Materials	49.77	65.17
Total	316.33	278.69

b Value of imported and indigenous materials consumed

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	219.12	134.89
Imported	69.27%	48.40%
Indigenous	97.21	143.80
	30.73%	51.60%
Total	316.33	278.69

PURCHASE OF STOCK IN TRADE **NOTE 19**

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Drug and Pharmaceuticals formulations		
1. Injectable	129.53	87.27
2. Liquid	379.94	301.67
3. Ointments	34.32	27.65
4. Powders	116.29	75.44
5. Tablets & Capsules	415.13	456.70
Total	1,075.21	948.73

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

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	4.82	—
Work-in-Progress	20.66	0.85
	25.48	0.85
Stock at the beginning of the year		
Finished Goods	—	10.77
Stock-in-trade	—	98.69
Work-in-Progress	0.85	25.88
	0.85	135.34
(Increase) in stocks	(24.63)	134.49

EMPLOYEE BENEFITS EXPENSE **NOTE 21**

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Salaries and Wages	730.09	833.37
Contribution to Provident Fund and Other Funds	67.61	77.64
Staff Welfare Expenses	42.76	49.92
	840.46	960.93
Directors' Remuneration	39.91	37.33
Total	880.37	998.26

FINANCE COST **NOTE 22**

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Interest		
Others	788.33	691.36
Other Borrowing Costs	2.59	220.67
Total	790.92	912.03

DEPRECIATION EXPENSE **NOTE 23**

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	319.15	155.06
Less: Transfer from Capital Reserve (Note 2a)	—	19.58
Depreciation of Tangible Assets (Net)	319.15	135.48
Amortisation / Impairment of Intangible Assets	17.00	17.00
	17.00	17.00
Total	336.15	152.48

OTHER EXPENSES

	NOTE 24
Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh
Power and fuel	23.81
Insurance	1.46
Rent	5.87
Rates and taxes	39.49
Repairs:	45.37
To Buildings	17.85
To Machineries (Note a)	19.29
To others	0.36
Factory Over Heads	0.42
Royalty paid	2.02
Sundry Debit Balance	63.07
Written Off (net)	2.69
Selling Expenses	13.66
Distribution Expenses	0.65
Loss on sales of Investment	—
Directors' Fees	1.90
Excise Duty - others	0.03
Legal Charges	150.30
Travelling Expenses	1.02
Diminution of value of Investment	0.99
Payments to the auditor as	0.16
(a) Auditor	186.90
(b) For tax audit matters	168.51
(c) For Others	22.62
(d) For reimbursement of expenses	26.97
Miscellaneous Expenses	15.59
Total	31.19
	482.18
	693.34

SPARE PARTS

	NOTE 24-A
Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh
Imported	—
Indigenous	0.36
Total	0.42

EARNING PER SHARE (EPS)

	NOTE 25
Year Ended	Year Ended
March 31, 2015	March 31, 2014
Rs. Lakh	Rs. Lakh
Calculation of EPS	
(Basic & Diluted)	
Profit/(Loss) available to	
Equity Shareholder	(915.07)
Weighted average no. of	(2,056.79)
Equity Shares for	
Basic and Diluted EPS	76,633,296
Nominal value of	76,633,296
Equity Shares (Rs.)	10
Basic and Diluted	10
Earning per Equity Share (Rs.)	(1.19)
	(2.68)

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

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

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

(B) USE OF ESTIMATES

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

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to revaluation of fixed assets and providing for

depreciation on revalued amounts.) These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

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

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

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

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

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

(E) VALUATION OF INVENTORY

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

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

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

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

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

performance.

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

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

INTANGIBLE ASSETS

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured. The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

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

DEPRECIATION OF TANGIBLE ASSETS

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

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

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

AMORTISATION OF INTANGIBLE ASSETS

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

(G) IMPAIRMENT OF ASSETS

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

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

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

(H) INVESTMENTS

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

Investments in subsidiaries are valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable

(I) FOREIGN CURRENCY TRANSACTIONS

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

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

Non-monetary foreign currency items are carried at cost.

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

(J) EMPLOYEE BENEFITS

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

(J2) The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental

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

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

(K) TAXES ON INCOME

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

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

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

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

(L) EARNING PER SHARE

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

(M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

II. NOTES TO ACCOUNTS

- Effective from April 1, 2014, the Company has revised useful lives of tangible fixed assets as specified in Schedule II to the Companies Act-2013. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the remaining useful lives. Further, an amount of Rs. 41.67 Lakh representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to Statement of Profit & Loss. As a result of such change the charge for the year ended March 31, 2015 is higher by Rs. 41.67 Lakh for the Assets held on April 1, 2014.

2 Deferred Tax Liability (Net)

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Deferred Tax Liability		
On account of Depreciation	271.16	373.38
Disallowance u/s 43(b)	(139.43)	(61.79)
Deferred Tax Liability	(131.73)	(310.59)
Deferred Tax Assets		
On unabsorbed Depreciation	(131.73)	(310.59)
Deferred Tax Liability (Net)	—	—

- 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.

- No Provision is considered necessary for following contingent liabilities:

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
(i) Disputed demand in respect of Customs and Excise		
(a) Customs and Excise	133.82	133.82
(b) Sales Tax	18.90	18.90
(c) Income Tax	3,383.34	2,624.93
(d) Employees' State Insurance Corporation	10.23	10.23
(e) Provident Fund	10.56	10.56
(ii) Claims not acknowledged as debt	39,324.98	39,282.61
(iii) Claims by Government for payment in to DPEA	39.25	39.25
(iv) Guarantee given by banks on behalf of the Company	268.64	265.29

(v) Guarantee given by company
on behalf of other Companies 1,083.49 1,225.65

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

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

5 Capital and Other Commitments

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	—	—
Other Commitments	—	—

6. Employee benefits AS-15 (Revised)

(I) Define Benefit Plans Gratuity Liability (Unfunded) - As per Actuarial Valuation as on 31-03-15

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
I Expense recognized in the Statement of Profit & Loss for the year ended		
1. Current Service Cost	17.64	21.39
2. Interest Cost	67.16	68.68
3. Expected Return on plan Assets	—	—
4. Past Service cost (Non vested Benefit) Recognized	—	—
5. Past Service cost (Vested Benefit)		

	Recognized	—	—
6. Actuarial (Gain) / Loss	14.92	(20.54)	
7. Total Expenses	99.72	69.53	

II	Amount recognized in the Balance Sheet as on		
1.	Liability at the end of the year	732.23	743.80
2.	Fair Value of Plan Assets	—	—
3.	Amount recognized in the Balance Sheet under "Provision for Gratuity"	(732.23)	(743.80)

III	Change in Obligation during The year ended		
1.	Liability at the beginning of the year	743.80	858.45
2.	Interest Cost	67.16	68.68
3.	Current Service Cost	17.64	21.39
4.	Benefit paid	(111.29)	(184.18)
5.	Actuarial (Gain) / Loss obligation	14.92	(20.54)
6.	Liability at the end of the year	732.23	743.80

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	111.29	184.18
4.	Actual Benefit paid	(111.29)	(184.18)
5.	Actuarial Gain / (Loss) of plan Assets	—	—
6.	Fair value of plan Assets at the end of the year	—	—
7.	Actuarial Gain / (Loss) to be recognized	(14.92)	20.54

V	Balance Sheet Reconciliation		
1.	Opening Net Liability	743.80	858.45
2.	Expenses Recognized in the statement of profit & Loss	99.72	69.53
3.	Employer's Contribution	(111.29)	(184.18)
4.	Amount Recognized in the Balance Sheet	732.23	743.80

(II)	Actuarial Assumption:		
1.	Discount Rate:	7.95%	8%
2.	Salary Growth Rate:	4%	4%

7. Segment Note:

Segment Information for the year ended 31st March 2015.

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

8. Related Party Disclosures:

As per the Accounting Standard on " Related Party disclosures (AS 18) " 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	
	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2015	Year Ended March 31, 2014
EXPENSES						
Purchase of Goods/Services	20.01	44.61	2.38	2.32		
Interest paid	12.96	—	—	0.93		
INCOME						
Recovery of salaries etc. of seconded employees	—	—	15.56	11.17		
Sales of Goods	66.91	268.26	—	—		
Royalty	35.08	33.06	—	—		
Recovery of share in cost of various utilities and expenditures etc.	107.30	111.09	2.36	9.08		
Remuneration to key management personnel					39.91	37.33
Interest received	113.47	145.85	—	—		
Investment	28.40	94.83	—	—		
Loan Given	47.75	45.68	—	—		
Loan Received	250.00	64.88	—	—		
Receivable in respect of Current Assets	1,688.31	1,732.22	—	—		
Payable in respect of Loan	250.00	—	—	—		
Payable in respect of Current Liabilities	74.05	25.57	17.13	17.47	30.06	18.42

9 CIF Value of Imports

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Raw Materials	376.75	107.70

10 Expenditure in Foreign Currency

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Others	3.21	1.68

11 Earing in Foreign Currencies

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
FOB Value of Exports	—	—
Commission	—	—

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 30.05.2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30.05.2015

Place : Ahmedabad

Cash Flow Statement

	March 31, 2015 Rs. Lakh	March 31, 2014 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(915.07)	(2,056.79)
Adjustments for:		
Depreciation /Amortization	336.15	152.48
Interest Income	(143.79)	(173.93)
Interest Expenses	788.33	912.03
Dividend Income	(0.04)	(0.04)
Provision for Diminution in value of Investments	15.59	31.19
Sundry Credit Balances Appropriated	0.65	(0.09)
Foreign Exchange Gain	(0.01)	(63.56)
Provision written Back	—	(30.45)
Profit on Sale of Tangible/Intangible assets	(1,116.71)	150.30
Loss on sale of Investment	—	—
	(119.83)	977.93
Operating Profit before Working Capital Changes	(1,034.90)	(1,078.86)
Working Capital Changes:		
Changes in Inventories	(265.15)	162.70
Changes in trade payables	(257.19)	124.62
Changes in other current liabilities	422.71	1,041.46
Changes in provisions	(17.04)	(140.21)
Changes in loans and advances	104.67	62.97
Changes in trade receivables	180.30	45.55
Changes in Other Bank Balances	9.39	(34.07)
Net Changes in Working Capital	177.69	—
Cash Generated from Operations	(857.21)	184.16
Direct Taxes paid (Net of Income Tax refund)	(348.18)	(41.26)
Net Cash Flow from Operating Activities	(1,205.39)	142.90
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(0.56)	(7.11)
Sale of tangible assets	1,156.50	65.36
Change in Long Term Investments	(28.40)	1.15
Dividend Income	0.04	0.04
Interest Income	142.58	174.09
Net cash flow before Extra Ordinary Item	1,270.16	233.53
Net cash flow from Investing Activities	1,270.16	233.53
C Cash Flow from Financing Activities		
Changes in short term borrowings	282.73	512.22
Interest Paid	(357.96)	(912.03)
Net Cash flow from Financing Activities	(75.23)	(399.81)
Net Increase/(Decrease) in cash & cash equivalents	(10.46)	(23.38)
Cash & Cash equivalents at the beginning of the period	25.60	48.98
Cash & Cash equivalents at the end of the period	15.14	25.60
a Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents comprise of: (Note 15)		
Cash on Hand	0.38	0.47
Cheques on Hand	—	0.52
Balances with Banks	14.76	24.61
Total	15.14	25.60

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 : 30-05-2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 30-05-2015

Place : Ahmedabad

FORM AOC-1

(Persuant to first proviso to sub -section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / JOINT VENTURES

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

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment	Turn Over	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Synbiotics Ltd	March 31, 15	INR	844.46	(224.32)	2,228.95	1,608.81	6.50	1,203.41	12.39	-	12.39	Nil	100%
2	Haryana Containers Ltd	March 31, 15	INR	5.00	(30.99)	0.11	26.10	-	-	0.53		0.53	Nil	100%
3	Sarabhai M Chemicals Ltd	March 31, 15	INR	5.00	(3.05)	10.19	8.24	-	5.30	(0.82)		(0.82)	Nil	100%
4	Asence Inc.	Dec. 31, 14	"1 USD = Rs.62.40"	3.12	54.64	135.00	77.24	-	600.86	13.36	0.21	13.15	Nil	100%
5	Asence Pharma Pvt. Ltd	March 31, 15	INR	9.96	573.36	1,934.11	1,350.79	30.29	3,755.16	157.72	53.81	103.91	Nil	100%
6	Systronics India Ltd	March 31, 15	INR	1,198.50	132.20	3,065.70	1,735.00	3.38	4,742.55	48.72	7.69	41.03	Nil	100%
7	Suvik Hitek Private Ltd	March 31, 15	INR	250.00	(1,128.08)	517.13	1,395.21	0.48	399.16	(28.73)	2.08	(30.81)	Nil	100%
8	Sarabhai Chemicals (India) Pvt Ltd (Formerly known as Senaru Formulations Pvt Limited)	March 31, 15	INR	99.40	(166.87)	322.77	390.24	-	841.17	(94.82)	(0.31)	(94.51)	Nil	100%

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

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

Part "B": Joint Venture

Sr.	Particulars	Vovantis Laboratories Pvt Ltd
No:		
1	Latest Audited Balance Sheet Date	March 31, 2015
2	Shares of Joint Ventures held by Company on the year end	
	I) Number	4,532,166
	II) Amount of Investment in Joint Ventures	453.31
	III) Extent of Holding %	33.34%
3	Description of how there is significant influence	Note A
4	Reason why the Joint Venture is not consolidated	Not applicable
5	Net worth attributable to shareholding as per latest Audited Balance Sheet	10
6	Profit/(Loss) for the year	
	I) Considered in Consolidation	50.15
	II) Not Considered in Consolidation	--

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 28.07.2015
Place : Ahmedabad

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AMBALAL SARABHAI ENTERPRISES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity; comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provision of the Act, the accounting and auditing standards and the matter which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

The Company has not provided for doubtful debts of Rs. 123.15 Lakh (Previous year ended 31st March, 2014: Rs. 118.77 Lakh) and doubtful advance of Rs. 15.09 Lakh (Previous year ended 31st March, 2014: Rs. 13.24 Lakh). Accordingly, expenses and net loss would have been increased by Rs. 138.24 Lakh (Previous year ended 31st March, 2014: Rs. 132.01 Lakh) and shareholders' funds would have been reduced to that extent. This matter was also qualified in our report on the financial statements for the year ended 31st March, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

- (a) We did not audit the financial statements of 1 subsidiary, and 1 jointly controlled entity, whose financial statements reflect total assets of Rs. 718.17 Lakh as at 31st March, 2015, total revenues of Rs. 1170.48 Lakh and net cash flows amounting to Rs. 14.82 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and

the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity— Refer Note 28 to the consolidated financial statements.
 - ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled company incorporated in India.

For and on behalf of

For Sorab S. Engineer & Co.

Firm Registration No. 110417 W

Chartered Accountants

C.A. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 28-07- 2015

Place : Ahmedabad

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 Independent Auditor's Report of even date,

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

(b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.

(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 Group and the nature of its business.

(c) The Group 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 Group, and the same have been properly dealt with.

(iii) The Group has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 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 Group 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) In our opinion and according to the information and

explanations given to us, the Group has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Group Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) To the best of our knowledge and belief, the Group has maintained cost records for the products where Central Government has prescribed rules for maintenance of cost records under section 148 (1) of the Companies Act, 2013.

(vii)(a) The Group is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, the extent of arrears of such outstanding statutory dues as at 31.03.2015 for a period of more than six months from the date they became payable are as under:

Particulars	Rs. in Lakh
Income Tax	194.89
Sales Tax	1345.84
ESIC	111.27
PF	409.98
Service Tax	80.07
Professional Tax	65.43

(b) Following amounts have not been deposited as on March 31, 2015 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
		22.27	2002-2003	Assessing Officer
		10.85	2006-2007	Tribunal
		13.17	2000-2001, 2007-2008, 2012-2013	Dy. Commissioner
		15.21	2008-2009, 2009-2010, 2012-2013	J.C.C.T. (Appeal)

		0.18	2011-2012	Commissioner (Appeal)	(ix)	In our opinion and according to the information and explanations given to us, the Group has not defaulted in repayment of dues to financial institutions and banks.
		1.31	2011-2012, 2012-2013	In process of Filing Appeal		
Central Excise Act	Excise Duty	54.36	1985-1986, 1986-1987, 1987-1988, 1988-1989	CESTAT	(x)	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 Group has given guarantees for loans taken by others from banks or financial Institutions are not prejudicial to the interest of the Group.
		8.62	2003-2004	Jt. DGFT		
		0.88	2006-2007	Tribunal		
		1.34	2005-2006	Assistant Commissioner	(xi)	To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, prima facie, applied by the Group for the purpose for which they were obtained, other than temporary deployment pending application.
		1.53	2005-2006	Commissioner -Appeal		
Finance Act	Service Tax	70.84	2006-2007, 2007-2008, 2008-2009, 2009-2010	CESTAT	(xii)	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.
ESIC Act	ESI	83.65	2002-2003, 2003-2004, 2005-2006	High Court		
		0.66	Jan 99 – March 2005	Dy Director		
Income Tax Act	Income Tax	172.42	1978-1979, 1980-1981, 1981-1982,	High Court		
		2647.01	2002-2003, 2007-2008, 2008-2009	ITAT		
		122.24	1981-1982, 1982-1983, 1992-1993 to 1997-1998, 2008-2009, 2012-2013	CIT (A), Tribunal, High Court		
		47.41	2012-2013	Asst. Commissioner		
		563.91	2009-2010, 2010-2011	CIT (A)		

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 : 28-07-2015
Place : Ahmedabad

(c) There were no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under during the year.

(viii) The Group's consolidated accumulated losses at the end of the financial year are more than fifty percent of the Group's net worth. The Group has incurred any consolidated cash losses during the financial year covered by our audit and in the immediately preceding financial year.

Consolidated Balance Sheet

	Notes	As at March 31.2015 Rs. Lakh	As at March 31.2014 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(8,603.66)	(7,879.41)
Non-current liabilities			
Long Term Borrowings	3	575.85	319.76
Long Term Provisions	5	985.42	1,132.95
Current liabilities			
Short Term Borrowings	6	3,891.52	3,667.44
Trade Payables	7	2,754.29	2,833.35
Other Current Liabilities	8	9,184.60	8,631.98
Short Term Provisions	5	446.34	321.89
Total		16,897.69	16,691.29
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	5,379.70	5,727.17
Intangible Assets	10	3,698.09	3,704.72
Capital Work-in-progress		82.89	20.91
Non-current Investments	11	62.10	77.70
Long Term Loans and Advances	12	774.98	393.59
Other Non-current Assets	13	45.24	21.55
Deferred Tax Assets (Net)	4	17.83	2.57
Current assets			
Current Investments	11	26.67	15.10
Inventories	14	1,710.10	1,513.46
Trade Receivables	15	2,529.38	2,717.67
Cash and Bank Balances	16	1,385.28	1,228.17
Short Term Loans and Advances	12	1,151.46	1,240.77
Other Current Assets	13	33.97	27.91
Total		16,897.69	16,691.29

Significant Accounting Policies & Notes to Accounts 26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 28.07.2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 28.07.2015

Place : Ahmedabad

Consolidated Statement of Profit & Loss

	Note	March 31, 2015 Rs. Lakh	March 31, 2014 Rs. Lakh
Revenue from operations (Gross)	17	12,736.82	10,725.17
Less : Excise Duty		<u>287.17</u>	<u>260.03</u>
Revenue from operations (Net)		12,449.65	10,465.14
Other Income	18	<u>1,298.71</u>	<u>300.73</u>
Total Revenue		13,748.36	10,765.87
Expenses:			
Cost of materials and accessories consumed	19	1,258.94	1,028.55
Purchases of Stock in Trade	-	5,948.51	4,901.57
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	35.54	(119.83)
Employee benefits expense	21	2,922.16	2,806.96
Finance costs	22	983.19	1,092.76
Depreciation, Amortization and Impairment expense	23	480.91	300.89
Other expenses	24	<u>2,717.49</u>	<u>2,709.72</u>
Total Expenses		14,346.74	12,720.62
Profit/(Loss) before exceptional and extraordinary items and tax		(598.38)	(1,954.75)
Exceptional items		<u>—</u>	<u>—</u>
Profit/(Loss) before extraordinary items and tax		(598.38)	(1,954.75)
Extraordinary Items		<u>—</u>	<u>—</u>
Profit/(Loss) before tax and after extraordinary items		(598.38)	(1,954.75)
Tax expense :			
Current Tax		90.56	102.21
Deferred Tax		<u>(15.26)</u>	<u>(36.10)</u>
Profit/(Loss) after Tax		(673.68)	(2,020.86)
(Excess)/Short Provision for Taxation of earlier years		<u>(6.62)</u>	<u>(0.16)</u>
Profit/(Loss) for the year		(667.06)	(2,020.70)
Earnings per equity share			
Face Value per Share Rs. 10/- (Previous year Rs. 10/-): 25			
Basic and Diluted		(0.87)	(2.64)

Notes to Accounts & Significant Accounting Policies 26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 28.07.2015

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

B. V. Suryakumar

Director

Ketan Adhvaryu

Company Secretary

Date : 28.07.2015

Place : Ahmedabad

SHARE CAPITAL

	NOTE 1	
	As at	As at
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share		
	9,500.00	9,500.00
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share		
	7,663.33	7,663.33
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share		
fully paid up	7,663.33	7,663.33
Total	7,663.33	7,663.33

(a) Reconciliation of Number of Equity Shares

	As at		As at	
	March 31, 2015		March 31, 2014	
	No. of	Rs.	No. of	Rs.
	Share	Lakh	Share	Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	76,633,296	7,663.33	76,633,296	7,663.33

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

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

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

	As at	As at
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at	As at
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Capital Reserve		
Balance as per last financial statements	511.74	531.34
Less: Transfer to statement of Profit & Loss (Note a)	—	19.58
Less: Transfer to General Reserve	18.76	—
Balance at the end of the year	492.98	511.74
General Reserve		
Balance as per last financial statements	5,121.79	5,121.79
Add: Amount Transfer from Capital Reserve	18.76	—
	5,140.55	5,121.79
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(14,573.86)	(12,583.42)
Add: Adjustment on Consolidation	(57.19)	30.26
	(14,631.05)	(12,553.16)
Add: Profit/(Loss) for the year	(667.06)	(2,020.70)
Balance at the end of the year	(15,298.11)	(14,573.86)
Total	(8,603.66)	(7,879.41)

	As at	As at
	March 31, 2015	March 31, 2014
	Rs. Lakh	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
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LONG TERM BORROWINGS**NOTE 3**

Non- Current portion		Current Maturities	
As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh

Secured:**Term Loans :**

From Banks	575.85	319.76	175.63	157.90
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Unsecured:

From Others	—	—	—	5.96
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575.85	319.76	175.63	163.86
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Amount disclosed

under the head

"Other Current

Liabilities"

(Note 8)

Total	575.85	319.76	—	—
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Deferred Tax Liabilities/(Assets) (Net)**NOTE 4**

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Deferred Tax Liabilities		
Depreciation	598.77	650.27
Deferred Tax Assets		
Disallowance u/s 43B	(233.87)	(90.92)
Unabsorbed Depreciation	(382.73)	(561.92)
Total	(17.83)	(2.57)

PROVISIONS**NOTE 5**

	Long Term		Short Term	
	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Provision for				
Accrued Gratuity	854.70	919.56	281.29	248.48
Provision for				
Accrued Leave				
Encashment	130.72	213.39	164.37	72.73
Provision for				
Wealth tax	—	—	0.68	0.68
Total	985.42	1,132.95	446.34	321.89

SHORT TERM BORROWINGS**NOTE 6**

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
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Secured:

Working Capital Loans repayable

on demand from Banks	714.69	661.35
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From Others	1,109.80	1,018.82
-------------	----------	----------

1,824.49	1,680.17
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Unsecured:

From Others	2,067.03	1,987.27
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Total	3,891.52	3,667.44
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TRADE PAYABLES**NOTE 7**

	As at March 31, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
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Creditors in respect of

Goods and Services (Note a)	2,754.29	2,833.35
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Total	2,754.29	2,833.35
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a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

(a) Amount due and outstanding to suppliers as at the end of accounting year;

(b) Interest paid during the year;

(c) Interest payable at the end of the accounting year; and

(d) 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, 2015 Rs. Lakh	As at March 31, 2014 Rs. Lakh
Current maturities of		
long-term borrowings (Note 3)	175.63	163.86
Payable in respect of Capital Goods	1.87	3.98
Interest accrued and due on borrowings	433.32	2.95
Income received in advance	5.89	10.75
Advances against sales of property	2,429.31	3,094.00
Advances from Customers	61.60	290.13
Statutory dues	2,941.82	2,434.02
Due to Director	30.06	18.42
Security Deposits	213.15	191.67
Payable to employees	2,211.70	1,965.90
Book Overdraft	122.05	0.05
Others	558.20	456.25
Total	9,184.60	8,631.98

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

Asset	Gross Block					Depreciation						Net Block	
	As on 01.04.14	Adjust- ment on consol- idation	Additi- ons	Deduc- tions	As on 31.03.15	As on 01.04.14	Adjust- ment on consol- idation	Opening adjust- ments (Notes no.)	for the year	Deduc- tion	As on 31.03.15	As on 31.03.15	As on 31.03.14
Leasehold Land	17.07	—	—	0.33	16.74	—	—	—	—	—	—	16.74	17.0
Own Assets													
Freehold Land	2,259.51	—	—	39.79	2,219.72	—	—	—	—	—	—	2,219.72	2,259.51
Building	1,871.99	—	46.37	—	1,918.36	704.89	—	(25.40)	72.28	—	751.77	1,166.59	1,167.10
Plant and Machinery	5,626.82	0.17	66.57	—	5,693.56	3,501.96	0.15	15.57	349.78	—	3,867.46	1,826.10	2,124.86
Furniture and Fixtures	485.68	0.02	40.31	4.39	521.62	393.86	0.02	1.68	40.22	1.56	434.22	87.40	91.82
Library	0.10	—	—	—	0.10	0.09	—	—	0.01	—	0.10	—	0.01
Vehicles	144.64	—	1.92	—	146.56	77.84	(0.13)	(6.33)	12.03	—	83.41	63.15	66.80
Total	10,405.81	0.19	155.17	44.51	10,516.66	4,678.64	0.04	(14.48)	474.32	1.56	5,136.96	5,379.70	5,727.17
Previous Year	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	

Note : Amortization of Lease hold Land is shown as deduction

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

Asset	Gross Block					Amortization/ Impairment					Net Block	
	As on 01.04.14	Adjust- ment <small>consolidation</small>	Additi- ons	Deduc- tions	As on 31.03.15	As on 01.04.14	for the year	Impair- ment Loss/ (Reversal)	Dedu- ction	As on 31.03.15	As on 31.03.15	As on 31.03.14
Own Assets												
Goodwill	2,277.62	--	--	--	2,277.62	1,100.00	--	--	--	1,100.00	1,177.62	1,177.62
Goodwill on Consolidation	2,454.76	--	--	--	2,454.76	--	--	--	--	--	2,454.76	2,454.76
Know How	55.94	--	--	--	55.94	17.75	11.25	--	--	29.00	26.94	38.19
Software	39.56	--	14.25	--	53.81	6.31	8.73	--	--	15.04	38.77	33.25
Brand Value	5.00	--	--	--	5.00	4.10	0.90	--	--	5.00	--	0.90
Total	4,832.88	--	14.25	--	4,847.13	1,128.16	20.88	--	--	1,149.04	3,698.09	3,704.72
Previous Year	4,794.99	--	37.89	--	4,832.88	1,110.48	17.68	--	--	1,128.16	3,704.72	

INVESTMENTS**NOTE 11**

	Face Value Per Share (Rs.)	No. of Share	As at Non Current		As at Current	
			Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
			31-3-15	31-3-14	31-3-15	31-3-14
I Trade Investments (Unquoted)						
Ordinary shares of each fully paid of ORG Informatics Limited	10	1559340	156.30	156.30	—	—
Less: Diminution in Value of Investment			(140.70)	(125.11)	—	—
			15.60	31.19	—	—
II Investments in Government Securities (Unquoted)						
National Saving Certificate			0.20	0.21	—	—
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

each fully paid of

Sardar Vallabh Bhai

Sahakari Bank Limited 25 9540 2.40 2.40 — —

Ordinary shares of

each fully paid of

Kalupur Commerical

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

In Mutual Fund

(Unquoted, Non trade)

Bank of India

Axa Liquid Fund

— — 26.67 15.10

45.82 45.82 26.67 15.10

Gold Coins

0.48 0.48

Total

62.10 77.70 26.67 15.10

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

Long Term Investments 62.10 77.70 — —

Current Investments — — 26.67 15.10

Total 62.10 77.70 26.67 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, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Capital Advances	26.52	5.93	—	—
Security Deposits				
Considered Good	171.44	177.44	0.05	0.05
Considered Doubtful	9.11	13.11	—	—
Less: Provision	9.11	13.11	—	—
	—	—	—	—
Advance tax paid (Net of Provision of Rs. 4,191.48 Lakh, Previous Year Rs. 4,450.90)	555.64	195.40	—	—
Advances:				
To Employees	2.83	—	14.02	—
To Others	—	—	29.27	29.67
Advances recoverable in cash or in kind or for value to be received				
Considered good	11.02	9.62	761.14	936.76
Considered doubtful	5.10	5.10	499.29	373.92
Less: Provision	0.10	0.10	489.20	365.68
	5.00	5.00	10.09	8.24
Prepaid Expenses	2.33	—	10.75	12.02
Balances with Government Authorities				
Considered good	0.20	0.20	65.00	143.56
Considered doubtful	—	—	1.09	1.09
Less: Provision	—	—	1.09	1.09
	—	—	—	—
CENVAT/Custom Duty Receivable	—	—	261.14	110.47
Total	774.98	393.59	1,151.46	1,240.77

OTHER ASSETS**NOTE 13**

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 16)	45.07	21.55	—	—
Interest Accrued	0.17	—	25.33	19.55
Income Receivable	—	—	8.64	8.36
Total	45.24	21.55	33.97	27.91

INVENTORIES**NOTE 14**

	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	506.36	266.47
Stores and Spares	19.32	19.73
Work-in-Progress	430.93	358.41
Finished Goods	159.11	286.22
Finished Goods in Transit	—	2.68
Stock in Trade	594.38	579.95
Total	1,710.10	1,513.46

TRADE RECEIVABLES**NOTE 15**

(Unsecured, considered good unless otherwise stated)	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	778.07	498.16
Considered doubtful	460.75	579.91
Less: Provision for Doubtful Debts	337.60	461.14
	123.15	118.77
Others	1,628.16	2,100.74
Total	2,529.38	2,717.67

CASH AND BANK BALANCES**NOTE 16**

	Non Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Cash and Cash Equivalents:				
Cash on Hand	—	—	10.38	5.99
Cheques on Hand	—	—	—	0.59
Balances with Banks				
In Current Accounts	—	—	686.89	588.82
In Exchange Earners Foreign Currency A/c	—	—	0.03	0.03
In Deposit Account (with original maturity up to 3 months)	—	—	132.11	157.94
Held as Margin Money (with original maturity up to 3 months)	—	—	10.97	—
(Under lien with bank as Security for Guarantee Facility)	—	—	830.00	746.79

Other Bank Balances:				
In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	---	---	257.53	144.10
With original maturity more than 12 months	7.70	6.92	273.00	315.14
Held as Margin Money	33.65	8.38	11.34	7.99
(Under lien with bank as Security for Guarantee Facility)				
Lodged with Sales Tax / Excise Department	3.72	6.25	3.03	7.57
	<u>45.07</u>	<u>21.55</u>	<u>544.90</u>	<u>474.80</u>
Amount disclosed under the head "Other Non Current Assets" (Note 13)	45.07	21.55	---	---
Total	<u>---</u>	<u>---</u>	<u>1,385.28</u>	<u>1,228.17</u>

REVENUE FROM OPERATIONS**NOTE 17**

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	12,418.02	10,435.76
Less : Excise Duty	<u>287.17</u>	<u>260.03</u>
	12,130.85	10,175.73
Sale of Services	213.58	177.08
Other Operating Revenues		
Export Incentives	34.70	9.99
Others	<u>70.52</u>	<u>102.34</u>
Total	<u>12,449.65</u>	<u>10,465.14</u>

OTHER INCOME**NOTE 18**

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Interest Income	69.68	57.54
Dividend Income on:		
Long Term Investments	1.26	1.14
Exchange Difference (Net)	3.69	---
Sundry Credit Balances		
Appropriated (Net)	24.53	19.59
Provision no longer required (Net)	28.32	46.67
Profit on sales of Assets (Net)	1,113.99	47.04
Profit on sales of Investment	1.31	---
Scrap Income	15.22	59.81
Miscellaneous Income	34.37	60.16
Insurance Claim	0.92	4.64
Claim realised	0.74	---

Recoveries	4.48	4.07
Bad Debts recovered	0.20	0.07
Total	<u>1,298.71</u>	<u>300.73</u>

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

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Stock at the beginning of the year	266.47	233.93
Less: Adjustment on Consolidation	<u>---</u>	<u>14.66</u>
	266.47	219.27
Purchases	<u>1,498.83</u>	<u>1,075.75</u>
	1,765.30	1,295.02
Less: Stock at the end of the year	506.36	266.47
Total	<u>1,258.94</u>	<u>1,028.55</u>

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

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	159.11	286.22
Stock-in-trade	594.38	579.95
Work-in-Progress	<u>430.93</u>	<u>358.41</u>
	1,184.42	1,224.58
Stock at the beginning of the year		
Finished Goods	286.22	192.86
Stock-in-trade	579.95	500.29
Work-in-Progress	<u>358.41</u>	<u>422.94</u>
	1,224.58	1,116.09
Less: Adjustment on Consolidation	<u>---</u>	<u>20.35</u>
	1,224.58	1,095.74
Excise duty in value of stock	<u>(4.62)</u>	<u>9.01</u>
(Increase)/Decrease in stocks	<u>35.54</u>	<u>(119.83)</u>

EMPLOYEE BENEFITS EXPENSE**NOTE 21**

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Salaries and Wages	2,555.30	2,448.20
Contribution to Provident Fund and Other Funds	159.75	165.05

Staff Welfare Expenses	131.67	126.24
	2,846.72	2,739.49
Directors' Remuneration	75.44	67.47
Total	2,922.16	2,806.96

FINANCE COSTS

	Year Ended	NOTE 22
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Interest		
On Term Loans	101.30	90.14
On working capital loans	71.76	62.39
Others	797.42	707.90
Interest on shortfall of advance tax	0.03	0.70
Other Borrowing Costs	12.68	231.63
Total	983.19	1,092.76

**DEPRECIATION /
AMORTIZATION AND
IMPAIRMENT EXPENSE**

	Year Ended	NOTE 23
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	459.71	302.46
Less: Transfer from Capital Reserve	—	19.58
	459.71	282.88
Amortization/ Impairment of		
Intangible Assets	20.87	17.68
Amortization of Lease hold Land	0.33	0.33
Total	480.91	300.89

OTHER EXPENSES

	Year Ended	NOTE 24
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Power and fuel	280.38	236.44
Stores Consumed	73.93	68.68
Insurance	13.80	15.17
Processing Charges	183.43	202.29
Rent	103.08	91.51
Rates and taxes	89.17	98.58
Repairs:		
To Buildings	40.86	50.76
To Machineries	19.38	17.34
To others	27.82	20.56
Factory Over Head	151.60	180.36
Integration & Installation Expense	8.43	1.14
Selling Commission	188.11	87.91
Selling Expenses	368.79	315.15
Distribution Expenses	50.90	55.19
Loss on Sales of Investment (net)	—	149.06
Research and Development	2.36	0.86
Excise Duty - Others	30.27	32.58
Legal and Professional Fees	270.25	248.36

Conveyance and Travelling Expenses	353.15	351.04
Directors' sitting fees	1.02	0.99
Provision for Doubtful Debts & Advances	0.74	—
Bad Debts written off	12.30	33.72
Communication Expenses	22.19	21.15
ETP Expenses	8.84	6.86
Hire Charges (Transportation Services)	33.35	31.52
Product Development Expenses	8.28	7.69
Royalty paid	6.04	16.67
Labour Charges	38.77	10.09
Provision for Diminution in Value of Investment	15.59	31.19
Investment written off	0.01	—
Payments to the auditor as		
(a) Auditor	12.12	12.00
(b) For tax audit matters	0.67	2.99
(c) For Other Certification work	8.22	4.86
(d) For reimbursement of expenses	3.18	2.85
Exchange Difference (Net)	—	10.87
Miscellaneous Expenses	290.46	293.29
Total	2,717.49	2,709.72

EARNING PER SHARE (EPS)

	Year Ended	NOTE 25
	March 31, 2015	March 31, 2014
	Rs. Lakh	Rs. Lakh
Calculation of EPS (Basic & Diluted)		
Profit/ (Loss) available to Equity Shareholder (Rs. Lakh)	(667.06)	(2,020.70)
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.)	(0.87)	(2.64)

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

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

Principles

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

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

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

Sr No	Name of Subsidiary	"Country of incorporation"	"Proportion of ownership as on 31st March 2015"
a)	Synbiotics Limited	India	100%
b)	Haryana Containers Limited	India	100%
c)	Sarabhai M Chemicals Ltd	India	100%
d)	Asence Inc.	USA	100%
e)	Asence Pharma Private Limited	India	100%
f)	Systronics India Limited	India	100%
g)	Suvik Hitek Private Limited	India	100%
h)	Sarabhai Chemicals (India) Pvt Ltd (Formerly known as Senaru Formulations Pvt Limited)	India	100%

- (b) The following Joint Venture entity have been included in the Consolidated

Sr No	Name of Subsidiary	"Country of incorporation"	"Proportion of ownership as on 31st March 2015"
a)	Vovantis Lab Limited	India	33.34%

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

These Consolidated Financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost

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

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

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

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

(B) USE OF ESTIMATES

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

(C) INFLATION

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

(D) REVENUE RECOGNITION

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

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

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

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

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

(E) VALUATION OF INVENTORY

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

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

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

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

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

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

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

(G) Depreciation of Tangible Assets

The carrying value of the tangible fixed assets as on April 1, 2014 is depreciated over remaining useful life of the assets. Depreciation on additions to tangible fixed assets is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

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

Amortisation of Intangible Assets

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

(H) For Foreign Subsidiaries

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

(I) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(J) INVESTMENTS

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

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

(K) FOREIGN CURRENCY TRANSECTIONS

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

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

Non-monetary foreign currency items are carried at cost.

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

(L) EMPLOYEE BENEFITS

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

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

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

(M) TAXES ON INCOME

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

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

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

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

(N) EARNING PER SHARE

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

(O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

No Provision is considered necessary for following contingent liabilities:	NOTE 28	
	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rs. Lakh	Rs. Lakh
Disputed demand in respect of		
(a) Customs and Excise	137.57	138.34
(b) Sales Tax	81.89	73.48
(c) Income Tax	3,593.83	2,788.01
(d) E. S. I. C.	94.54	93.88
(e) Provident Fund	10.56	10.56
Claims not acknowledged as debt	39,350.16	39,309.60
Claims by Government for payment in to DPEA	39.25	39.25
Guarantee given by banks on behalf of the Company	306.81	300.20
Guarantee given by the Company on behalf of Other Companies	1,083.49	1,225.65

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, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Contracts on Capital Account remaining to be executed	—	25.80
Other Commitments	—	—

Segment Reporting : **NOTE 31**

A. Primary Segment (Business Segments)

	Rs. in Lakh March 31, 2015	Rs. in Lakh March 31, 2014
Particulars		
Segment Revenue		
a) Pharmaceuticals	7,707.10	5,356.30
b) Electronics	4,742.55	5,108.84
Total Sales	12,449.65	10,465.14
Less: Inter Segment Revenue	—	—
Net Sales	12,449.65	10,465.14
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	233.75	(1,054.59)
b) Electronics & Broadcast Equipments	151.06	192.60
Total Segment Results	384.81	(861.99)
Less: Interest & Finance Cost	983.19	1,092.76
Profit/(Loss) from ordinary Activities	(598.38)	(1,954.75)
Extra ordinary Items (Net)	—	—
Profit/(Loss) before Tax	(598.38)	(1,954.75)

Other Information

Segment Assets

a) Pharmaceuticals	13,838.58	13,473.18
b) Electronics & Broadcast Equipments	3,059.11	3,218.11
c) Unallocable	—	—
Total Assets	16,897.69	16,691.29

Segment Liabilities

a) Pharmaceuticals	16,994.34	15,890.17
b) Electronics & Broadcast Equipments	843.68	1,017.20
c) Unallocable	—	—
Total Liabilities	17,838.02	16,907.37

Segment Depreciation

a) Pharmaceuticals	495.88	265.38
b) Electronics & Broadcast Equipments	(14.97)	35.51
c) Unallocable	—	—
Total Depreciation	480.91	300.89

Capital Expenditure

a) Pharmaceuticals	216.11	60.99
b) Electronics & Broadcast Equipments	15.29	64.79
c) Unallocable	—	—
Total Capital Expenditure	231.40	125.78

Non Cash Expenses

other than Depreciation

a) Pharmaceuticals	19.05	184.25
b) Electronics & Broadcast Equipments	9.59	29.72
c) Unallocable	—	—
Total Non Cash Expenses other than Depreciation	28.64	213.97

B **Secondary Segment**

(Geographical by customers)

	Rs. in Lakh March 31, 2015	Rs. in Lakh March 31, 2014
Particulars		
Segment Revenue		
a) In India	8,359.31	8,060.07
b) Out side India	4,090.34	2,405.07
Total Sales	12,449.65	10,465.14
Carrying Cost of Assets by location of assets		
a) In India	16,780.19	16,582.41
b) Out side India	117.50	108.88
Total	16,897.69	16,691.29
Addition to Assets		
a) In India	231.27	125.52
b) Outside India	0.13	0.26
Total	231.40	125.78

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
	Mr. K Mohandas	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, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Transactions		
Remuneration to key management personnel	75.44	67.47
Balances as at year end		
Payable in respect of Current Liabilities	30.06	18.42

C Disclosure in respect of Related Party Transactions :

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
Remunerations		
Mr. Kartikeya V Sarabhai	13.48	12.89
Mr. A H Parekh	17.07	15.50
Ms Chaula Shastri	9.36	8.94
Mr. K Mohandas	35.53	30.14
Payable in respect of Current Liabilities		
Mr. Kartikeya V Sarabhai	3.69	4.16
Mr. A H Parekh	19.30	10.89
Ms Chaula Shastri	7.07	3.37

NOTE 33

(a) Effective from April 1, 2014, the Company has revised useful lives of tangible fixed assets as specified in Schedule II to the Companies Act-2013. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the remaining useful lives. Further, an amount of Rs. 63.24 Lakh representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to Statement of Profit & Loss. As a result of such change the charge for the year ended March 31, 2015 is higher by Rs.63.24 Lakh for the Assets held on April 1, 2014.

(b) Hitherto Two Subsidiary Companies were following Written Down Value Method (WDV) for charging Depreciation. The Companies has changed the method of Depreciation from WDV to Straight Line Method (SLM). The difference due to change of method of Rs. 77.72 Lakhs has been credited to statement of Profit and Loss for the year ended 31.03.2015. Effective from April 1, 2014 The said Companies has revised useful lives of tangible fixed assets based on provision of Companies Act 2013. Accordingly the carrying value of fixed assets on the date, net of residual value has been depreciated over the revised remaining useful lives. Further an amount of Rs. 6.84 Lakhs representing the carrying value of assets, whose remaining life is NIL as at April 1, 2014 has been charged to statement of Profit and Loss. As a result of such change the charge for the year ended 31st March, 2015 is higher by Rs. 84.56 Lakhs for the Assets held on April 1, 2014.

Additional Information as required under Schedule III to the Companies Act, 2013**NOTE 34**

Name of the Entity	2014-15				2013-14			
	Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)		Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)	
	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh
Parent:								
Ambalal Sarabhai Enterprises Ltd	443.82%	(4,173.35)	180.18%	(1,201.93)	1660.55%	(3,588.13)	128.24%	(2,591.28)
Subsidiaries								
Synbiotics Limited	(66.94%)	629.46	149.88%	(999.80)	(281.34%)	607.93	41.93%	(847.38)
Haryana Containers Limited	0.02%	(0.22)	(0.08%)	0.53	0.53%	(1.15)	0.02%	(0.32)
Sarabhai M Chemicals Ltd	0.57%	(5.40)	0.42%	(2.80)	0.19%	(0.40)	0.02%	(0.33)
Asence Inc.	(6.61%)	62.20	(1.91%)	12.72	(33.76%)	72.95	2.88%	(58.33)
Asence Pharma Private Limited	(22.65%)	212.95	(185.36%)	1,236.49	(189.58%)	409.65	(47.12%)	952.22
Systronics India Limited	(235.60%)	2,215.43	(47.46%)	316.62	(996.27%)	2,152.73	(17.68%)	357.33
Suvik Hitek Private Limited	24.58%	(231.08)	4.62%	(30.81)	113.35%	(244.92)	2.25%	(45.48)
Sarabhai Chemicals (India) Pvt Ltd (Formerly known as Senaru Formulations Pvt Limited)	(1.04%)	9.79	(1.23%)	8.21	(20.40%)	44.07	(7.38%)	149.11
Joint Ventures:								
Vovantise Laboratory Pvt. Ltd	(36.15%)	339.89	0.94%	(6.29)	(153.27%)	331.19	(3.16%)	63.76
	100.00%	(940.33)	100.00%	(667.06)	100.00%	(216.08)	100.00%	(2,020.70)

NOTE 35

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 36

No Provision is made for doubtful debts Rs. 123.15 Lakh (Rs. 118.77 Lakh) and doubtful advances of Rs.15.09 Lakh (Rs. 13.24 Lakh).

NOTE 37

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

As per our report of even date attached

For, Sorab S. Engineer & Co.
Firm Registration No. 110417 W
Chartered Accountant
CA. Chokshi Shreyas B.
Partner
Membership No. 100892

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

Date : 28.07.2015

Place : Ahmedabad

Date : 28.07.2015

Place : Ahmedabad

Consolidated Cash Flow Statement

	Year Ended March 31, 2015 Rs. Lakh	Year Ended March 31, 2014 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(598.38)	(1,954.75)
Adjustments for:		
Depreciation /Amortization	480.90	300.89
Interest Income	(69.68)	(57.54)
Interest Expenses	983.19	1,092.76
Income from Investments	(1.26)	(1.14)
Bad Debts/Advances Written Off	12.30	33.72
Provision for Diminution in value of Investments	15.59	31.19
Investment Written Off	0.01	-
Profit on Sale of Investments	(1.31)	149.06
Provision for Bad Debts/Advances	0.74	-
Provision no Longer Required	(28.32)	(46.67)
Sundry Credit Balances Appropriated	(24.53)	(19.59)
Foreign Exchange Loss/(Gain)	(3.69)	10.87
Profit on Sale of Tangible Assets	(1,113.99)	(47.04)
	249.95	1,446.51
Operating Profit before Working Capital Changes	(348.43)	(508.24)
Working Capital Changes:		
Changes in Inventories	(196.64)	(176.75)
Changes in current liabilities	7.69	2,033.95
Changes in current assets, loans and advances	67.88	(26.56)
Changes in trade receivables	175.25	32.63
Changes in Other Bank Balances	(93.62)	(87.67)
	(39.44)	1,775.60
Net Changes in Working Capital	(39.44)	1,775.60
Cash Generated from Operations	(387.87)	1,267.36
Direct Taxes paid (Net of Income Tax refund)	(444.18)	(165.66)
Net Cash Flow from Operating Activities	(832.05)	1,101.70
B Cash Flow from Investing Activities		
Purchase of tangible assets	(231.40)	(136.60)
Sale of tangible assets	1,156.61	88.74
Change in Investments	(10.26)	(96.79)
Dividend Income	1.26	1.14
Interest Income	63.73	54.99
Net cash flow from Investing Activities	979.94	(88.52)
C Cash Flow from Financing Activities		
Changes in Borrowings	491.94	254.00
Interest Paid	(552.82)	(1,092.76)
Net Cash flow from Financing Activities	(60.88)	(838.76)
Net Increase/(Decrease) in cash & cash equivalents	87.01	174.42
Cash & Cash equivalents at the beginning of the period	753.37	578.95
Cash & Cash equivalents at the end of the period	840.38	753.37

Particulars	As at Year Ended March 31, 2015	As at Year Ended March 31, 2014
a Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	10.38	5.99
Cheques on Hand	-	0.59
Balances with Banks	830.00	746.79
Total	840.38	753.37

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 : 28-07-2015
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
B. V. Suryakumar
Director
Ketan Adhvaryu
Company Secretary
Date : 28-07-2015
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 37th Annual General Meeting of the Company to be held on 29.09.2015 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 31.3.2015
2	Re-appointment of Mr. K. Mohandas, who retires by rotation.
3	Ratification of appointment of M/s. Sorab S. Engineer & Co. Chartered Accountants, Mumbai
4	Re-appointment of Mr. A. H. Parekh as a whole-time Director.
5	Re-appointment of Mr. Kartikeya Sarabhai as a whole-time Director.
6	Re-appointment of Miss. Chaula Shastri as a whole-time Director.

Signed this _____ day of _____ 2015

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
Tuesday, 29th September 2015 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.

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

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 Meeting of the Company to be held on 29.09.2015 at 10.00 a.m. at CC Vadodara and at any adjournment thereof in respect of such resolutions

Resolution No.	Resolution
1	Adoption of Annual Accounts for the year ended 31.3.2015
2	Re-appointment of Mr. K. Mohandas, who retires by rotation
3	Ratification of appointment of M/s. Sorab S. Engineer & Co.
4	Re-appointment of Mr. A. H. Parekh as a whole-time Director
5	Re-appointment of Mr. Kartikeya Sarabhai as a whole-time Director
6	Re-appointment of Miss. Chaula Shastri as a whole-time Director

Signed this _____ day of _____ 2015

Signature of shareholder : _____

Signature of Proxy holders : _____

Note: This form of Proxy in order to be effective should be duly completed and submitted to the Office of the Company not less than 48 (Forty Eight) hours before the con-

ase

Ambalal Sarabhai Enterprises Limited


Shantisadan,
Mirzapur Road,
Ahmedabad-380 001.

Telephone - 25507671-25507073
Fax : 079-25507483
E-mail : asecorp1@sancharnet.in

Ref. No. :

Date :

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, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	Third time
5.	To be Signed by ➤ MD/ WholeTime Director ➤ CFO ➤ Auditor of the Company ➤ Audit Committee Chairman	<p>Chaula Shalvi.</p> <p>-Resigned.</p> <p>Chobshi Shing A.</p> <p><i>[Signature]</i></p> 

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

CIN No. L52100GJ1978PLC003159

~~CIN No. : L24231GJ1978PTC0003159~~