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Ambalal Sarabhai Enterprises Limited

**40th Annual Report
2017-18**

Board of Directors

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

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

Chief Financial Officer
Mr. Bharat B. Shah

Company Secretary
Mr. Ketan Adhvaryu

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Auditors

M/s. Khandhar & Associates
Chartered Accountants
311, Dhiraj Avenue, Opp. Chhadawad
Police Chowki, Ambawadi,
Ahmedabad-380 006.

Registered Office :

Shanti Sadan
Mirzapur Road,
Ahmedabad-380 001

Notice

Notice is hereby given that the Fortieth Annual General Meeting of the Company will be held on Thursday, the 27th September, 2018 at 11.00 a.m. at the auditorium of Ahmedabad Textile Mills Association (ATMA), Opp: Citigold Cinema, Ashram Road, Ahmedabad-380 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2018, 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.

SPECIAL BUSINESS

3. As an ordinary Resolution:

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 an Ordinary Resolution.

“RESOLVED that pursuant to provisions of Section 196, 197, 198 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 26-12-2017 on the terms and conditions as stated in Explanatory Statement”.

4. As an ordinary resolution:

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 an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 196, 197, 198 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 1-4-2018 on the terms and conditions as stated in Explanatory Statement”

5. As a Special Resolution

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 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 1-4-2018 on the terms and conditions as stated in Explanatory Statement”

6. As a Special resolution:

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

RESOLVED that Mr. Ashwin P. Hathi (DIN – 00326488) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a further period of five years with effect from 1st April 2019 upto 31st March 2024.

7. As a Special resolution:

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

RESOLVED that Mr. Chandrashekhar Bohra (DIN-00055288) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a further period of five years with effect from 1st April 2019 upto 31st March 2024.

8. As a Special resolution:

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

RESOLVED that Mr. Govinddas Zalani (DIN-00308492) in respect of whom the Company has received notice in writing from a member proposing him as a candidate for the office of Director under the provisions of Section 160 of the Companies Act, 2013 and who is eligible for appointment as an Independent Director, be and is hereby reappointed as an Independent Director of the Company for a

further period of five years with effect from 1st April 2019 upto 31st March 2024.

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

Date : 14.8.2018

Place : Ahmedabad

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 24-9-2018 to 27-9-2018 (both days inclusive)
3. All the documents referred to in the Notice and Explanatory statement would be open for inspection at the Registered office of the Company during business hours on all working days till the date of meeting.
4. Members who hold equity shares in dematerialized form are requested to bring their DPID and client ID numbers for easy identification of attendance at the meeting.
5. Pursuant to SEBI Circular, it is mandatory to quote PAN for transfer/ transmission of shares in physical form. Therefore, the transferee(s) legal heirs are requested to furnish copy of their Pan to the Registrar and Share Transfer Agents- MCS Share Transfer Agent Limited.
6. In accordance with MCA Circular No.18/2011 dated 29/4/2011, members who desire to receive their copy of Annual report through email may register email address to the Company Secretary at ketanadvharyu@sarabhai.co.in or to our Registrar at mcsitdbaroda@gmail.com

Voting through electronic means:

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2018 at 10.00 a.m. and ends on 26th September, 2018 at 5.00 p.m.. During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2018 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 which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth DOB	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Ambalal Sarabhai Enterprises Limited.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option either “YES/NO” for voting. Select the option either 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also use Mobile app - “m - Voting” for e voting . m - Voting app is available on Apple , Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xvx) **Note for Non-Individual Shareholders and Custodians.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be e mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in 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 the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

- i The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- ii CS Ajay Parikh & Associates, Practising Company Secretary (Membership No. FCS 6075; CP No.6503, C-4, Yaspal Apartment-2, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad-380 009 has been appointed Scrutinizer the e-voting Process.
- iii The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any and submit forthwith to the Chairman of the Company.
- iv. The Results shall be declared within 48 hours of the date of AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> and communicated to the BSE Limited, where the shares of the company are listed.
- v. The resolutions shall be deemed to be passed on the date of the Annual General Meeting , subject to receipt of sufficient votes.
 Company : Ambalal Sarabhai Enterprises Limited Regd. Office: Shanti sadan, Mirzapur Road, Ahmedabad-380001 Gujarat, India.
 CIN: L52100GJ1978PLC003159
 E-mail ID: ketanadhvaryu@sarabhai.co.in
 Registrar and Transfer Agent : MCS share Transfer Agents Limited
 e-Voting Agency : Central Depository Services (India) Limited
 E-mail ID: helpdesk.evoting@cdslindia.com,
 Scrutinizer : CS Ajay Parikh & Associates, Practising Company Secretary
 E-mail; ID : ajay_ajay21@yahoo.com

Explanatory Statement

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

Item :3

Mr. A. H. Parekh is M. Pharm, having extensive and varied experience of over 46 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 (formulations) ended on 26-12-2017

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 13-12-2017 have subject to requisite approvals, re-appointed him for a further period of 3 years with effect from 26-12-2017 on following terms and conditions.

1. a) Basic Salary : Rs. 1,05,000/-p.m. in the grade of 1,05,000-5000-1,10,000-1,25,000
- b) House rent allowance : Rs. 42,000 @ 40% of (a)
- c) Newspaper allowance : Rs. 400 p.m.
- d) Perquisites : Total perquisites shall be restricted to 70% of basic salary.
- i) Expenditure : To be valued as per IT Rules and in absence of such rules
- Incurred on gas electricity, water to be valued at actual cost.
- ii) Medical : Reimbursement of expenses actually incurred for self, wife and dependent Children. However, such reimbursement For self and family 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 & fro Concession for Self and family for any place in India.
- iv) Telephone : Personal long distance call to be paid by Facilities at the appointee. Residence
- *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.
- *ix) Gratuity would become payable at the rate not exceeding half 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 terms 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 limites prescribed in Schedule V of the Companies Act, 2013.
 3. KPA : Mr. Parekh shall be entitled for compensation of Rs. 3,00,000 per annum on achieving pre determined Key Performance Area as determined by the 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 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 laws, 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 of three months 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 re-enactment 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 a 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: 4

Ms. Chaula Shastri is B.Com. LLB, Diploma in Business Management. She has been associated with the Company since 1979. Ms. Shastri has wide and varied experience of over 35 years in various areas of Administration and Management. At present, she is looking after the day to day management functions at the Vadodara campus under the superintendence and control of the Board of Directors. The tenure of Ms. Shastri as Whole-time Director

completed on 31-03-2018. 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 14-02-2018 have subject to the requisite approval/s, re-appointed her for a further period of 3 years with effect from 1-4-2018 on following terms and conditions:

1. a) Basic Salary : Rs. 97,000/-p.m. in the grade of 97,000-5,000-1,50,000-6000-2,50,000
- b) House rent allowance : Rs. 38,800 @ 40% of (a)
- c) Newspaper allowance : Rs. 400 p.m.
- c) Perquisites : Total perquisites shall be restricted to 60% of basic salary.
- i) Expenditure : To be valued as per ITRules Incurred on gas and in absence of such rules to be valued at cost. electricity, water to be valued at actual cost.
- ii) Medical benefits : Reimbursement of expenses For self and actually incurred for self,

- | | |
|---|---|
| family | 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 : Self and family | Only travel fare, once a year to & fro for any place in India. |
| iv) Telephone : Facilities at Residence | Personal long distance call to be paid for by the appointee. |
| v) Club fee and personal accident insurance as the company's rules. | |

Ms. Shastri shall also be entitled for the following benefits. However the same will not be taken in to accounts while computing Managerial remuneration.

Other Benefits:

- A. Reimbursement 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.
- 2 Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the limits prescribed in Schedule V of the Companies Act 2013
3. KPA : Ms. Chaula Shastri shall be entitled for compensation of Rs. 2,50,000p.a. 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, 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 her functions as Whole-time Director of the company become interested of 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) 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 re-enactment 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. Ms. Shastri's terms of the appointment of Whole-time Director may 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, she shall cease to be 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. Chaula 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.

Item No: 5

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

The tenure of Mr. Sarabhai as Whole-time Director completed on 31-3-2018

The Nomination and Remuneration Committee of Directors and the Board of Directors at their respective meeting held on 14-2-2018 and had subject to requisite approval/s, re-appointed him for a period of 3 years with effect from 1-4-2018 and his terms and conditions including remuneration have been decided at their meetings held on 14-2-2018 as under.

- 1 a) Basic Salary : Rs.1,80,000/-p.m. in the grade of Rs. 1,40,000-7,500-2,50,000 -10,000-4,00,000
- b) House rent allowance : Rs.72,000/- @40% of (a)
- c) Perquisites : Total perquisites shall be restricted to Rs. 81,583
 - i) Expenditure : To be valued as per IT Rules Incurred on gas and in absence of such rules electricity, water to be valued at actual cost.
 - ii) Medical benefits : Reimbursement of expenses 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 & fro for any place in India.
 - iv) Addi. Allowance : In the terms form of conveyance /petrol/ misc. Expenses.
 - v) Telephone : Personal long distance call to be paid by the appointee Facilities at Residence
- *v) Reimbursements of actual entertainment expenses incurred for the business of the Company, as per Company's rules.
- vi) club fees and personal accident insurance, as per company's rules.

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

Other Benefits:

- A) Reimbursement 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) Gratuity would become payable at the rate not exceeding half month's salary for each completed year of service.
 - D) Encashment of leave in respect of leave accumulated but not availed of at the end of the tenure, would be permissible.
 - E) Company's contribution towards of Superannuation fund as per rules of the Company.
2. Annual Increment : Entitled to get annual increment as may be decided by the Board of Directors within the limits prescribed in schedule V of the Companies Act, 2013
5. KPA : Mr. Sarabhai shall be entitled for compensation of Rs. 3,00,000 per annum on achieving pre determined Key Performance Area as determined by Nomination and Remuneration Committee of Directors in proportion to achievement of key performance targets both quantitative and qualitative.
6. 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.
7. 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 Whole-time Director of the company become interested of 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 of three months on either side or by payment of three months' salary in lieu thereof.
8. 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 re-enactment 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.
9. 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 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. Kartikeya V 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 Nos. 6,7 & 8:

Mr. G D Zalani, Mr. C S Bohra and Mr. Ashwin P Hathi were appointed as Independent directors on the Board of the company with effect from 1-4-2014 for a term of five years in the AGM held on 25-09-2014. They are eligible for reappointment as Independent directors for a further term of five years provided special resolutions are passed for their appointment in the AGM. Since the company has received a Notice u/s 160 for reappointment of these directors and Board also feels that it would be in the interest of the company to have such experienced persons on the Board, it has been proposed to appoint them for further period of five years.

Mr. G D Zalani, Mr. C S Bohra and Mr. Ashwin P Hathi, are interested in their respective resolution, None of the other directors are interested in the resolutions.

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

Date : 14.8.2018

Place : Ahmedabad

Details of the Directors seeking Reappointment at the 40th Annual General Meeting					
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 Company and with the Pharmaceutical sector. He has been a member of the Board since 1992 and was appointed Chairman in 1995. He also involved in a number of policies initiated by the Government of India particularly in the environment and educational fields.	123142	
Mr. A.H. Parekh	18-10-1948	M.Pharm (Pharmaceutical & Technology)	He has experience of Pharma production of more than four decades Technical Experience in : -Formulation, Production, planning -Inventory Control -Stores, Distribution & Logistic Knowledge of Quality Control	--	--
Ms. Chaula Shastri	19-1-1959	B.Com. LL.B. Diploma in Business Management	She has very good experience in Administration, communication, Public Relations and liaising with people from different segments.	--	Haryana Containers Ltd
Mr. K Mohandas	12-5-1948	Graduate with Economics & Diploma in Material Management	Joined the organization in 1996 and has vast and varied experience of over 50 years in various areas of management and administration in electronics segment.	--	Systronics (India) Limited

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. Ashwin P. Hathi.	23-8-1940	B.A.L.L.B.(Spc), D.L.P.	Practicing Advocate since 1964 with an experience of over 40 years. He is registered in the Gujarat Bar and has had appearances in the Supreme Court of India and various other High Courts, District Courts and Tribunals. His experience besides litigation also encompasses corporate transactional work. He specializes in industrial law, arbitration, intellectual property law and other commercial laws; He regularly represents multinationals and other companies in court litigations, arbitrations and at the same time provides opinions etc. He is extensively involved in vetting and negotiation of commercial agreements, legal due diligence reports etc.	--	--
Mr. Chandrashekhar Bohra	9.9.1972	B.Com.	Above 18 years of vast experience in Manufacturing, Marketing, Brand building and Supply Chain Management in national and international industry. Expertise lies in Pharmaceutical Exports to Southeast Asian countries (ASEAN region), CIS countries and West African Countries. Associated with serval WHOcGMP certified pharma formulation. Resourceful in the Indian Pharmaceutical Industry as an advisor and has been instrumental in many strategic deals among Companies. Expertise will help in strengthening and stabilizing future prospects of the Company.	--	--
Govinddas Zalani	15.1.1927	Master of Pharmacy (M.Pharm.)	Associated with Company for last more than four decades. Expertise in Commercial aspects and liaison with Government authorities	--	Asence Inc.

Directors' Report

To

The Shareholders

The Directors hereby present their 40th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2018.

	(Rs. lakh)	
	2017-18	2016-17
(Consolidated accounts)		
Turnover (Net)	12562	13634
Other Income	2504	622
Total Income	15066	14256
Financial Cost	336	471
Depreciation	212	427
Profit/Loss before extra ordinary Income	796	(1362)
Net Profit/(Loss) before taxation	796	(1362)
Net Profit (Loss)	110	(1911)

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

Consolidated Results :

The Company's strategy of moving each business into a focused subsidiary has led to better growth and has seen success over the past few years. While the Company shows a slight decrease in sales, considering other income, the Company has shown a profit of Rs 7.96 crores. As a result of the IND AS the sales of our joint venture company are now not included in overall sales.

Sarabhai Chemicals (India) Pvt. Ltd.

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

Asence Group

Asence Inc a wholly-owned subsidiary of the Company, specializes in the supply of quality pharmaceuticals preparations (Finished Dosage Forms and Active Pharmaceutical Ingredients) to the international markets.

Asence is concentrating on its exports business along with its domestic sales and setting up a new finished dosage manufacturing plant which will be operational in the 1st quarter of the year 2019.

Suvik Hitek Pvt. Ltd.

Suvik, a wholly owned subsidiary of the Company, is manufacturing Pharmaceutical products and marketing various generic products and veterinary products in the domestic market.

Synbiotics Limited

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

Systronics (India) Limited

It has two divisions Systronics & Telerad.

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

TELERAD is one of the oldest representatives of SONY in India promoting Broadcast and Professional Video/Audio products of various international companies.

Sarabhai M. Chemicals Ltd.

Sarabhai M Chemicals Ltd, a wholly owned subsidiary company will start its Vitamin C coated products manufacturing in the year 2019.

Joint Venture Companies:

Vovantis Laboratories Pvt. Ltd.

Vovantis, a joint venture company is a USFDA inspected effervescent product manufacturing company with increased focus on the USA and European markets.

Cosara Diagnostics Pvt.Ltd .

Cosara Diagnostics is a new company promoted by Synbiotics Limited in partnership with Co-diagnostics of USA to manufacture and market molecular diagnostics products globally.

Corporate Governance:

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

Subsidiaries:

The Company has 8 owned subsidiaries and two joint venture and one associate company. Their performance is integrated in the consolidated accounts.

Consolidated financial Statement:

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

Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. K. Mohandas, who retires by rotation and being eligible, offers himself for the appointment.

The three whole time directors namely Mr. Anil. H. Parekh, Ms. Chaula Shastri and Mr. Kartikeya. V. Sarabhai have been reappointed by the Board for a further period of three years. These resolutions are proposed for your approval in the ensuing AGM.

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)

The five year term of Independent directors will come to an end on 31st March 2019. The resolutions for reappointment for a further term of five years in respect of Mr. Ashwin P Hathi, Mr. Chandra Shekhar Bohra and Mr. G D Zalani are proposed for your approval.

Annual Evaluation

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

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

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of committees, effectiveness of committees 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 issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

Particulars of Loans, Guarantees or Investments:

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

Related Party Transactions:

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

During the year 2017-18, pursuant to section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2013 all RPTs were placed before Audit Committee for its prior/omnibus approval.

Material Changes and Commitments:

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

Number of Meetings of the Board:

There were 7 meetings of the Board held during the year. Detailed information is given in the Corporate Governance Report.

Extract of Annual Return:

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

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

The Company's policy on director's 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 recommendations are made.

Internal Financial Control Systems and their adequacy:

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

Audit Committee:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report with 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.

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 Company incurred losses for the last financial year (2016-17) and has no profits from its business operations during last 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 the rule 5(1) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 will be provided upon request in terms of section 136 of the Act, the reports and accounts are being sent to the members and others excluding the information on employees' particulars, which is available for inspection

by members at the registered office of the company during 2.00 p.m. to 4.00 p.m. on working days of the Company upto the date of AGM. If any member is interested in obtaining a copy thereof, he/she may write to Secretarial Department of the Company. There is no employee drawing salary in excess of limit prescribed in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Fixed Deposits:

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

Details of Significant Orders passed by Regulators or Courts:

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

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

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

Details of Establishment of Vigil Mechanism:

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

Disclosure under Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

Fraud Reporting:

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

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

Particulars of Energy Conservation, Technology Absorption and foreign Exchange Earnings and outgo

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

Directors' Responsibility Statement:

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 Director have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2018.

(iii) That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguard in 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 system 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 there under, M/s Khandhar & Associates are appointed as Auditors by the member in their last AGM held on 29-9-2017 to hold office until the conclusion of the 44th Annual General Meeting, to be held in the year 2021-22.

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.

Ahmedabad
14-8-2018

For and on behalf on the Borad
Kartikeya V Sarabhai
Chairman

ANNEXURE TO THE DIRECTORS REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Directors' report for the year ended 31st March, 2018.

(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
For exchange earned	-
Foreign exchange used	4.25

Management Discussions and Analysis Report

Overview of Indian Pharmaceutical Industry

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno

Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

Market Size

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in 2017-18 and are expected to reach US\$ 20 billion by 2020.

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

India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.89 billion)

Investments

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

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.59 billion between April 2000 and December 2017, according to data released by the Department of Industrial Policy and Promotion (DIPP).

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

- In 2017, Indian pharmaceutical sector witnessed 46 merger & acquisition (M&A) deals worth US\$ 1.47 billion.
- The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019.

Government Initiatives

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

follows:

- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalization. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Road Ahead

Medicine spending in India is expected to increase at 9-12 per cent CAGR between 2018-22 to US\$ 26-30 billion, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others.

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

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

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2017-18

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

Composition of the Board:

The Company's Board at present has 7 Directors including one woman director, comprising of 3 Executive Directors and 4 Non Executive Directors. Names and categories of the Directors on the Board and the numbers of Directorship and the Committee position held by them in other public limited companies are given below:

Name of Director	Category / Designation	No. of Directorships held in other Public Ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	—	—
Govind Das Zalani	Non-Executive/ Independent	—	—
K. Mohandas	Non-Executive/	1	—
Anil H. Parekh	Whole-time Director	—	—
Ashwin P. Hathi	Non-Executive/ Independent	—	—
Chaula Shastri	Whole-time Director	1	—
Chandra-shekhar Bohra	Non-Executive/ Independent	2	1

b) Board Meetings:

The Board met 7 times on the following dates during the financial year 2017-2018 and the maximum time gap between the two meetings did not exceed 120 days.

30.5.2017	29.9.2017
10.8.2017	13.12.2017
14.9.2017	14.2.2018
	26.3.2018

The Agenda papers were circulated to the Directors in advance before the meetings with sufficient information. The details of attendance of each Director at the Board Meeting held during the financial year 2017-18 and at the last Annual General Meeting held on 29-9-2017 together with the sitting fees paid to each Director are given below:

Name of Director	No. of Meetings held during the tenure	No. of Meetings attended	Sitting fees paid for Board Meetings & other Committee Meetings (Rs.)	Attendance at the last AGM	Date of Appointment
Kartikeya V. Sarabhai	7	6	—	Yes	30.07.1992
Govind Das Zalani	7	7	80,000	Yes	01.04.1996
K. Mohandas	7	5	—	Yes	03.03.2011
Anil H. Parekh	7	6	—	Yes	04.05.2005
Ashwin P. Hathi	7	7	80,000	Yes	24.06.2010
Chaula Shastri	7	7	—	Yes	16.10.2012
Chandrashekhar Bohra	7	4	25,000	Yes	13.6.2013
B.V. Suryakumar*	7	1	10,000	-	18.05.2005

*Resigned w.e.f. 30-5-2017

II) Committees of Directors :

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

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

A) Audit Committee:

The Company has complied with requirements of

SEBI (LODR) Regulation, 2015, with regard to composition of Audit Committee. The details of attendance of Audit committee Meetings held during the financial year 2017-18 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Govind Das Zalani	Chairman	5	5
Ashwin Hathi	Member	5	5
K. Mohandas	Member	5	3
B.V. Suryakumar*	Chairman	5	1

*Resigned w.e.f. 30-5-2017

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

B) Stake holders Relationship committee:

The details of attendance of Stake holders Relationship Committee Meetings held during the financial year 2017-18 are as under:

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

C) Nomination and Remuneration Committee :

The details of attendance of Nomination and Remuneration Committee Meetings held during the financial year 2017-2018 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Govind Das Zalani	Chairman	1	1
Ashwin P. Hathi	Member	1	1

Independent Directors Meeting:

The details of attendance of Independent Directors Meeting held during the Financial year 2017-18 is as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
Govind Das Zalani	Member	1	1
Ashwin P Hathi	Member	1	1
Chandrashekhar Bohra	Member	1	1

III) Details of Remuneration of Directors (2017-18)

Name of Director	Salary & perquisites	Sitting Fees	Total
Kartikeya Sarabhai	2,383,665.50	-	2,383,665.50
Anil H Parekh	2,399,678.00	-	2,399,678.00
Chaula Shastri	1,833,809.00	-	1,833,809.00
Govind Das Zalani	-	80,000	80,000
Ashwin Hathi	-	80,000	80,000
Chandrashekhar Bohra	-	25,000	25,000
K Mohandas	-	-	-
BV Suryakumar	-	10,000	10,000

Code of Conduct:

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

Whistle Blower Policy:

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

Protection against Sexual Harassment at work place:

Pursuant to provisions of "The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules made there under, the Company has constituted Internal Complaints Committee with majority of women members which looks after complaint, if any, with regard to sexual harassment in the organization.

IV) General Body Meetings:

The Annual General Meetings of the Company during the year 2014-15 was held at Prof. C C Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda, Vadodara and the last two Annual General Meetings of the Company for the years 2015-16 and 2016-17 were

held at The Auditorium of Ahmedabad Textile Mills Association(ATMA) Ashram Road Ahmedabad on the following on the dates and time:

Year	Date	Time	Location
2014-15	37th AGM 29th September, 2015	10.00 a.m.	Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda
2015-16	38th AGM 29th September, 2016	10.30 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), OPP: Citigold Cinema, Ashram Road, Ahmedabad
2016-17	39th AGM 29th September, 2017	10.30 a.m.	Auditorium of Ahmedabad Textile Mills Association (ATMA), OPP: Citigold Cinema, Ashram Road, Ahmedabad

V) Disclosures:

- 1) As required under the Companies Act, the Directors disclose the name of the Companies / parties in which they are interested and accordingly, the Register of Contracts under Section 189 of the Companies, 2013 is tabled and signed at the Board Meeting/s.
- 2) Transactions with the “related parties” are disclosed in detail in note forming part of Accounts’ annexed to the financial statements for the year ended 31st March, 2018, Adequate care was taken by the Board to ensure that the potential conflict of interest did not harm the interest of the Company.
- 3) The Company complied with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2017-18 by the Company on any matter related to Capital Markets.

4) Means of Communications:

- a) Quarterly/ Half yearly financial Results of the Company are always submitted to the BSE Limited and published in Jansatta (Gujarati Language) and the Business Standard (English Language).
- b) Management Discussion & Analysis Report is a part of this Directors’ Report to the Shareholders.

VI) General Shareholder Information:

- 1 Registered Office Shantisadan, Mirzapur Road, Ahmedabad-380 001
- 2 Venue, Day & Date of 40th Annual General Meeting. Thursday, 27th September, 2018 at 11.00 a.m. at ‘Auditorium of Ahmedabad Textile Mills Association, (ATMA) Ashram Road, Ahmedabad-380 009
- 3 Financial Calendar From 1st April 2017 to 31st March 2018
- 4 Book Closure dates From 24.09.2018 to 27.09.2019 (both days inclusive)
- 5 Dividend Payment Date Not applicable
- 6 Listing on stock exchange: BSE Ltd. Stock Code No. 500009

VII) Stock Price Data:

MONTH	HIGH (BSE) (Rs.)	LOW (BSE) (Rs.)	BSE SENSEX	
			High	Low
April-2017	13.53	11.69	30,184.22	29,241.48
May-2017	13.10	8.66	31,255.26	29,504.12
June-2017	10.70	8.36	31,522.87	30,680.68
July-2017	9.69	8.16	32,672.66	31,017.11
August-2017	8.79	7.05	32,686.48	31,128.02
September-2017	8.60	7.01	32,524.11	31,081.83
October-2017	14.28	7.70	33,340.17	31,440.48
November-2017	12.29	9.43	33,865.95	32,683.59
December-2017	11.25	9.51	34,137.97	32,565.16
January-2018	12.61	10.00	36,443.98	33,703.37
February-2018	13.44	10.76	36,256.83	33,482.81
March-2018	12.44	9.60	34,278.63	32,482.81

VIII) Share Transfer System:

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

Total shares transferred during financial year 2017-18	149
Total Transfer Deeds received and processed during financial year 2017-18	34762
Total No. of shares(s) Demated as on 31st March 2018	6,22,12,225
% of total Equity shares in Demat as on 31st March 2018	81.18%

IX) Distribution of Shareholding - as on 31st March, 2018:

Category	No. of Shares	%
Promoters	2,35,61,244	30.75
FII/NRI	3,73,518	0.49
Public Financial Institutions & Nationalized Banks	4912	0.01
Mutual Funds/UTI	-	-
Bodies Corporate	16228886	21.17
Indian Public	36464736	47.58
Total	76633296	100%

X) Distribution of Shareholding as on 31st March, 2018 (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	153180	93.3495	10966258	14.31
501 to 1000	7079	4.314	5410139	7.0598
1001 to 2000	2255	1.3742	3340334	4.3589
2001 To 3000	475	0.2895	1217529	1.5888
3001 To 4000	221	0.1347	791879	1.0333
4001 To 5000	237	0.1444	1134199	1.48
5001 To 10000	273	0.1664	2078729	2.7126
Over 10000	373	0.2273	51694229	67.4567
Total.....	164093	100.00	76633296	100%

XI) Dematerialization of Shares:

During the year under review, 1,14,724(0.15 %) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : INE432A01017

XII) Plant Locations: (subsidiary company)

Village Ranoli Dist: Vadodara

XIII) Address for Correspondence:

Shareholders can correspond either at the office of its Share Transfer Agent viz. MCS Share Transfer Agent Ltd. 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chhappan Bhog Sweets, Alkapuri, Vadodara-390 007.or at its registered office at

Shantisadan, Mirzapur Road, Ahmedabad-380 001. Queries of shareholders shall be addressed to Mr. Ketan Adhvaryu , Company Secretary-Email- ketanadhvaryu@sarabhai.co.in The Company Secretary is designated by Company as "Complain Officer"

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

This is to confirm that the Company has in respect of financial year ended 31st March, 2018, 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

Kartikya V Sarabhai

14-8-2018

Chairman & Whole-time Director

COMPLIANCE CERTIFICATE BY AUDITORS

To the Members of
Ambalal Sarabhai Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Ambalal Sarabhai Enterprises Limited, for the year ended 31st March, 2018 as stipulated in schedule V of Sebi (LODR) Regulations, 2015.

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

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

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

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

For **Khandhar & Associates**

Chartered Accountants

Firm Registration No. 118940W

CA. Vipul B. Khandhar

Partner

Membership No. 105986

Date : 25-05-2018

Place : Ahmedabad

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018**

[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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

2015; (Not applicable to the Company during audit period)

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

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

1. The Drug and Cosmetics Act, 1940.

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with Stock Exchange as specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Chief Financial Officer (CFO) :

The Company has already a qualified Chartered Accountant who looks after Finance & Accounts functions of the Company during the year under review.. Further the Company has also appointed CFO*.

* w.e.f. 26th March, 2018

I further report that

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

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

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

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

I further report that during the audit period, there is no any events/actions has taken place which has major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.,

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

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Place: Ahmedabad

Proprietor

Date: 14/08/2018

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 31/03/2018)

To, The Members,

Ambalal Sarabhai Enterprises Limited

Shanti Sadan, Mirzapur Road,

Ahmedabad -380001,

Gujarat.

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

1. Management's Responsibility :

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

2. Secretarial Auditor's Responsibility :

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

3. Conduct of Company's affairs :

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Place: Ahmedabad

Proprietor

Date: 14/08/2018

FCS: 6075 C P No.:6503

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2018

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:-	L52100GJ1978PLC003159
(ii)	Registration Date -	27-06-1977
(iii)	Name of the Company	Ambalal Sarabhai Enterprises Ltd.,
(iv)	Category / Sub- Category of the Company	Public Limited Company
(v)	Address of the Registered office and contact details	Shantisadan, Mirzapur Road, Ahmedabad- 380001
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 88, Sampatrao Colony, 1st Floor, Neelam Apartment, Above Chappan Bhog Sweets, Alkapuri, Vadodara-390 007

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1	Synbiotics Ltd.	U24232GJ1960PLC000992	Subsidiary	100%	2(87)
2	Systronics (India) Ltd.	U32201GJ1973PLC002437	Subsidiary	100%	2(87)
3	Sarabhai Chemicals (India) Pvt. Ltd.	U24231GJ2004 PTC043478	Subsidiary	98.99%	2(87)
4	Asence Inc.	---	Subsidiary	100%	2(87)
5	Asence Pharma Pvt. Ltd.	U24230GJ2004PTC045141	Subsidiary	99.99%	2(87)
6	Sarabhai M. Chemicals Ltd.	U50101GJ2000PLC039109	Subsidiary	100%	2(87)
7	Suvik Hitek Pvt Ltd.	U24231GJ1977PTC003036	Subsidiary	100%	2(87)
8	Swetsri Investments Pvt. Ltd.	U67120MH1986PTC41664	Subsidiary	100%	2(87)
9	Haryana Containers Ltd.	U25202GJ1970PLC037926	Associate	45%	2(6)
10	Vovantis Laboratories Pvt. Ltd.	U24230GJ2008PTC0055176	Associate	33.33%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2017				No. of Shares held at the end of the year 31.3.2018				% Charge during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	334724	--	334724	0.44	334724	--	334724	0.44	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	23226520	--	23226520	30.31	23226520	--	23226520	30.31	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(1)	23561244	--	23561244	30.75	23561244	--	23561244	30.75	--
(II) Foreign									
g) NRIs	--	--	--	--	--	--	--	--	--
h) Other Individuals	--	--	--	--	--	--	--	--	--
i) Bodies Corp	--	--	--	--	--	--	--	--	--
j) Bank/FI	--	--	--	--	--	--	--	--	--
k) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding Promoter (A)=(A)(1)+(A)(2)	23561244	--	23561244	30.75	23561244	--	23561244	30.75	--
B. Public Shareholding.									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks(F)	1292	1420	2712	0.0034	1292	1420	2712	0.034	--
c) Central Govts	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	2200	2200	0.0028	--	2200	2200	0.0028	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub Total (B)(1)	1292	3620	4912	0.47	1292	3620	4912	0.47	--

2) Non Institutions									
a) Body Corp									
i) Indian	18368366	142510	18510876	24.15	16087353	141533	16228886	21.18	2.97
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh/ Rs. 2 Lakh	11934162	13273265	25178595	32.86	12255182	12882541	25137723	32.8	--
ii) Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh/Rs.21 Lakh	7992128	989183	8981311	11.72	8877170	989183	9866353	12.87	1.15
c) Others (Specify) NRI	240319	156039	396358	0.52	1678781	155397	1834178	2.39	1.87
Sub Total (B)(2)	38534975	14532165	53067140	69.25	38898486	14168654	53067140	69.25	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	38536267	14535785	53072052	69.25	38899778	14172274	53072052	69.25	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	62097511	14535785	76633296	100.00	62461022	14172274	76633296	100	--

ii Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2017			Shareholding at the end of the year 31.03.2018			% change in Share holding during the year
		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	123142	0.16	-	123142	0.16	-	-
2	Mallika Sarabhai	125655	0.16	-	125655	0.16	-	-
3	Mohal Sarabhai	41387	0.05	-	41387	0.05	-	-
4	Samvit Sarabhai	44540	0.06	-	44540	0.06	-	-
5	Sarabhai Holdings PL	19303972	25.19	-	19303972	25.19	-	-
6	Rajka Designs PL	163850	0.214	-	163850	0.214	-	-
7	Leena Invt PL	128217	0.167	-	128217	0.167	-	-
8	Himalaya Invt.Pvt.(IVL)	1911	0.002	-	1911	0.002	-	-
9	Yudhisthir Invt.PL.(IVL)	469305	0.612	-	469305	0.612	-	-
10	Koshaliya In PL.(IVL)	456722	0.596	-	456722	0.596	-	-
11	Medicinal Drugs Mfg. PL.(IVL)	157716	0.206	-	157716	0.206	-	-
12	Sahayog Inv.PL.(IVL)	161011	0.21	-	161011	0.21	-	-
13	Talimi Inv.PL.(IVL)	163323	0.213	-	163323	0.213	-	-
14	Vasantbahar Inv.PL. (IVL)	200989	0.262	-	200989	0.262	-	-
15	Adana Inv. PL.(IVL)	157920	0.206	-	157920	0.206	-	-
16	Kanda Inv. PL.(IVL)	209288	0.273	-	209288	0.273	-	-
17	Mrigank Inv.PL.(IVL)	178669	0.233	-	178669	0.233	-	-
18	Jonpuri Inv. PL. (IVL)	178667	0.233	-	178667	0.233	-	-
19	Bhardrapad Inv.PL.(IVL)	157920	0.206	-	157920	0.206	-	-
20	Bhilwal Inv.PL.(IVL)	15920	0.206	-	157920	0.206	-	-
21	Mahavbag Holdings PL. (IVL)	178651	0.233	-	178651	0.233	-	-
22	Ashavari Inv.PL.(IVL)	182513	0.238	-	182513	0.238	-	-
23	Vaishakhi Inv. PL.(IVL)	181561	0.237	-	181561	0.237	-	-
24	Todirag Holdings PL. (IVL)	185675	0.242	-	185675	0.242	-	-
25	Khamaj Inv.PL.(IVL)	159086	0.242	-	159086	0.242	-	-
26	Sarabhai Management Corp. Ltd.	91634	0.12	-	91634	0.12	-	-
	Total	23561244	30.75		23561244	30.75		

iii Change in Promoter's Shareholding (Please specify, if there is no change)

SI No		Shareholding at the beginning of the year 1-4-17		Cumulative shareholding during the year 31-3-18	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	Kartikeya V Sarabhai	123142	0.16	123142	0.16
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/sweat equity etc):	--	--	--	--
	At the End of the year	123142	0.16	123142	0.16

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 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
	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	Caplin Viniyog Pvt Ltd	4222789	5.5104	4222789	5.5104
2	Navtech farm Products Pvt Ltd	3646167	4.7579	3646167	4.7579
3	On time hire Puchase Agencies Pvt Ltd	3295625	4.3006	3295625	4.3006
4	Monet Securities Pvt Ltd	1776256	2.3179	2447256	3.1935
5	Ambit Capital Pvt Ltd	783699	1.0227	-	-
6	Manju Bhalotia Manju	633494	0.8267	633494	0.8267
7	Kirti Niketan Pvt Ltd	671000	0.8756	-	-
8	M. Prasad & Co. Ltd	626214	.8172	626214	0.8172
9	Sarita Govind Yadav	556528	0.7262	556528	0.7262
10	Gira Sarabhai	-	-	416908	0.5440
11	Shaan Zaveri	-	-	327428	0.4273
12.	Govind Laljibhai Kakadia	-	-	251796	0.3286
	At the End of the year (or on the date of Seperation, if separated during the year)				
1	Caplin Viniyog Pvt Ltd	4222789	5.5104		
2	Navtech Farm Products Pvt Ltd	3646167	4.7579		
3	On time hire purchase Agencies Pvt. Ltd	3295625	4.3006		
4	Monet Securities Pvt Ltd	2447256	3.1935		
5	Manju Bhalodia Manju	633494	0.8267		
6	M. Prasad & Co. Ltd	626214	0.8172		
7	Sarita Govind Yadav	556528	0.7262		
8	Gira Sarabhai	416908	0.5440		
9	Shaan Zaveri	327428	0.4273		
10	Govind Lalji Kakadia	251796	0.3286		

iv Shareholding of Directors and Key Management Personnel

SI No		Shareholding at the beginning of the year 1.04.2017		Cumulative Shareholding during the year 31.03.2018	
	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
1	At the beginning of the year	123142	0.16	123142	0.16
2	Date wise Increase/ decrease in 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 the year)	123142	0.16	123142	0.16

V. INDEBTEDNESSIndebtedness of the Company including interest outstanding/accrued but not due for Payment Rs. Lakh

	Secured Loans excluding Deposits	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year 31-3-2018				
(i) Principal Amount	363.67	1,849.08	-	2,212.75
(ii) Interest Due but not paid	180.11	4.16	-	184.27
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	543.78	1,853.24	-	2,397.02
Changes in Indebtedness during the financial year				
* Addition	4.32	337.00	-	341.32
*Reduction	337.00	1,105.98	-	1,442.98
Net Change	(332.68)	(768.98)	-	(1,101.66)
Indebtedness at the end of the financial year 31-3-2018				
(i) Principal Amount	26.67	1,080.10	-	1,106.77
(ii) Interest Due but not paid	184.43	4.16	-	188.59
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	211.10	1,084.26	-	1,295.36

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

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Kartikeya V Sarabhai	Anil H. Parekh	Chaula Shastri	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961	1,44,0000.00	1,215,968.00	972,000.00	3627968.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	586444.50	1122912.00	599369.00	2308725.50
	(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	357221.00	60798.00	262440.00	680459.00
	Total (A)	2,383,665.50	2,399,678.00	1,833,809.00	6,617,152.50
	Ceiling as per the Act	—	—	—	—

B. Remuneration of other Directors

SI No	Particulars of Remuneration	Name of Directors				Total Amount
		B. V. Suryakumar	Govind Das Zalani	Aswin P. Hathi	Chandra shekhar Bohra	
	3 Independent Directors					
	* Fees for attending Board / committee meetings	10000	80000	80000	25000	195000
	* Commission	-	-	-	-	-
	* Others, Please Specify	-	-	-	-	-
	Total (1)	10000	80000	80000	25000	195000
	4 Other Non-Executive Directors					
	* Fees for attending Board Committee meetings	-	-	-	-	-
	* Commission	-	-	-	-	-
	* Others, Please Specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	10000	80000	80000	25000	195000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per Act	-	-	-	-	-

*Resigned w.e.f. 30-5-2017

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	—	884,821.00	9,60,000	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit	—	—	—	—
	Others specify	—	—	—	—
5	Others, Please specify	—	54,287.00	37,488	—
	Total	—	939,108.00	9,97,488	—

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 Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Ambalal Sarabhai Enterprises Limited ("the Company"), which comprise the Balance Sheet as at 31 st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind As 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 standalone Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by other chartered accountants, whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 31st May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 1 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 standalone Ind AS financial position in its standalone Ind AS financial statements;
 - ii. Provision has been made in the standalone Ind AS financial statements as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Date : 25-05-2018
Place : Ahmedabad

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Re: AMBALAL SARABHAI ENTERPRISES LIMITED

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

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

(vii)(a) The Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, following undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable

Particulars	Rs. in Lakh
Income Tax	34.79
Sales Tax	1361.53
ESIC	76.32
PF	104.97
Service Tax	39.44
Professional Tax	69.51

(b) Following amounts have not been deposited as on March 31, 2018 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	223.39	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	1632.51	2008-2009, 2009-2010,	High Court
		259.65	2010-2011,	ITAT

134.47 2012-2013, CIT(A)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.

(ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.

(xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

(xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.

(xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Date : 25-05-2018
Place : Ahmedabad

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF AMBALAL SARABHAI ENTERPRISES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ambalal Sarabhai Enterprises Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial

statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Date : 25-05-2018
Place : Ahmedabad

Standalone Balance Sheet

₹ in Lakh

	Notes	As at March 31,2018	As at March 31,2017	As at April 1, 2016
Assets				
1. Non-current assets				
(a) Property, Plant and Equipment	5	1,497.90	1,635.15	2,035.52
(b) Intangible assets	6	0.53	7.79	24.97
(c) Financial Assets				
(i) Investments	7	6,727.04	7,619.24	8,276.20
(d) Deferred tax assets(net)	25	262.96	292.20	235.20
Total non-current assets (A)		8,488.43	9,554.38	10,571.89
2. Current assets				
(a) Inventories	9	8.53	13.40	29.28
(b) Financial Assets				
(i) Trade receivables	7	-	-	3.01
(ii) Loans	7	0.64	-	-
(iii) Cash and Bank Balances	7	161.15	27.91	344.67
(iv) Bank balance other than(iii) above	7	488.51	433.35	319.05
(v) Other Financial Assets	7	2,871.35	970.00	2,795.22
(c) Others current assets	8	229.67	616.11	508.00
(d) Current Tax Assets (Net)	10	851.18	-	-
Total current assets (B)		4,611.03	2,060.77	3,999.23
Total Assets (A+B)		13,099.46	11,615.15	14,571.12
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	7,663.33	7,663.33	7,663.33
(b) Other Equity	12	(4,798.29)	(4,641.27)	(2,559.29)
Total Equity (A)		2,865.04	3,022.06	5,104.04
LIABILITIES				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Long Term Provisions	14	278.75	329.80	366.10
Total non-current liabilities (B)		278.75	329.80	366.10
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	1,106.77	2,212.76	2,764.77
(ii) Trade Payable	13	2,066.93	1,077.64	1,156.07
(iii) Other financial liabilities	13	2,011.10	1,888.02	2,453.03
(b) Short Term Provisions	14	109.62	96.43	108.51
(c) Other Current liabilities	15	4,661.25	2,411.85	2,255.49
(d) Current Tax Liabilities (net)	16	-	576.59	363.11
Total current liabilities (C)		9,955.67	8,263.29	9,100.98
Total Equity and Liabilities (A+B+C)		13,099.46	11,615.15	14,571.12

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 25.05.2018

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

Ketan Adhvaryu

Company Secretary

G. D. Zalani

Director

B. B. Shah

CFO

Date : 25.05.2018

Place : Ahmedabad

Standalone Statement of Profit and Loss

₹ in Lakh

	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
I. Income			
(a) Revenue from operations	17	92.40	151.15
(b) Other Income	18	2,449.47	702.56
Total Income		2,541.87	853.71
II. Expenses			
(a) Cost of materials consumed	19	57.73	99.06
(b) Purchase of Stock in Trade		-	-
(c) Changes in inventories of FG, WIP and Stock in Trade	20	-	0.13
(d) Employee benefits expense	21	455.23	736.91
(e) Finance costs	22	104.53	261.58
(f) Depreciation and amortization expense	23	41.62	244.99
(g) Other expenses	24	1,664.08	1,377.36
Total Expenses		2,323.19	2,720.03
III. Profit/(Loss) before exceptional items and tax (I-II)		218.68	(1,866.32)
IV. Exceptional items		-	-
V. Profit/(Loss) before tax (III-IV)		218.68	(1,866.32)
VI. Tax expense:			
(a) Current Tax	25	100.00	-
(b) (Excess)/short provision of tax	25	232.36	236.45
(c) Deferred tax	25	30.15	(46.23)
Total tax Expense		362.51	190.22
VII. Profit/(Loss) after Tax (V-IV)		(143.83)	(2,056.54)
VIII. Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(i) Re-measurement gains / (losses) on defined benefit plans		(3.50)	(34.85)
(ii) Income tax effect on (i) above		0.91	10.77
(iii) Net gain / (loss) on FVOCI equity instruments		(10.60)	(1.36)
		(13.19)	(25.44)
Total other comprehensive income for the year, net of tax		(13.19)	(25.44)
IX. Total comprehensive income for the year, net of tax (VII+VIII)		(157.02)	(2,081.98)
X. Earning per equity share			
(nominal value per share Rs. 10/-)	26	(0.19)	(2.68)
Basic/Diluted			

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 25.05.2018

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

Ketan Adhvaryu

Company Secretary

G. D. Zalani

Director

B. B. Shah

CFO

Date : 25.05.2018

Place : Ahmedabad

Statement of cash flows for the year ended March 31, 2018 ₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A Operating activities		
Profit Before taxation	218.68	-1,866.32
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	41.62	244.98
Interest Income	(300.72)	(144.97)
Interest and Other Borrowing Cost	104.53	261.58
Sundry Debit Written off	0.67	65.54
(Profit)/Loss on Sale of Tangible/Intangible assets	(1,335.30)	109.26
Excess Provision Written Back	(5.25)	(0.20)
	-1,494.45	536.19
Operating Profit before Working Capital Changes	-1,275.77	-1,330.13
Working Capital Changes:		
Changes in Inventories	4.87	15.88
Changes in trade payables	989.29	(78.43)
Changes in other current liabilities	2,249.40	156.35
Changes in other financial liabilities	128.33	(564.81)
Changes in provisions	(41.36)	(83.23)
Changes in trade receivables	-	3.02
Changes in other current assets	386.44	(108.11)
Changes in other financial assets	(1,902.02)	1,759.68
Changes in Other Bank Balances	(55.16)	(114.30)
Net Changes in Working Capital	1,759.79	986.05
Cash Generated from Operations	484.02	-344.07
Direct Taxes paid (Net of Income Tax refund)	(1,760.13)	(22.97)
Net Cash from Operating Activities	-1,276.11	-367.04
B Cash Flow from Investing Activities		
Purchase of property, plant & equipment/intangible assets (14.59)		-47.64
Sale of property, plant & equipment	1,452.78	110.95
Change in Long Term Investments	881.60	655.60
Changes in Loans given	(0.64)	-
Interest Income	300.72	144.97
Net cash flow from Investing Activities	2,619.87	863.87

Statement of cash flows for the year ended March 31, 2018 ₹ in Lakh

Particulars	Year ended	
	March 31, 2018	March 31, 2017
C Cash Flow from Financing Activities		
Changes in short term borrowings	(1,105.99)	(552.01)
Interest and Other Borrowing Cost Paid	(104.53)	(261.58)
Net Cash flow from Financing Activities	(1,210.52)	-813.59
Net Increase/(Decrease) in cash & cash equivalents	133.24	-316.76
Cash & Cash equivalent at the beginning of the year	27.91	344.67
Cash & Cash equivalent at the end of the year	161.15	27.91

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Cash and cash equivalents comprise of: (Note 7d)		
Cash on Hand	0.41	0.35
Balances with Banks	160.74	27.56
Cash and cash equivalents	161.15	27.91

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

Notes:

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

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

As per our report of even date attached

For Khandhar & Associates
 Firm Registration No. 118940W
 Chartered Accountants
CA. Vipul B. Khandhar
 Partner
 Membership no. 105986
 Date : 25.05.2018
 Place : Ahmedabad

Kartikeya V. Sarabhai
 Chairman
 Ketan Adhvaryu
 Company Secretary

G. D. Zalani
 Director
 B. B. Shah
 CFO

Date : 25.05.2018
 Place : Ahmedabad

Standalone Statement of changes in Equity for the year ended March 31, 2018**A. Equity Share Capital** ₹ in Lakh

Balance	Rs. In Lakhs
	Note 11
As at April 1,2016	7,663.33
Issue of Equity Share capital	-
As at March 31,2017	7,663.33
Issue of Equity Share capital	-
As at March 31,2018	7,663.33

B. Other Equity

₹ in Lakh

Particulars	Attributable to the equity holders					Total Other Equity
	Reserves & Surplus				Item of Other Comprehensive Income	
	Capital Reserve	General Reserve	Security Premium	Retained Earnings	Equity instruments through Other Comprehensive Income (FVOCI)	
Balance as at April 1, 2016	185.13	5,448.01	1,060.92	(9,239.02)	(14.33)	(2,559.29)
Less: Transferred to General Reserve	185.13			-		185.13
Add: Transferred from Capital Reserve	-	185.13		-		185.13
Profit/(Loss) for the year	-			(2,056.54)		(2,056.54)
Other Comprehensive income for the year	-			(24.08)	(1.36)	(25.44)
Balance as at March 31,2017	-	5,633.14	1,060.92	(11,319.64)	(15.69)	(4,641.27)
Balance as at April 1, 2017	-	5,633.14	1,060.92	(11,319.64)	(15.69)	(4,641.27)
Profit/(Loss) for the year	-	-		(143.83)		(143.83)
Other Comprehensive income for the year	-	-		(2.59)	(10.60)	(13.19)
Balance as at March 31,2018	-	5,633.14	1,060.92	(11,466.06)	(26.29)	(4,798.29)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 25.05.2018

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

Ketan Advharyu

Company Secretary

G. D. Zalani

Director

B. B. Shah

CFO

Date : 25.05.2018

Place : Ahmedabad

NOTES TO AND FORMING PART OF THE
STANDALONE FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

Ambalal Sarabhai Enterprise Ltd is engaged in manufacturing of pharmaceuticals.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2018.

2. Statement of Compliance and Basis of Preparation

2.1 Compliance with Ind AS

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

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These financial statements for the year ended March 31, 2018 are the first financial statements that the Company has prepared in accordance with Ind AS. Refer to Note 36 for information of how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, Statement of profit & loss and Statement of cash flow.

2.2 Historical Cost Convention

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

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

2.3 Rounding of amounts

The financial statements are presented in Rs. In Lakhs and all values are rounded to the nearest lakh rupee as per the requirement of Schedule III.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS:

3.1. Current versus non-current classification

The Company presents assets and liabilities in the

Balance Sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle

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

3.2. Use of estimates and judgements

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

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

3.3. Foreign currencies

The Company's financial statements are presented in

INR, which is also the Company's functional and presentation currency.

Transactions and balances

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

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

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

3.4. Fair value measurement

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

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

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

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

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

A fair value measurement of a non-financial asset

takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies

the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

3.5. Property, plant and equipment

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

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2017, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

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

Depreciation

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

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

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives 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.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at fair value as at April 1, 2016 and used that fair value as deemed cost of the property, plant and equipment.

3.6. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective

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

3.7. Intangible Assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

Amortisation

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

Transition to Ind AS

Items of Intangible assets are carried at cost eligible under Ind AS 38 less accumulated amortisation and accumulated impairment losses, if any.

3.8. Inventories

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

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

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

All other inventories of stores, consumables, project material at site are valued at cost or net realisable value, whichever is less. The stock of waste is valued at net realisable value. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year. Goods in transit and in Bonded Warehouse stocks are stated at actual cost up to the date of the Balance Sheet.

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

3.9. Impairment of non-financial assets

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

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

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

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

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

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

3.10. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

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

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

3.11. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets**(i) Initial recognition and measurement of financial assets**

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

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

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Financial assets at amortised cost :

A financial asset is measured at amortised cost if:

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

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

- Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- Financial assets at fair value through profit or loss

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

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

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

- Equity instruments:

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of

investment. However, the Company may transfer the cumulative gain or loss within equity.

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

(iii) Derecognition of financial assets

A financial asset is derecognised when:

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

or

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

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

liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Reclassification of financial assets

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

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(v) Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

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

Lifetime ECL are the expected credit losses

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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

basis.

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

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

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

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

c) Offsetting of financial instruments

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

3.12 Cash and cash equivalent

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Export incentives

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.14 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the

transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

3.15. Employee Benefits**a) Short Term Employee Benefits**

All employee benefits payable within twelve

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

b) Post-Employment Benefits

(i) Defined benefit plan

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

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

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Other long term employment benefits:

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

basis.

3.16. Earnings per share

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

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

3.17. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

Decommissioning liability

The Company records a provision for decommissioning costs of a manufacturing facility for the production of its goods. Decommissioning costs are provided at the present value of expected costs to settle the obligation, to the extent ascertainable, using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

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

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

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

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

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

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

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

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

4. Significant accounting judgements, estimates and assumptions

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

4.1. Estimates and assumption

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

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 32 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is Rs.411.92 Lakhs (March 31, 2017: Rs. 413.37 Lakhs and April 1, 2016: Rs.416.49 Lakhs).

Taxes

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

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

Further details on taxes are disclosed in Note 24.

Intangible assets

Refer Note 3.7 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

Refer Note 3.5 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Impairment of non-financial assets

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

Notes to the Financial Statements**Note 5: Property, Plant and Equipment**

₹ in Lakh

Fixed Assets	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Vehicle	Computer Server & Network	Total
Gross Carrying Value							
Deemed Cost as at April 1, 2016	1,396.12	196.28	425.26	13.06	4.56	0.24	2,035.52
Additions	-	2.79	1.29	24.32	17.92	1.32	47.64
Deductions	-	6.01	213.66	0.50	-	0.03	220.20
As at March 31 2017	1,396.12	193.06	212.89	36.88	22.48	1.53	1,862.96
Additions		8.50		4.49		1.60	14.59
Deductions	117.27			0.21			117.48
As at March 31 2018	1,278.85	201.56	212.89	41.16	22.48	3.13	1,760.07
Depreciation and Impairment							
As at April 1, 2016							
Depreciation for the year		23.43	196.61	4.38	2.87	0.52	227.81
Deductions	-	-	-	-	-	-	-
As at March 31 2017	-	23.43	196.61	4.38	2.87	0.52	227.81
Depreciation for the year	-	22.46	1.54	6.15	3.58	0.63	34.36
Deductions	-			-			-
As at March 31 2018	-	45.89	198.15	10.53	6.45	1.15	262.17
Net Carrying Value							
As at March 31, 2018	1,278.85	155.67	14.74	30.63	16.03	1.98	1,497.90
As at March 31, 2017	1,396.12	169.63	16.28	32.50	19.61	1.01	1,635.15
As at April 01, 2016	1,396.12	196.28	425.26	13.06	4.56	0.24	2,035.52

Note :

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

Note 6: Intangible assets

₹ in Lakh

Fixed Assets	Know how	Software	Total
Gross Carrying Value			
Deemed Cost as at April 1, 2016	24.08	0.89	24.97
Additions	-	-	-
Deductions	-	-	-
As at March 31 2017	24.08	0.89	24.97
Additions	-	-	-
Deductions	-	-	-
As at March 31 2018	24.08	0.89	24.97
Amortisation and Impairment			
Amortisation for the year	17.00	0.18	17.18
Deductions	-	-	-
As at March 31 2017	17.00	0.18	17.18
Amortisation for the year	7.08	0.18	7.26
Deductions	-	-	-
As at March 31 2018	24.08	0.36	24.44
Net Carrying Value			
As at March 31, 2018	-	0.53	0.53
As at March 31, 2017	7.08	0.71	7.79
As at April 01, 2016	24.08	0.89	24.97

Notes to the Financial Statements

Note 7: Financial Assets

7(a) Investments

₹ in Lakh

Particulars	Face Value Per Share in Rs. Unless otherwise stated	No of Shares	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Investments					
Investment in Equity Shares					
I Trade Investments (At Cost)					
Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	15,59,340	156.30	156.30	156.30
Less: Diminution in Value of Investment			(156.30)	(156.30)	(156.30)
Total (I)			-	-	-
II Other Investments (Unquoted)					
Ordinary shares each fully paid of Co-operative Bank of Baroda Limited	25	1,100	0.28	0.28	0.28
Ordinary share fully paid of Baroda Industrial Dev. Corp.Ltd	1000	1	0.01	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd	25	1,204	0.30	0.30	0.30
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	£1	73,498	10.04	20.64	22.00
Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445)	£1	9			
Ordinary shares of Belgium Satellite Services s.a.	Euro 1	4,37,733	656.60	656.60	656.60
Less: Diminution in Value of Investment			656.60	656.60	-
			-	-	656.60
Ordinary shares of each fully paid of Sardar Vallabhbhai Sahkari Bank Ltd	25	40	0.01	0.01	0.01
Total (II)			10.64	21.24	679.20
III Investments in Subsidiaries					
Unquoted					
Ordinary shares each paid of Synbiotics Limited (Rs.100 paid up)	1000	35,000	35.00	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited.	1000	80,946	3,804.46	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd	10	50,000	5.00	5.00	5.00
Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	-	8.53	8.53
Non-assessable shares of Asence Inc.	US\$10	500	2.34	2.34	2.34
Ordinary shares fully paid of Systronics (India) Limited	10	1,19,85,018	1,198.50	1,198.50	1,198.50
Ordinary shares fully paid of Sarabhai Chemicals(I) Pvt. Ltd	10	9,84,000	98.40	98.40	98.40
Ordinary shares each fully paid of Suvik Hitek P Limited	100	2,50,000	1.00	1.00	1.00
Ordinary shares each fully paid of Swetsri Investments Pvt. Ltd	100	1,000	1.00	1.00	1.00
Total (III)			5,145.70	5,154.23	5,154.23
IV In Associate (Unquoted)					
Ordinary shares each fully paid of Haryana Containers Limited	10	50,000	8.53	-	-
V In Joint Venture (Unquoted)					
Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	42,29,258	422.93	422.93	422.93
Total Equity investments (I+II+III+IV+V)			5,587.80	5,598.40	6,256.36
Share Application money			1,139.24	2,020.84	2,019.84
Total Investments			6,727.04	7,619.24	8,276.20
a. Aggregate amount of quoted Investments and market value thereof			-	-	-
b. Aggregate amount of unquoted Investments			6400.70	6411.30	7069.26
c. Aggregate amount of provision of diminution in value			812.90	812.90	156.30

Notes to the Financial Statements**7 (b) Trade Receivables**

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Unsecured, considered good			3.01
Unsecured, considered doubtful	411.92	413.37	416.49
Less: Allowance for doubtful debts	411.92	413.37	416.49
Total Trade Receivables	-	-	3.01

Allowance for doubtful debts

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

Movement in allowance for doubtful debt :

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	413.37	416.49
Add: Allowance for the year		-
Less: Written off bad debts (net of recovery)	1.45	3.12
Balance at the end of the year	411.92	413.37

7 (c) Loans

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Loans to Employees	0.36	-	-
Loans to Others	0.28	-	-
Total Loans	0.64	-	-

7 (d) Cash and Bank Balances

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on Hand	0.41	0.35	0.49
Balance with banks			
In Current Accounts	160.74	24.83	266.61
In Deposit Accounts with originally maturity less than 3 months	-	2.73	77.57
Total	161.15	27.91	344.67

Notes to the Financial Statements

7 (e) Bank balance other than above

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In Deposit Accounts			
With originally maturity more than 3 months but less than 12 months *	387.85	326.00	312.17
Lodged with Industrial Court	0.66	0.68	0.21
Held as Margin Money **	100.00	100.00	-
Lodged with Sales Tax/Excise Department	-	6.67	6.67
Total other bank balances	488.51	433.35	319.05
Total cash and bank balance	649.66	461.26	663.72

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

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

7 (f) Other Financial Assets

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Security Deposits- Considered Good	37.86	17.09	19.03
Security Deposits- Considered Doubtful	23.66	20.49	21.19
Less: Provision for Others	23.66	20.49	21.19
	37.86	17.09	19.03
Advances to related parties	775.90	944.80	951.52
Interest Accrued	13.60	8.11	7.64
Income Receivable	1.44	-	-
Receivable other than Trade	2,042.55	-	1,817.03
Total financial assets	2,871.35	970.00	2,795.22

Notes to the Financial Statements**7 (g) Financial assets by category**

₹ in Lakh

Particulars	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2018				
Investments	6,717.00	-	10.04	-
Loans	-	-	-	0.64
Cash & bank Balances	-	-	-	649.66
Other financial assets	-	-	-	2,871.35
Total Financial assets	6,717.00	-	10.04	3,521.65
March 31, 2017				
Investments	7,598.60	-	20.64	-
Cash & bank Balances	-	-	-	461.26
other financial assets	-	-	-	970.00
Total Financial assets	7,598.60	-	20.64	1,431.26
April 1, 2016				
Investments	8,254.20	-	22.00	-
Trade receivables	-	-	-	3.01
Cash & bank Balances	-	-	-	663.72
other financial assets	-	-	-	2,795.22
Total Financial assets	8,254.20	-	22.00	3,461.95

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

Fair value disclosures for financial assets and liabilities are in Note 32 and fair value hierarchy disclosures are in Note 33.

Note 8: Other current assets

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Advances to Suppliers			
Considered Good	4.69	524.68	-
Considered doubtful	189.22	379.67	375.79
Less: Provision for doubtful advances	189.22	379.67	375.79
	4.69	524.68	-
Prepaid Expenses	3.55	2.63	4.86
Balances with Government Authorities			
Cenvat/Custom/GST	23.97	13.30	13.30
Others	197.46	75.50	489.84
Total	229.67	616.11	508.00

Notes to the Financial Statements

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

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials and Packing Materials	8.53	13.40	29.15
Work-in-Progress	-	-	0.13
Total	8.53	13.40	29.28

Note 10: Current Tax Assets (Net)

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Tax paid in Advance (Net of Provision)	851.18	-	-
Total	851.18	-	-

Note 11: Equity Share Capital

₹ in Lakh

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Authorised Share Capital						
Equity Share of Rs. 10/- each	9,50,00,000	9,500.00	9,50,00,000	9,500.00	9,50,00,000	9,500.00
Issued and subscribed share capital						
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Subscribed and fully paid up						
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Total	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33

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

₹ in Lakh

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Add: Issued during the year	-	-	-	-	-	-
Balance at the end of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33

11.2. Terms/Rights attached to the equity shares

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

Notes to the Financial Statements

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Vuniyog Private Limited	42,22,789	5.51%	42,22,789	5.51%	42,22,789	5.51%

11.4 Objective, policy and procedure of Capital Management, Refer note 35

Note 12: Other Equity

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
12.1 Reserves & Surplus		
Capital Reserve		
Balance as per last financial statements	-	185.13
Less: Transferred to General Reserve	-	185.13
Balance as the end of the year	-	-
General Reserve		
Balance as per last financial statements	5,633.14	5,448.01
Add: Transferred to General Reserve	-	185.13
Balance as the end of the year	5,633.14	5,633.14
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Surplus in statement of profit and loss		
Balance as per last financial statements	(11,319.64)	(9,239.02)
Profit/(Loss) for the year	(143.83)	(2,056.54)
OCI for the year	(2.59)	(24.08)
Balance at the end of the year	(11,466.06)	(11,319.64)
Total reserves & surplus	(4,772.00)	(4,625.58)
12.2 Other comprehensive income		
Equity Instruments through OCI		
Balance as per last financial statements	(15.69)	(14.33)
OCI for the year	(10.60)	(1.36)
Balance at the end of the year	(26.29)	(15.69)
Total Other comprehensive income	(26.29)	(15.69)
Total Other equity	(4,798.29)	(4,641.27)

Notes to the Financial Statements

Note 13: Financial liabilities

13 (a) Borrowings

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Short-term Borrowings			
Secured:			
From Others	26.67	363.68	817.67
Unsecured:			
From Others	1,080.10	1,849.08	1,947.10
Total borrowings	1,106.77	2,212.76	2,764.77

Nature of security:

Loan of Rs. 26.67 Lacs is secured by charged on one of the immovable properties of the company.

Rate of Interest

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

13 (b) Trade payable

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Other trade payables (refer note below)	2,066.93	1,077.64	1,156.07
Total	2,066.93	1,077.64	1,156.07

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

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

have not been given.

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

13 (c) Other Financial Liabilities

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Interest accrued and due	620.88	616.56	612.24
Payables			
To related Parties	575.59	459.69	337.50
To employees	708.09	645.38	1,073.77
To Directors	17.90	12.64	30.60
	1,301.58	1,117.71	1,441.87
Security Deposits	49.70	49.70	107.65
Others	38.94	104.05	291.27
Total	2,011.10	1,888.02	2,453.03

Notes to the Financial Statements**13 (d) Financial liabilities by category**

₹ in Lakh

Particulars	FVTPL	FVOCI	Amortised Cost
March 31, 2018			
Borrowings	-	-	1,106.77
Trade payable	-	-	2,066.93
Interest accrued and due	-	-	620.88
Payables to related Parties	-	-	575.59
Payable to Employees	-	-	708.09
Due to Directors	-	-	17.90
Security Deposits	-	-	49.70
Others	-	-	38.94
Total Financial liabilities	-	-	5,184.80
March 31, 2017			
Borrowings	-	-	2,212.76
Trade payable	-	-	1,077.64
Interest accrued and due	-	-	616.56
Due to related Parties	-	-	459.69
Payable to Employees	-	-	645.38
Due to Directors	-	-	12.64
Security Deposits	-	-	49.70
Others	-	-	104.05
Total Financial liabilities	-	-	5,178.42
April 1, 2016			
Borrowings	-	-	2,764.77
Trade payable	-	-	1,156.07
Interest accrued and due	-	-	612.24
Due to related Parties	-	-	337.50
Payable to Employees	-	-	1,073.77
Due to Directors	-	-	30.60
Security Deposits	-	-	107.65
Others	-	-	291.27
Total Financial liabilities	-	-	6,373.87

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

Fair value disclosures for financial assets and liabilities are in Note 32 and fair value hierarchy disclosures are in Note 33.

Note 14: Provisions

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long-term			
Provision for employee benefits (Refer Note 30)			
Provision for Gratuity	241.76	287.79	318.13
Provision for Leave Encashment	36.99	42.01	47.97
	278.75	329.80	366.10
Short-term			
Provision for employee benefits (Refer Note 30)			
Provision for Gratuity	93.81	80.69	90.63
Provision for leave encashment	15.81	15.74	17.88
	109.62	96.43	108.51
Total	388.37	426.23	474.61

Notes to the Financial Statements

Note 15: Other current Liabilities

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Advance against Sale of Property	622.84	87.50	135.31
Statutory dues	2,538.41	2,324.35	2,120.18
Other Liabilities	1,500.00	-	-
Total	4,661.25	2,411.85	2,255.49

Note 16: Current Tax Liabilities (Net)

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax (net of Advance)	-	576.59	363.11
Total	-	576.59	363.11

Note 17: Revenue from Operations

₹ in Lakh

Particulars	2017-2018	2016-2017
Sale of Products	91.95	149.35
Sale of Services	0.45	1.80
Total	92.40	151.15

Note 18: Other Income

₹ in Lakh

Particulars	2017-2018	2016-2017
Interest Income	300.72	144.97
Service Income	90.00	90.00
Provision no longer required (net)	5.25	0.20
Miscellaneous Income	35.49	39.01
Loan Waiver income	536.00	-
Prior period income	-	142.08
Royalty	3.67	8.25
Profit on sales of Property, Plant and Equipment (net)	1,335.30	-
Scrap Sales	143.04	278.05
Total	2,449.47	702.56

Note 19: Cost of raw materials and components consumed

₹ in Lakh

Particulars	2017-2018	2016-2017
Stock at the beginning of the year	13.40	29.15
Purchases	52.86	83.31
	66.26	112.46
Less: Stock at the end of the year	8.53	13.40
Total	57.73	99.06

Notes to the Financial Statements**Note 20: Changes in Inventory of Work-in-progress**

₹ in Lakh

Particulars	2017-2018	2016-2017
(Increase)/Decrease in stocks		
Stock at the end of the year		
Work-in-Progress	-	-
	-	-
Stock at the beginning of the year		
Work-in-Progress	-	0.13
	-	0.13
(Increase)/Decrease in stocks	-	-
Total	-	0.13

Note 21: Employee Benefits Expense

₹ in Lakh

Particulars	2017-2018	2016-2017
Salaries and Wages (Refer note 30)	356.91	621.56
Contribution to Provident Fund and Other Funds	35.82	34.62
Staff Welfare Expenses	26.22	25.10
Directors' Remuneration	36.28	55.63
Total	455.23	736.91

Note 22: Finance Costs

₹ in Lakh

Particulars	2017-2018	2016-2017
Interest expense - Others	104.53	261.58
Total	104.53	261.58

Note 23: Depreciation and amortization expense

₹ in Lakh

Particulars	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note 5)	34.36	227.81
Amortisation on Intangible Assets (Refer Note 6)	7.26	17.18
Total	41.62	244.99

Notes to the Financial Statements

Note 24: Other Expenses

₹ in Lakh

Particulars	2017-2018	2016-2017
Power and fuel	16.24	18.18
Insurance	1.01	0.95
Rent	5.63	6.25
Rates and taxes	276.39	41.07
Repairs:		
To Buildings	15.36	74.41
To Machineries		
To others	2.34	4.55
Factory Over Heads	21.32	30.85
Royalty paid	-	4.51
Directors' Fees	1.95	1.35
Excise duty - Others	-	0.08
Legal Charges	171.30	226.41
Travelling Expenses	22.37	32.93
Postage	-	9.61
Service Charges paid - Others	23.05	13.83
Sundry Debit balance written off(net)	0.67	65.54
Penalties	1,008.46	-
Auditor's remuneration	12.93	18.96
Miscellaneous Expenses	85.06	62.02
Loss on assets sold/Discarded	-	109.26
Diminution of value of Investment		656.60
Total	1,664.08	1,377.36

Payment to Auditors

₹ in Lakh

Particulars	2017-2018	2016-2017
Auditors	5.00	5.80
For Other certification work	5.18	10.29
For reimbursement of expenses	2.75	2.87
Total	12.93	18.96

Note 25: Income Tax

The major component of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:

₹ in Lakh

Particulars	2017-2018	2016-2017
Statement of Profit and Loss		
Current Tax		
Current income tax	100.00	-
(Excess)/Short Provision of Income tax	232.36	236.45
Deferred Tax		
Deferred tax expenses	30.15	(46.23)
Income tax expense reported in the statement of profit and loss	362.51	190.22

Notes to the Financial Statements

OCI Section

₹ in Lakh

Particulars	2017-2018	2016-2017
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(0.91)	(10.77)
Deferred tax charged to OCI	(0.91)	(10.77)

A) Current tax

₹ in Lakh

Particulars	2017-2018	2016-2017
Accounting profit before tax from continuing operations	218.68	(1,866.32)
Tax @ 26% (March 31, 2017: 30.90%)	56.86	(576.69)
Adjustment		
Accelerated depreciation for tax purposes	-	(47.99)
Expenditure allowable on payment basis	-	340.19
Other Adjustments	305.65	474.71
At the effective income tax rate of 165.77% (March 31, 2017 : -10.19%)	362.51	190.22

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

B) Deferred tax

₹ in Lakh

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	33.93	47.99	115.77	(14.06)	(67.78)
Expenditure allowable on payment basis	(296.89)	(340.19)	(350.97)	43.30	10.78
Deferred tax expense/(income)	-	-	-	29.24	(57.00)
Net deferred tax (Assets)/Liabilities	(262.96)	(292.20)	(235.20)		
Reflected in the balance sheet as follows					
Deferred tax Assets	296.89	340.19	350.97		
Deferred tax liabilities	(33.93)	(47.99)	(115.77)		
Deferred tax Assets/(Liabilities) (net)	262.96	292.20	235.20		

Reconciliation of deferred tax assets / (liabilities), net

₹ in Lakh

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	292.20	235.20
Tax income/(expense) during the period recognised in profit or loss	(30.15)	46.23
Tax income/(expense) during the period recognised in OCI	0.91	10.77
Closing balance as at March 31	262.96	292.20

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

Notes to the Financial Statements

Note 26: Earning Per Share (EPS)

Particulars		2017-2018	2016-2017
Earning per share (Basic and Diluted)			
Profit attributable to ordinary equity holders	Rs. in Lakhs	(143.83)	(2,056.54)
Total no. of equity shares at the end of the year	Nos.	7,66,33,296	7,66,33,296
Weighted average number of equity shares			
For basic EPS	Nos.	7,66,33,296	7,66,33,296
For diluted EPS	Nos.	7,66,33,296	7,66,33,296
Nominal value of equity shares	Rs.	10	10
Basic earning per share	Rs.	(0.19)	(2.68)
Diluted earning per share	Rs.	(0.19)	(2.68)
Weighted average number of equity shares			
Weighted average number of equity shares for basic/diluted EPS		7,66,33,296	7,66,33,296

Note 27 : Contingent liabilities

₹ in Lakh

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	2,612.72	1788.38
b. Claims against Company not acknowledged as debts other than (a) above. Refer Note below	781.70	781.70
c. Claims by Government for payment in to DPEA	39.25	39.25
d. Guarantee given by banks on behalf of the Company	271.64	267.86
e. Guarantee given by company on behalf of other Companies	1506.70	1115.46
f. Disputed demands in respect of		
Excise/Customs duty	133.82	133.82
Sales tax	223.39	223.39
Income tax	2,026.63	5033.40
Employees' State Insurance Corporation	69.74	10.23
Provident Fund	-	10.56

Notes :

- Future cash outflows in respect of (f) above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.
- Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the single judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division while allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by then which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee.
With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the original demand made of Rs.781.70 Lakh plus interest thereon at the rate of 18.50% per annum at quarterly rests from June 27, 1989 till date (previous year Rs.781.70 Lakh plus interest thereon) and based on legal advice, the Company has taken necessary action required in the matter at various legal forum.
- Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation / reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

Notes to the Financial Statements

Note 28: Capital commitment and other commitments

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	-	-
Other commitments	-	-

Note 29 : Segment Reporting

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

Note 30 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs. 35.41 Lakhs (March 31, 2017: Rs. 37.13 Lakhs) is recognised as expenses and included in Note No.21 "Employee benefit expense"

₹ in Lakh

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provident Fund	19.54	19.61
Pension Fund	12.16	13.45
Superannuation Fund	3.71	4.07
Total	35.41	37.13

B. Defined benefit plans:

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

(a) Gratuity

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

Notes to the Financial Statements

	Gratuity cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income						₹ in Lakh
	April 1, 2017	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018	
March 31, 2018 : Changes in defined benefit obligation and plan assets													
Defined benefit obligation	368.48	8.71	25.29	34.00	(70.41)	-	-	(2.29)	5.79	3.50	-	335.57	
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit liability	368.48	8.71	25.29	34.00	(70.41)	-	-	(2.29)	5.79	3.50	-	335.57	
March 31, 2017 : Changes in defined benefit obligation and plan assets													
Defined benefit obligation	408.76	9.67	30.82	40.49	(115.62)	-	-	5.72	29.13	34.85	-	368.48	
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	
Benefit liability	408.76	9.67	30.82	40.49	(115.62)	-	-	5.72	29.13	34.85	-	368.48	

Notes to the Financial Statements

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

Particulars	Year ended March 31, 2018 (%) of total plan assets	Year ended March 31, 2017 (%) of total plan assets	Year ended April 1, 2016 (%) of total plan assets
Insurance Fund	0.00%	0.00%	0.00%
Others (including bank balances)	0.00%	0.00%	0.00%
(%) of total plan assets	0.00%	0.00%	0.00%

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	7.51%	7.39%	7.55%
Future salary increase	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.51%	7.39%	7.55%
Attrition rate	2.00%	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.	N.A.

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

₹ in Lakh

Particulars	Sensitivity level	increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	1% increase	(6.51)	(8.61)
	1% decrease	6.85	9.07
Salary increase	1% increase	6.99	9.24
	1% decrease	(6.77)	(8.92)
Attrition rate	1% increase	0.64	0.77
	1% decrease	(0.66)	(0.81)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Within the next 12 months (next annual reporting period)	93.76	80.69
2 to 5 years	251.25	261.74
Beyond 5 years	50.12	86.78
Total expected payments	395.13	429.21

Notes to the Financial Statements

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Years	Years
Gratuity	3	3

C. Other Long term employee benefit plans

Leave encashment

Amount of Rs. 11.36 Lakhs (March 31, 2017: Rs. 13.68 Lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

Note 31 : Disclosure pursuant to Related Party

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

a Name of Related Parties and Nature of Relationship :

Subsidiary Compaies		
1	Synbiotics Limited	
2	Haryana Containers Limited	up to January 7, 2018
3	Asence Inc USA	
4	Asence Pharma Private Limited	
5	Sarabhai M Chemicals Limited	
6	Systronics (I) Limited	
7	Suvik Hitek Private Limited	
8	Sarabhai Chemicals(I) Private Limited	
9	Swetsri Investments Private Limited	
Joint Ventures		
1	Vovantis Laboratories Private Limited	
Associate		
1	Haryana Containers Limited	w.e.f January 8, 2018
	Key Management Personnel	
1	Mr. Kartikeya V Sarabhai	Chairman
2	Mr. A. H. Parekh	Whole Time Director
3	Ms. Chaula Shastri	Whole Time Director

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

Notes to the Financial Statements**b. Disclosure in respect of Related Party Transactions :**

₹ in Lakh

Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Sales of Goods and Materials		
Asence Pharma Private Limited	33.76	36.70
Sarabhai Chemicals(I) Private Limited	46.32	68.63
Rent Income		
Asence Pharma Private Limited	12.15	11.38
Sarabhai Chemicals(I) Private Limited	0.36	0.36
Vovantis Laboratories Private Limited	2.54	11.74
Rendering of Services		
Synbiotics Limited	28.51	7.18
Systronics (I) Limited	90.00	90.00
Asence Pharma Private Limited	7.87	4.73
Suvik Hitek Private Limited	-	0.86
Vovantis Laboratories Private Limited	24.21	25.40
Interest Income		
Systronics (I) Limited	85.06	109.93
Royalty Income		
Asence Pharma Private Limited	3.67	8.25
Purchase of goods and services		
Synbiotics Limited	16.81	24.00
Other Income		
Synbiotics Limited	8.60	-
Asence Pharma Private Limited	12.08	-
Suvik Hitek Private Limited	0.93	-
Systronics (I) Limited	1.63	-
Receiving of Services		
Asence Pharma Private Limited	8.85	5.54
Vovantis Laboratories Private Limited	-	2.64
Interest Expense		
Asence Pharma Private Limited	31.66	31.75
Remuneration		
Mr. Kartikeya V Sarabhai	23.83	21.83
Mr. A. H. Parekh	24.00	19.14
Ms. Chaula Shastri	18.34	14.66
Loan Given		
Haryana Container Limited	-	0.01
Swetsri Investments Private Limited	-	0.01
Sarabhai Chemicals(I) Private Limited	-	98.24
Loan Taken		
Asence Pharma Private Limited	-	6.31
Suvik Hitek Private Limited	-	7.20
Systronics (I) Limited	-	102.00
Corporate Gurantee given		
Asence Pharma Private Limited	53.45	100.77
Synbiotics Limited	186.28	62.87
Systronics (I) Limited	144.03	-
Suvik Hitek Private Limited	7.48	60.55

Notes to the Financial Statements

b. Disclosure in respect of Related Party Transactions : (Cont..)

₹ in Lakh

Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Receivables in respect of Current Assets		
Systronics (I) Limited	555.46	823.61
Haryana Containers Limited	-	27.74
Asence Inc USA	13.14	13.14
Sarabhai M Chemicals Limited	1.19	-
Sarabhai Chemicals(I) Private Limited	206.11	80.31
Payables in respect of Current Liabilities		
Asence Pharma Private Limited	123.98	317.46
Suvik Hitek Private Limited	72.15	66.00
Swetsri Investments Private Limited	317.72	41.24
Synbiotics Limited	52.67	21.51
Sarabhai M Chemicals Limited	-	2.42
Vovantis Laboratories Private Limited	9.07	11.06

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

Loans and Advances in the nature of loans to subsidiaries

₹ in Lakh

List of Related Party	Purpose	Closing Balance			Maximum Outstanding		
		March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Loans and Advances							
Systronics (I) Limited	General Business Purpose	555.46	823.61	911.24	823.61	911.24	911.24
Suvik Hitek Private Limited	General Business Purpose	-	-	0.51	-	0.51	646.84
Haryana Containers Limited	General Business Purpose	-	27.74	26.18	-	27.74	26.18
Asence Inc USA	General Business Purpose	13.14	13.14	13.14	13.14	13.14	13.14
Sarabhai M Chemicals Ltd	General Business Purpose	1.19	-	-	7.17		
Sarabhai Chemicals(I) Private Limited	General Business Purpose	206.11	80.31	0.45	206.11	80.31	111.25
Total(A)		775.90	944.80	951.52	1,050.03	1,032.94	1,708.65
Corporate Gurantee							
Asence Pharma Private Limited	Facilitate Trade Finance	526.74	473.29	372.52	526.74	473.29	372.52
Synbiotics Limited	Facilitate Trade Finance	723.93	537.65	474.78	723.93	537.65	474.78
Systronics (I) Limited	Facilitate Trade Finance	163.00	18.97	41.49	163.00	18.97	41.49
Suvik Hitek Private Limited	Facilitate Trade Finance	93.03	85.55	25.00	93.03	85.55	25.00
Vovantis Laboratories Private Limited	Facilitate Trade Finance	-	-	-	-	-	188.00
Total(B)		1,506.70	1,115.46	913.79	1,506.70	1,115.46	1,101.79
Total(A+B)		2,282.60	2,060.26	1,865.31	2,556.73	2,148.40	2,810.44

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

Notes to the Financial Statements

d. Transactions and Balances : ₹ in Lakh

Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel (KMP)	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Transactions						
Purchase of Goods/Services	16.81	24.00	-	-	-	-
Rent Income	12.51	11.74	2.54	10.07	-	-
Interest Expense	31.66	31.75	-	-	-	-
Other Income	23.24	23.24	-	-	-	-
Sale of goods	80.08	105.33	-	-	-	-
Royalty Income	3.67	8.25	-	-	-	-
Rendering of Services	135.23	108.31	24.21	28.04	-	-
Remuneration to KMP	-	-	-	-	66.17	55.63
Interest Income	85.06	109.93	-	-	-	-
Corporate Guarantee Given	391.24	224.19	-	-	-	-
Loans given	-	98.26	-	-	-	-
Loans taken	-	115.51	-	-	-	-
Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel (KMP)	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Balances as at year end						
Receivable in respect of Loans	775.90	944.80	-	-	-	-
Payable in respect of Current Liabilities	566.52	448.53	9.07	11.06	18.47	30.60
Corporate Guarantee Given	1506.70	1115.46	-	-	-	-

Notes to the Financial Statements

e Terms and conditions of transactions with related parties

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

g Transactions with key management personnel

Compensation of key management personnel of the Company

₹ in Lakh

Particulars	2017-2018	2016-2017
Short-term employee benefits	59.36	49.66
Post employment benefits	4.20	3.71
Other long-term employment benefits	2.61	2.26
Total compensation paid to key management personnel	66.17	55.63

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

Note 32 : Fair value disclosures for financial assets and financial liabilities

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

₹ in Lakh

Particulars	Carrying amount			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets						
Investments measured at fair value through OCI	10.04	20.64	22.00	10.04	82.20	76.65
Total	10.04	20.64	22.00	10.04	82.20	76.65
Financial liabilities						
Borrowings	1,106.77	2,212.76	2,764.77	1,106.77	2,212.76	2,764.77
Total	1,106.77	2,212.76	2,764.77	1,106.77	2,212.76	2,764.77

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

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

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

Notes to the Financial Statements

Note 33 : Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for financial assets

as at March 31, 2018, March 31, 2017 and April 1, 2016

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2018					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2018	10.04	-	-	10.04
Investment in Equity shares, unquoted					
As at March 31, 2017					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2017	20.64	-	-	20.64
Investment in Equity shares, unquoted					
As at April 01, 2016					
Assets measured at fair value					
Fair value through Other Comprehensive Income	April 01, 2016	22.00	-	-	22.00
Investment in Equity shares, unquoted					

Quantitative disclosures fair value measurement hierarchy for financial liabilities

as at March 31, 2018, March 31, 2017 and April 1, 2016

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	March 31, 2018	2,764.77	-	-	2,764.77
As at March 31, 2017					
Liabilities disclosed at fair value					
Borrowings	March 31, 2017	2,212.76	-	-	2,212.76
As at April 1, 2016					
Liabilities disclosed at fair value					
Borrowings	April 01, 2016	1,106.77	-	-	1,106.77

Notes to the Financial Statements

Note 34 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50 basis point of the interest rate yield curves in all the currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018, March 31, 2017 and April 1, 2016.- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges as at March 31, 2018, March 31, 2017 and April 1, 2016 for the effects of the assumed changes of the underlying risk

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a

Notes to the Financial Statements

large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

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

₹ in Lakh

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2018					
Interest bearing borrowings*	1,106.77	-	-	-	-
Trade payables	-	-	2,066.93	-	-
Other financial liabilities	2,011.10	-	-	-	-
	3,117.87	-	2,066.93	-	-
Year ended March 31, 2017					
Interest bearing borrowings*	2,212.76	-	-	-	-
Trade payables	-	-	1,077.64	-	-
Other financial liabilities	1,888.02	-	-	-	-
	4,100.78	-	1,077.64	-	-
Year ended April 1, 2016					
Interest bearing borrowings*	2,764.77	-	-	-	-
Trade payables	-	-	1,156.07	-	-
Other financial liabilities	2,453.03	-	-	-	-
	5217.80	-	1,156.07	-	-

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

Notes to the Financial Statements

Note 35 : Capital management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Interest-bearing loans and borrowings (Note 13 a)	26.67	363.68	817.67
Less: cash and cash equivalent (including other bank balance) (Note 7 c)	649.66	461.26	663.72
Net debt	(622.99)	(97.58)	153.95
Equity share capital (Note 11)	7,663.33	7,663.33	7,663.33
Other equity (Note 12)	(4,798.29)	(4,641.27)	(2,559.29)
Total capital	2,865.04	3,022.06	5,104.04
Capital and net debt	2,242.05	2,924.48	5,257.99
Gearing ratio	-27.79%	-3.34%	2.93%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the required financial covenants through out the reporting periods.

Note 36 : First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2017.

Notes to the Financial Statements

A. Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions

1. Deemed cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its carrying value as on April 1, 2016 and use that carrying value as deemed cost on that date. This exemption has also been elected for Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment & intangible assets at fair value on the date of transition to Ind AS and used those fair value as deemed cost of Property, plant and equipment & Intangible assets.

2. Designation of previously recognised financial instruments

"Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption."

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 and March 31, 2017 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP. 1. Investment in equity instruments carried at FVOCI The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017."

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

B. Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity as at March 31, 2017 & April 1, 2016

₹ in Lakh

Particulars	Notes	Year ended March 31, 2017	As at April 1, 2016
Equity under previous GAAP		2,728.70	4,883.17
Impact of fair valuation of Financial Instruments	v	(1.36)	(14.33)
Other adjustments	ii	(34.85)	-
Tax impact on Ind AS adjustments	iii	329.58	235.20
Equity as per Ind AS		3,022.07	5,104.04

2. Reconciliation of total comprehensive income for the year ended March 31, 2017

₹ in Lakh

Particulars	Notes	2016-2017
Profit after tax as per previous GAAP		(2,154.47)
Reclassification of Re-measurement gains / (losses) on defined benefit plans to Other comprehensive income	i	34.85
Other adjustments	ii	16.86
Tax impacts on Ind AS adjustments	iii	46.23
Profit after tax as per Ind AS		(2,056.53)
Other comprehensive income (net of tax)	iv	
Fair valuation impact on investment through FVOCI (net of tax)		(1.36)
Re-measurement gains / (losses) on defined benefit plans (net of tax)		(24.08)
Total Comprehensive Income under Ind AS (net of tax)		(2,081.97)

Notes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017**i. Re-measurement gain / loss on defined benefit plan**

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2017.

ii. Other Adjustments

Other adjustments includes adjustments due to the GAAP differences related to recognition and measurement of employee benefits financial charges etc.

iii. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

iv. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments, effective portion of gains / losses on cash flow hedging instruments and re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

v. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

vi. Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

vii. Classification & Presentation**a. Excise duty**

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense.

viii. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss a

Note 37: Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency."

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"

38. Regrouped, Recast, Reclassified

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

FORM AOC-1

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

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

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment	Turn Over	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Synbiotics Ltd	March 31, 18	INR	844.46	223.59	2,701.10	1,633.05	128.13	1,200.03	15.16	36.07	(20.91)	Nil	100%
2	Sarabhai M Chemicals Ltd	March 31, 18	INR	5.00	(4.80)	4.51	4.31	-	-	(0.59)	-	(0.59)	Nil	100%
3	Asence Inc.	Dec. 31, 17	"1 USD = Rs. 65.04"	3.25	58.12	116.19	54.82	14.54	149.59	(5.78)	-	(5.78)	Nil	100%
4	Asence Pharma Pvt. Ltd	March 31, 18	INR	9.96	809.76	3,928.55	3,108.83	30.29	3,419.82	31.29	8.07	23.22	Nil	99.98%
5	Systronics India Ltd	March 31, 18	INR	1,198.50	981.97	4,156.17	1,975.70	3.28	7,022.00	686.52	210.65	(20.91)	Nil	100%
6	Suvik Hitek Private Ltd	March 31, 18	INR	250.00	(1,163.58)	902.24	1,815.82	-	1,362.51	(25.54)	(0.15)	(25.39)	Nil	100%
7	Sarabhai Chemicals (India) Pvt Ltd	March 31, 18	INR	99.40	(763.77)	275.74	940.11	-	475.68	(255.55)	11.83	(267.38)	Nil	98.99%
8	Swetsri Investments Pvt. Limited	March 31, 18	INR	1.00	72.76	113.46	39.70	-	-	113.24	40.00	73.24	Nil	100%

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

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

Part "B": Joint Venture

Sr.	Particulars	Vovantis Laboratories Pvt Ltd	Cosara Diagnostics Ltd
No:			
1	Latest Audited Balance Sheet Date	March 31, 2018	March 31, 2018
2	Shares of Joint Ventures held by Company on the year end		
	I) Number	45,32,166	3,88,500
	II) Amount of Investment in Joint Ventures (Rs. in Lakh)	453.31	38.85
	III) Extend of Holding %	33.34%	49.36%
3	Description of how there is significant influence	Note A	Note A
4	Reason why the Joint Venture is not consolidated	Not applicable	Not applicable
5	Net worth attributable to shareholding as per latest Audited Balance Sheet	10	10
6	Profit/(Loss) for the year		
	I) Considered in Consolidation	20.86	(1.86)
	II) Not Considered in Consolidation	41.72	(3.73)

Note: A

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

Kartikeya V. Sarabhai
Chairman
G. D. Zalani
Director
B B Shah
CFO
Ketan Advharyu
Company Secretary

Date : 14-8-2018

Place : Ahmedabad

FORM AOC-2

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

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

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

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

Date : 14-08-2018
Place : Ahmedabad

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

INDEPENDENT AUDITORS' REPORT

To the Members of

Ambalal Sarabhai Enterprises Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying Consolidated Ind AS financial statements of Ambalal Sarabhai Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiary, Joint Venture and Associate Companies (the Holding Company, its subsidiaries, its joint ventures and an associate together referred to as "the Group"); comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Board of Directors of the Holding Company is responsible for the preparation of these Consolidated Ind AS 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 and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and

auditing standards and the matter which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit (including other comprehensive income) and their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of Rs. 11,225.97 Lakhs as at March 31, 2018, total revenues of Rs. 12,818.46 Lakhs and net cash outflows amounting to Rs. 1,816.12 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial statements. The Consolidated Ind AS

financial statements also include the Group's share of net profit of Rs. 19 Lakhs for the year ended 31st March, 2018 as considered in the Consolidated Ind AS financial statements, in respect of joint ventures whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the Ind AS financial statements certified by the Management.

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by other auditor whose report have been furnished to us by the Management, whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 10th August, 2017 and 12th August, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS 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 (including other comprehensive income), the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by

this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such control, refer to our separate Report in Annexure A which is based on on the auditors' reports of the Holding Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those Holding Company and subsidiary companies India for the reasons stated therein.; and
- (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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership No. 105986

Ahmedabad
August 14, 2018

Consolidated Balance Sheet

₹ in Lakh

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
1. Non-current assets				
(a) Property, Plant and Equipment	5	3,452.72	4,740.71	4,295.12
(b) Capital work-in-progress	5	1,367.71	343.32	888.93
(c) Goodwill on Consolidation	6	2,452.59	2,456.12	2,456.12
(d) Intangible assets	6	10.91	27.68	72.96
(e) Intangible assets under development	6	0.79	0.60	0.60
(f) Financial Assets				
(i) Investments	7	536.97	482.64	1,214.00
(ii) Other Financial Assets	7	146.23	129.57	114.34
(g) Deferred tax assets(net)	29	691.00	819.63	878.23
(h) Other non-current assets	8	11.45	37.34	33.03
Total Non current assets (I)		8,670.37	9,037.61	9,953.33
(II) Current assets				
(a) Inventories	9	1,439.44	1,381.05	1,351.12
(b) Financial Assets				
(i) Trade receivables	7	3,413.17	2,895.46	2,977.77
(ii) Loans	7	89.47	347.91	41.38
(iii) Cash and cash equivalents	7	1,350.72	540.60	957.82
(iv) Bank balance other than(iii) above	7	856.53	1,130.48	714.84
(v) Other Financial Assets	7	2,213.33	115.04	1,860.37
(c) Others current assets	8	1,020.24	810.70	823.60
(d) Current Tax Assets (Net)	10	972.11	103.60	101.90
Total current assets (II)		11,355.01	7,324.84	8,828.80
Total Assets (I+II)		20,025.38	16,362.45	18,782.13
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	7,663.33	7,663.33	7,663.33
(b) Other Equity	12	(5,011.59)	(5,146.14)	(3,235.30)
Non Controlling Interest	-	(0.30)	(0.03)	-
Total Equity (A)		2,651.44	2,517.16	4,428.03
LIABILITIES				
(I) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	1,112.15	510.99	484.84
(b) Long Term Provisions	14	438.33	552.53	670.71
(c) Deferred tax liabilities (net)	29	279.40	338.84	397.03
Total Non current liabilities (B)		1,829.88	1,402.36	1,552.58
(II) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	3,034.24	3,532.59	3,713.82
(ii) Trade Payable	13	3,906.65	2,914.29	2,865.36
(iii) Other financial liabilities	13	2,304.03	2,125.94	2,817.72
(b) Short Term Provisions	14	372.11	342.17	320.05
(c) Other Current liabilities	15	5,808.32	2,881.73	2,720.43
(d) Current Tax Liabilities (net)	16	118.71	646.21	364.14
Total current liabilities (C)		15,544.06	12,442.93	12,801.52
Total Equity and Liabilities (A+B+C)		20,025.38	16,362.45	18,782.13

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 14.08.2018

Place : Ahmedabad

Kartikeya V. Sarabhai
ChairmanKetan Adhvaryu
Company SecretaryDate : 14.08.2018
Place : AhmedabadG. D. Zalani
DirectorB. B. Shah
CFO

Consolidated Statement of Profit and Loss

₹ in Lakh

	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue from operations			
Sale of Products	17	12,112.84	13,049.54
Sale of Services	17	358.73	543.03
Operating Income	17	90.11	41.77
Revenue from operations		12,561.68	13,634.34
Other Income	18	2,503.79	622.11
Total Income (I)		15,065.47	14,256.45
Expenses			
Cost of materials consumed	19	920.88	796.11
Purchase of Stock in Trade	-	6211.63	6910.31
Changes in inventories of Finished Goods, Work In Progress and Stock in Trade	20	(113.06)	(13.63)
Employee benefits expense	21	2,805.43	2,969.24
Finance costs	22	335.90	471.26
Depreciation and amortization expense	23	212.19	427.25
Other expenses	24	3,915.08	4,085.89
Total Expenses (II)		14,288.05	15,646.43
Profit/(Loss) before Share of Profit Joint Venture and Exceptional Items (III)= (I-II)		777.42	(1,389.98)
Add: Share of net profit of Joint Ventures accounted for using Equity Method (IV)		19.00	27.98
Profit/(Loss) before Exceptional Items (V)= (III+IV)		796.42	(1,362.00)
Add/(Less): Exceptional Items (VI)		-	-
Profit/(Loss) before Tax (VII)= (V+VI)		796.42	(1,362.00)
Tax expense:	29		
Current Tax		344.85	201.97
Short provision related to earlier years		251.67	236.45
Deferred Tax		72.46	22.33
Total tax Expense (VIII)		668.98	460.75
Profit/(Loss) after Tax (IX)= (VII-VIII)		127.44	(1,822.75)
Other comprehensive income(X) :			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans		(17.35)	(73.73)
Income tax effect on above		4.69	23.03
		(12.66)	(50.70)
Equity instrument through Other Comprehensive Income (FVOCI)		(3.52)	(36.41)
Income tax effect on above		(1.42)	(1.11)
		(4.94)	(37.52)
Total other comprehensive income for the year, net of tax (A+B)		(17.60)	(88.22)
Total comprehensive income for the year, net of tax (XI)= (IX+X)		109.84	(1,910.97)
Profit / (Loss) for the year attributable to:			
Equity holders of the parent		127.71	(1,822.62)
Non-controlling interest-		(0.27)	(0.13)
		127.44	(1,822.75)
Other Comprehensive Income for the year attributable to:			
Equity holders of the parent		(17.60)	(88.22)
Non-controlling interest		-	-
		(17.60)	(88.22)
Total comprehensive income attributable to:			
Equity holders of the parent		110.11	(1,910.84)
Non-controlling interest		(0.27)	(0.13)
		109.84	(1,910.97)

Earning per equity share equity (nominal value per share Rs. 10/- March 2018 and March 2017 Rs. 10/-)

Basic and Diluted	30	0.17	(2.38)
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As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 14.08.2018

Place : Ahmedabad

For Ambalal Sarabhai Enterprises Limited	
Kartikeya V. Sarabhai	G. D. Zalani
Chairman	Director

Ketan Adhvaryu	B. B. Shah
Company Secretary	CFO

Date : 14.08.2018
Place : Ahmedabad

Consolidated Statement of cash flows for the year ended March 31, 2018

₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A Operating activities		
Profit Before taxation	796.42	(1,362.00)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	212.19	427.25
Interest Income	(285.65)	(105.58)
Interest and Other Borrowing Cost	335.90	471.26
Dividend Income	(1.03)	(1.03)
Provision for diminution in investment	-	721.46
Sundry Debit Written off	-	66.41
Sundry Credit Balances Appropriated	(18.68)	-
Bad Debt written off	16.13	93.74
(Profit)/Loss on Sale of Tangible/Intangible assets	(1,448.49)	109.32
	(1,189.63)	1,782.83
Operating Profit before Working Capital Changes	(393.21)	420.83
Working Capital Changes:		
Changes in Inventories	(58.39)	(29.93)
Changes in trade payables	1,011.04	48.93
Changes in other current liabilities	2,926.59	161.30
Changes in other financial liabilities	178.09	(691.78)
Changes in loans	258.44	(306.53)
Changes in provisions	(101.61)	(169.79)
Changes in trade receivables	(533.84)	(77.84)
Changes in other current assets	(209.54)	13.00
Changes in other financial assets	(2,098.29)	1,745.33
Changes in Other Bank Balances	273.95	(415.64)
Net Changes in Working Capital	1,646.44	277.05
Cash Generated from Operations	1,253.23	697.88
Direct Taxes paid (Net of Income Tax refund)	(1,992.53)	(158.05)
Net Cash from Operating Activities	(739.30)	539.83
B Cash Flow from Investing Activities		
Purchase of property, plant & equipment/intangible assets	(1,155.02)	(507.16)
Sale of property, plant & equipment	2,675.03	115.89
Changes in other financial assets	(16.66)	(15.23)
Dividend Income	1.03	1.03
Changes in other non current assets	25.89	(4.31)
Change in Long Term Investments	(57.85)	(26.51)
Interest Income	285.65	105.58
Net cash flow from Investing Activities	1,758.07	(330.71)

Consolidated Statement of cash flows for the year ended March 31, 2018 ₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C Cash Flow from Financing Activities		
Changes in long term Borrowings	601.16	26.15
Capital Reserve on Consolidation	0.12	-
Adjustment on Consolidation	24.32	-
Changes in short term borrowings	(498.35)	(181.23)
Interest and Other Borrowing Cost Paid	(335.90)	(471.26)
Net Cash flow from Financing Activities	(208.65)	(626.34)
Net Increase/(Decrease) in cash & cash equivalents	810.12	(417.22)
Cash & Cash equivalent at the beginning of the year	540.60	957.82
Cash & Cash equivalent at the end of the year	1,350.72	540.60

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash and cash equivalents comprise of: (Note 7d)		
Cash on Hand	96.71	87.61
Balances with Banks	1,254.01	452.99
Cash and cash equivalents	1,350.72	540.60

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

Notes:

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

As per our report of even date attached

For Khandhar & Associates
Firm Registration No. 118940W
Chartered Accountants

CA. Vipul B. Khandhar
Partner

Membership no. 105986

Date : 14.08.2018

Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman

Ketan Adhvaryu
Company Secretary

Date : 14.08.2018

Place : Ahmedabad

G. D. Zalani
Director

B. B. Shah
CFO

Consolidated Statement of Changes in Equity for the year ended March 31, 2018**A. Equity Share Capital** ₹ in Lakh

Balance	Rs. In Lakhs
	Note 11
As at April 1, 2016	7,663.33
Issue of Equity Share capital	-
As at March 31, 2017	7,663.33
Issue of Equity Share capital	-
As at March 31, 2018	7,663.33

B. Other Equity

₹ in Lakh

Particulars	Attributable to the equity holders						Total Other Equity
	Reserves & Surplus					Other Reserves	
	Capital Reserve	General Reserve	Security Premium	Capital Reserve on Consolidation	Retained Earnings	Net gain / (loss) on FVOCI equity instruments	
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	
Balance as at April 01, 2016	185.13	5,448.40	1,060.92	-	(9,971.54)	41.79	(3,235.30)
Profit/(Loss) for the year	-	-	-	-	(1,822.62)	-	(1,822.62)
Other comprehensive income for the year	-	-	-	-	(50.70)	(37.52)	(88.22)
Total Comprehensive income for the year	185.13	5,448.40	1,060.92	-	(11,844.86)	4.27	(5,146.14)
Transfer during the year	(185.13)	185.13	-	-	-	-	-
Balance as at March 31, 2017	-	5,633.53	1,060.92	-	(11,844.86)	4.27	(5,146.14)
Balance as at April 01, 2017	-	5,633.53	1,060.92	-	(11,844.86)	4.27	(5,146.14)
Profit for the year	-	-	-	-	127.71	-	127.71
Other comprehensive income for the year	-	-	-	-	(12.66)	(4.94)	(17.60)
Total Comprehensive income for the year	-	5,633.53	1,060.92	-	(11,729.81)	(0.67)	(5,036.03)
Addition during the year	-	-	-	0.12	-	-	0.12
Adjustment on Consolidation	-	-	-	-	24.32	-	24.32
Balance as at March 31, 2018	-	5,633.53	1,060.92	0.12	(11,705.49)	(0.67)	(5,011.59)

As per our report of even date attached

For Khandhar & Associates

Firm Registration No. 118940W

Chartered Accountants

CA. Vipul B. Khandhar

Partner

Membership no. 105986

Date : 14.08.2018

Place : Ahmedabad

For Ambalal Sarabhai Enterprises Limited

Kartikaya V. Sarabhai

Chairman

G. D. Zalani

Director

Ketan Adhvaryu

Company Secretary

B. B. Shah

CFO

Date : 14.08.2018

Place : Ahmedabad

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Ambalal Sarabhai Enterprises Limited ("the Group" or "the Company" or "the Parent Company") is engaged in the business of Pharmaceuticals.

The Group is incorporated under the provisions of the Companies Act, 2013 applicable in India. The registered office of the Group is located at Shantisadan, Mirzapur Ahmedabad.

The Group's financial statements were authorised for issue in accordance with a resolution of the directors on August 14, 2018.

2. Statement of Compliance and Basis of Preparation

2.1 Compliance with Ind AS

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

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

2.2 Historical Cost Convention

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

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

2.3 Principles of Consolidation and equity accounting

(i) Subsidiaries

The Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any

non-controlling interests

- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(ii) Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint ventures is accounted for using the equity method for the year ending.

(iii) Equity Method

Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint

venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. Summary of Significant Accounting Policies

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

3.1. Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Operating cycle

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

3.2. Use of estimates and judgements

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

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

3.3. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

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

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the

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

Acquisition-related costs are expensed as incurred.

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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

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

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

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

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

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

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

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

3.4. Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in

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

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

3.5. Fair value measurement

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

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

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

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

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

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

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

and minimising the use of unobservable inputs.

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

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

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

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

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

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

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

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

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

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

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

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2017, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is

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

Depreciation

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

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

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives 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.

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

Transition to Ind AS

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its carrying value as on April 1, 2016 and use that carrying value as deemed cost on that date. This exemption has also been elected for Intangible Assets

3.7. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8. Intangible Assets

Intangible assets acquired separately are

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

The useful lives of intangible assets are assessed as finite.

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

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

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

Amortisation

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

3.9. Inventories

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

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

- Raw materials: cost includes cost of purchase and other costs incurred in bringing

the inventories to their present location and condition. Cost is determined on first in, first out basis.

- Stock in Trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories are valued at cost. The stock of waste is valued at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.10. Impairment of non-financial assets

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

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

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

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive

income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

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

3.11. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

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

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

3.12. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

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

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

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

- **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive

income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

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

- **Equity instruments:**

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

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

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

(iii) Derecognition of financial assets

A financial asset is derecognised when:

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

or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to

recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iv) Reclassification of financial assets

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

(v) Impairment of financial assets

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

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

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

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component

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

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

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

instruments is described below:

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

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

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

- Financial liabilities at fair value through profit or loss

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

Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

• Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

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

c) Offsetting of financial instruments

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

3.13. Cash and cash equivalent

Cash and cash equivalent in the balance sheet

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14. Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there

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

3.16. Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

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

(ii) Defined benefit plan

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

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

c) Other long term employment benefits:

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

d) Termination Benefits :

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

3.17. Earnings per share

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

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

3.18. Provisions and Contingencies

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an

outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

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

3.19. Segment Reporting

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

4. Significant Judgements and Critical accounting estimates & assumptions

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

4.1. Significant judgements in applying the Group's accounting policies

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

Revenue recognition

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

4.2. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on

parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

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

Fair value measurement of financial instruments

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

the reported fair value of financial instruments. See Note 36 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is Rs. 449.36 lakhs (March 31, 2017: Rs.450.81 lakhs).

Taxes

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

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

Further details on taxes are disclosed in Note 29.

Intangible assets

Refer Note 3.8 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

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

Impairment of non-financial assets

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

Notes to the Financial Statements

₹ in Lakh

Note 5: Property, Plant and Equipment

Fixed Assets	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicle	Computer Server & Network	Total	Capital Work in Progress
Gross Carrying Value										
Deemed Cost as at April 1, 2016	1,673.22	16.41	989.88	1,326.07	171.66	27.23	76.09	14.56	4,295.12	888.93
Additions	881.60	-	2.79	35.82	26.19	13.67	80.71	10.18	1,050.96	335.99
Deductions	-	-	6.01	213.66	0.50	0.28	21.24	1.46	243.15	881.60
As at March 31, 2017	2,554.82	16.41	986.66	1,148.23	197.35	40.62	135.56	23.28	5,102.93	343.32
Additions	-	-	8.50	45.65	23.48	6.52	36.40	11.31	131.86	1,024.39
Deductions	1,225.97	-	-	0.95	0.32	0.51	-	0.33	1,228.08	-
As at March 31, 2018	1,328.85	16.41	995.16	1,192.93	220.51	46.63	171.96	34.26	4,006.71	1,367.71
Depreciation and Impairment										
As at April 1, 2016										
Depreciation for the year	-	0.33	55.45	263.17	26.79	6.99	18.61	8.82	380.16	-
Deductions	-	-	-	-	-	0.18	16.39	1.37	17.94	-
As at March 31, 2017	-	0.33	55.45	263.17	26.79	6.81	2.22	7.45	362.22	-
Depreciation for the year	-	0.33	54.49	69.68	27.41	9.09	23.74	8.54	193.28	-
Deductions	-	-	-	0.23	0.06	0.62	-	0.60	1.51	-
As at March 31, 2018	-	0.66	109.94	332.62	54.14	15.28	25.96	15.39	553.99	-
Net Carrying Value										
As at March 31, 2018	1,328.85	15.75	885.22	860.31	166.37	31.35	146.00	18.87	3,452.72	1,367.71
As at March 31, 2017	2,554.82	16.08	931.21	885.06	170.56	33.81	133.34	15.83	4,740.71	343.32
As at April 01, 2016	1,673.22	16.41	989.88	1,326.07	171.66	27.23	76.09	14.56	4,295.12	888.93

Note :

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

Notes to the Financial Statements

Note 6: Intangible assets

₹ in Lakh

Fixed Assets	Know how	Trademarks	Corel Draw Graphic License	Software	Total	Intangible assets under development	Goodwill on Consolidation
Gross Carrying Value							
Deemed Cost as at April 1, 2016	26.75	17.18	-	29.03	72.96	0.60	2,456.12
Additions	-	-	1.03	0.78	1.81	-	-
Deductions	-	-	-	-	-	-	-
As at March 31, 2017	26.75	17.18	1.03	29.81	74.77	0.60	2,456.12
Additions	-	0.07	-	2.04	2.11	0.19	-
Deductions	-	-	-	-	-	-	3.53
As at March 31, 2018	26.75	17.25	1.03	31.85	76.88	0.79	2,452.59
Amortisation and Impairment							
Amortisation for the year	19.00	17.18	0.03	10.88	47.09	-	-
Deductions	-	-	-	-	-	-	-
As at March 31, 2017	19.00	17.18	0.03	10.88	47.09	-	-
Amortisation for the year	7.75	0.03	0.20	10.93	18.91	-	-
Deductions	-	0.03	-	-	0.03	-	-
As at March 31, 2018	26.75	17.18	0.23	21.81	65.97	-	-
Net Carrying Value							
As at March 31, 2018	-	0.07	0.80	10.04	10.91	0.79	2,452.59
As at March 31, 2017	7.75	-	1.00	18.93	27.68	0.60	2,456.12
As at April 01, 2016	26.75	17.18	-	29.03	72.96	0.60	2,456.12

Notes to the Financial Statements

Note 7: Financial Assets

7(a) Investments

₹ in Lakh

Particulars	Face Value Per Share (in Rs. unless otherwise stated)	No of Shares	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current Investments					
I Trade Investments (At Cost)					
Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	15,59,340	156.30	156.30	156.30
Less: Diminution in Value of Investment			(156.30)	(156.30)	(156.30)
Total (I)			-	-	-
II Other Investments (Unquoted)					
Ordinary shares each fully paid of					
Co-operative Bank of Baroda Limited	25	1,100	0.28	0.28	0.28
Ordinary share fully paid of Baroda Industrial Dev. Corp.Ltd	1000	1	0.01	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd	25	1,204	0.30	0.30	0.30
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	£1	73,498	10.04	20.64	22.00
Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445)	US\$1	9			
Ordinary shares of Belgium Satellite Services s.a.	Euro 1	4,37,733	721.64	721.46	763.53
Less: Diminution in Value of Investment			(721.64)	(721.46)	-
			-	-	763.53
Ordinary Shares of Kalupur Commercial Co-operative Bank	25	26,000	89.28	82.20	76.65
Ordinary shares of each fully paid of					
Sardar Vallabhbhai Sahkari Bank Ltd	25	40	2.39	2.39	2.39
Total (II)			102.30	105.82	865.16
III In Joint Venture (Unquoted) - measured using equity method					
Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	42,29,258	397.68	376.82	348.84
Ordinary Shares of Cosara Diagnostics Private Limited	10	3,88,500	36.99	-	-
Total (III)			434.67	376.82	348.84
IV In Associates (Unquoted) - measured using equity method					
Ordinary Shares of Haryana Conatainers Limited	10	50,000	-	-	-
Total (IV)			-	-	-
Total Investments (I+II+III+IV)			536.97	482.64	1,214.00
a Aggregate amount of quoted Investments and market value thereof			-	-	-
b Aggregate amount of unquoted Investments			1,414.91	1,360.40	1,370.30
c Aggregate amount of provision for diminution in value			(877.94)	(877.76)	(156.30)

Notes to the Financial Statements**7 (b) Trade Receivables**

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Unsecured, considered good	3,413.17	2,895.46	2,977.77
Unsecured, considered doubtful	449.36	450.81	457.93
Less: Allowance for doubtful debts	449.36	450.81	457.93
Total Trade Receivables	3,413.17	2,895.46	2,977.77

Allowance for doubtful debts

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

Movement in allowance for doubtful debt :

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	450.81	457.93
Add: Allowance for the year	-	-
Less: Written off bad debts (net of recovery)	1.45	7.12
Balance at the end of the year	449.36	450.81

7 (c) Loans

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Current			
Loans to Employees	13.45	10.40	8.68
Loans to Others	76.02	337.51	32.70
Total Loans	89.47	347.91	41.38

7 (d) Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on Hand	96.71	87.61	7.90
Balance with banks			
In Current Accounts	755.24	442.03	872.35
In Exchange Earners Foreign Currency account	0.42	8.23	-
In Deposit Accounts with originally maturity less than 3 months	498.35	2.73	77.57
Total	1,350.72	540.60	957.82

Notes to the Financial Statements

7 (e) Bank balance other than above

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
In Deposit Accounts With originally maturity more than 3 months but less than 12 months *	599.74	913.58	595.90
Lodged with Industrial Court	0.66	0.68	0.21
Held as Margin Money **	256.13	209.55	112.06
Lodged with Sales Tax/Excise Department	-	6.67	6.67
Total other bank balances	856.53	1,130.48	714.84
Total cash and bank balance	2,207.25	1,671.08	1,672.66

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

** Under lien with bank as Security for Guarantee Facility

7 (f) Other Financial Assets

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless otherwise stated)			
Non-current			
Security deposits			
Considered good	140.46	124.57	114.34
Considered doubtful	9.21	9.21	9.21
Less: Allowance for doubtful deposits	9.21	9.21	9.21
	140.46	124.57	114.34
Bank deposits with maturity of more than 12 months	5.77	5.00	-
	146.23	129.57	114.34
Unsecured, considered good			
Current			
Security deposits			
Considered good	40.11	18.84	20.78
Considered doubtful	24.75	21.58	22.28
Less: Allowance for doubtful deposits	24.75	21.58	22.28
	40.11	18.84	20.78
Interest Accrued	128.96	96.20	22.56
Income Receivable	1.44	-	-
Other Financial Assets	0.27	-	-
Receivable other than Trade	2,042.55	-	1,817.03
	2,213.33	115.04	1,860.37
Total financial assets	2,359.56	244.61	1,974.71

Allowance for doubtful deposits

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

Notes to the Financial Statements

Movement in allowance for doubtful deposits :

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	30.79	31.49
Add: Allowance for the year	3.17	-
Less: Written off bad debts (net of recovery)	-	0.70
Balance at the end of the year	33.96	30.79

7 (g) Financial assets by category

₹ in Lakh

Particulars	Cost	FVTPL	FVOCI	Amortised cost
As at March 31, 2018				
Investments	437.65	-	99.32	-
Trade Receivables	-	-	-	3,413.17
Loans	-	-	-	89.47
Cash & cash equivalents	-	-	-	1,350.72
Other financial assets	-	-	-	856.53
Total Financial assets	437.65	-	99.32	5,709.89
As at March 31, 2017				
Investments	379.80	-	102.84	-
Trade Receivables	-	-	-	2,895.46
Loans	-	-	-	347.91
Cash & cash equivalents	-	-	-	540.60
Other financial assets	-	-	-	1,130.48
Total Financial assets	379.80	-	102.84	4,914.45
As at April 01, 2016				
Investments	1,115.35	-	98.65	-
Trade receivables	-	-	-	2,977.77
Loans	-	-	-	41.38
Cash & cash equivalents	-	-	-	957.82
Other financial assets	-	-	-	714.84
Total Financial assets	1,115.35	-	98.65	4,691.81

Notes to the Financial Statements

Note 8: Other current/ non current assets

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good unless otherwise stated)			
Non-current			
Capital Advances	1.19	16.78	18.65
Gold Coins	3.07	2.90	2.83
Balance with Government Authorities	0.85	0.85	0.85
Pre-paid expense	1.34	11.81	5.70
Advance Recoverable in cash or in kind or value to be received	5.00	5.00	5.00
	11.45	37.34	33.03
Current			
Advances to Suppliers			
Considered Goods	179.59	436.62	85.45
Considered doubtful	191.65	382.10	378.22
Less: Provision for doubtful advances	191.65	382.10	378.22
	179.59	436.62	85.45
Advance to employees	7.68	14.67	15.97
Service Income Receivable	17.26	8.17	9.68
Prepaid Expenses	35.38	12.49	13.69
Prepaid Gratuity	14.03	10.07	10.43
Balances with Government Authorities	476.96	216.46	177.54
Other Current Assets	289.34	112.22	510.84
	1,020.24	810.70	823.60
Total	1,031.69	848.04	856.63

Allowance for doubtful deposits

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

Movement in allowance for doubtful deposits :

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	382.10	378.22
Add: Allowance for the year	-	3.88
Less: Written off doubtful advances (net of recovery)	190.45	-
Balance at the end of the year	191.65	382.10

Notes to the Financial Statements

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

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials and Packing Materials	232.79	280.23	272.58
Raw Materials in transit	-	17.08	23.60
Stores and Spares	10.58	13.40	12.49
Work-in-Progress	349.29	391.31	318.32
Finished Goods	198.26	127.12	212.00
Stock in Trade	593.80	518.08	496.19
Stock in Trade in Transit	54.72	33.83	15.94
Total	1,439.44	1,381.05	1,351.12

Note 10: Current Tax Assets (Net)

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Tax paid in Advance (Net of Provision)	972.11	103.60	101.90
Total	972.11	103.60	101.90

Note 11: Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Authorised Share Capital						
Equity Share of Rs. 10/- each	9,50,00,000	9,500.00	9,50,00,000	9,500.00	9,50,00,000	9,500.00
Issued and subscribed share capital						
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Subscribed and fully paid up						
Equity Share of Rs. 10/- each	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Total	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33

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

₹ in Lakh

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Balance at the beginning of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33
Add: Issued during the year	-	-	-	-	-	-
Balance at the end of the year	7,66,33,296	7,663.33	7,66,33,296	7,663.33	7,66,33,296	7,663.33

11.2. Terms/Rights attached to the equity shares

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

Notes to the Financial Statements

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Sarabhai Holdings Private Limited	1,93,03,972	25.19%	1,93,03,972	25.19%	1,93,03,972	25.19%
Caplin Vuniyog Private Limited	42,22,789	5.51%	42,22,789	5.51%	42,22,789	5.51%

11.4 Objective, policy and procedure of Capital Management, Refer note 37

Note 12: Other Equity

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017
12.1 Reserves & Surplus		
Capital Reserve		
Balance as per last financial statements	-	185.13
Less: Transferred to General Reserve	-	185.13
Balance as the end of the year	-	-
Capital Reserve on Consolidation		
Balance as per last financial statements	-	-
Add : Addition during the year	0.12	-
Balance as the end of the year	0.12	-
General Reserve		
Balance as per last financial statements	5,633.53	5,448.40
Add: Transfer from Capital Reserve	-	185.13
Balance as the end of the year	5,633.53	5,633.53
Securities Premium Account		
Balance as per last financial statements	1,060.92	1,060.92
Balance at the end of the year	1,060.92	1,060.92
Surplus in statement of profit and loss		
Balance as per last financial statements	(11,844.86)	(9,971.54)
Add: Adjustment on Consolidation	24.32	-
Add: Profit/(Loss) for the year	127.71	(1,822.62)
Add: OCI for the year	(12.66)	(50.70)
Balance at the end of the year	(11,705.49)	(11,844.86)
Total reserves & surplus	(5,010.92)	(5,150.41)
12.2 Other comprehensive income		
Equity Instruments through OCI (Net of tax)		
Balance as per last financial statements	4.27	41.79
Add: Gain/(Loss) during the year	(4.94)	(37.52)
Balance at the end of the year	(0.67)	4.27
Total Other comprehensive income	(0.67)	4.27
Total Other equity	(5,011.59)	(5,146.14)

Notes to the Financial Statements

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

(a) General reserve

General Reserve is a free reserve created by the Group by transfer from Retained earnings for appropriation purposes.

(b) Securities premium

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

(c) Equity Instruments through OCI

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income.

Note 13: Financial liabilities

13 (a) Borrowings

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long-term Borrowings (refer note 1 below)			
Non-current portion			
Secured			
Term loan from Banks	1,112.15	510.99	484.84
	<u>1,112.15</u>	<u>510.99</u>	<u>484.84</u>
Current maturities			
Secured			
Term loan from Banks	175.34	147.75	179.40
	<u>175.34</u>	<u>147.75</u>	<u>179.40</u>
Total long-term borrowings	<u>1,287.49</u>	<u>658.74</u>	<u>664.24</u>
Short-term Borrowings (refer note 2 below)			
Secured			
Working Capital Loans repayable on demand from Banks	1,051.74	907.36	663.25
From Others	111.13	363.68	817.67
Cash Credit Facilities from Banks	92.15	85.55	23.87
	<u>1,255.02</u>	<u>1,356.59</u>	<u>1,504.79</u>
Unsecured			
From Others	1,779.22	2,176.00	2,209.03
Total borrowings	<u>4,321.73</u>	<u>4,191.33</u>	<u>4,378.06</u>

Notes:

1. Long term borrowings

(a) Nature of Security

- Loan of Rs. 395.25 Lakhs is secured by charged on fixed assets i.e. land & building, plant & machinery and hypothecation of related vehicle of the company.
- Loan of Rs. 730.91 Lakhs is secured against Mortgage of Industrial Land Rs No 604 to 607 at Ranoli of Ambalal Sarabhai Enterprises Ltd (Ultimate Holding Company).
- Term Loan from banks of Rs 161.33 lakhs Secured against mortgage of Office Premises at Supath II Complex and further secured by corporate guarantee of Ambalal Sarabhai Enterprises Limited.

(b) Rate of Interest

- Secured Loans from Others carry interest rate of 18.00% per annum, payable on demand.
- Term Loans from bank carry interest rate of 9.40% to 12% per annum.

2. Short term borrowings

(a) Nature of Security

- Cash Credit and Other Facilities from Bank
- Bank Loan secured against Hypothecation of Stock, Book Debts and Collateral Security given by ASE Ltd.,

Notes to the Financial Statements

the Ultimate Holding Company

- ii) Hypothecation of all tangible movable assets including all stocks of Raw Materials, Stores, Packing Materials, Finished Goods and Book Debts and Personal Guarantee of Promoters

II. Working Capital Loans

- Working Capital loans are secured by hypothecation on Company's Current Assets like Inventories and Receivables.

(b) Rate of Interest

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

13 (b) Trade payable

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Other trade payables (refer note below)	3,906.65	2,914.29	2,865.36
Total	3,906.65	2,914.29	2,865.36

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

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
 (b) Interest paid during the year;
 (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
 (d) Interest due and payable for the period of delay in making payment;
 (e) Interest accrued and unpaid at the end of the accounting year; and
 (f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.
 have not been given. The Group is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

13 (c) Other Financial Liabilities

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Current maturity of long term borrowings	175.34	147.75	179.40
Interest accrued and due	622.37	616.56	612.24
Payable in respect of Capital Goods	67.21	-	-
Payable to Employees	1,060.03	943.76	1,393.04
Due to Directors	23.99	16.56	32.00
Book Overdraft	-	-	15.00
Security Deposits	286.09	274.21	272.06
Other financial liabilities	69.00	127.10	313.98
Total	2,304.03	2,125.94	2,817.72

Notes to the Financial Statements

Note 14: Provisions

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long-term			
Provision for employee benefits (Refer Note 31)			
Provision for Gratuity	360.70	465.66	576.48
Provision for Leave Encashment	77.63	86.87	94.23
	438.33	552.53	670.71
Short-term			
Provision for employee benefits (Refer Note 31)			
Provision for Gratuity	187.78	168.24	167.77
Provision for leave encashment	184.33	173.93	152.28
	372.11	342.17	320.05
Total	810.44	894.70	990.76

Note 15: Other current Liabilities

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Advance from customers	62.55	172.97	224.38
Advance against Sale of Property	1,422.60	173.24	135.31
Statutory dues	2,813.32	2,524.21	2,330.73
Other Liabilities	1,509.85	11.31	30.01
Total	5,808.32	2,881.73	2,720.43

Note 16: Current Tax Liabilities (Net)

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income tax (net of Advance)	118.71	646.21	364.14
Total	118.71	646.21	364.14

Note 17: Revenue from Operations (Refer note (i) below)

₹ in Lakh

Particulars	2017-2018	2016-2017
Sale of Products	12,112.84	13,049.54
Sale of Services	358.73	543.03
Other Operating Income		
Export Incentives	66.36	34.98
Instrument Hire Charges	-	6.79
Service Income	23.75	-
	90.11	41.77
Total	12,561.68	13,634.34

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

Notes to the Financial Statements

Note 18: Other Income

₹ in Lakh

Particulars	2017-2018	2016-2017
Interest Income	285.65	105.58
Dividend Income	1.03	1.03
Provision no longer required (net)	7.18	1.27
Miscellaneous Income	50.66	18.77
Gain on remeasurement of Gold coin at fair value	0.17	0.06
Loan Waiver income	536.00	11.42
Prior period income	12.89	142.08
Exchange Difference (Net)	-	6.60
Bad Debts recovered	-	2.00
Sundry credit balances appropriated	18.68	53.86
Profit on sales of Property, Plant & Equipment(net)	1,448.49	-
Scrap Sales	143.04	279.44
Total	2,503.79	622.11

Note 19: Cost of raw materials and components consumed

₹ in Lakh

Particulars	2017-2018	2016-2017
Stock at the beginning of the year	280.23	272.58
Purchases	873.44	803.76
	1,153.67	1,076.34
Less: Stock at the end of the year	232.79	280.23
Total	920.88	796.11

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

₹ in Lakh

Particulars	2017-2018	2016-2017
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	198.26	127.12
Stock-in-trade	593.80	518.08
Work-in-Progress	349.29	391.31
	1,141.35	1,036.51
Stock at the beginning of the year		
Finished Goods	127.12	212.00
Stock-in-trade	518.08	496.19
Work-in-Progress	391.31	318.32
	1,036.51	1,026.51
Excise duty in value of Stock increase / (decrease)	(8.22)	(3.63)
Total	(113.06)	(13.63)

Notes to the Financial Statements**Note 21: Employee Benefits Expense**

₹ in Lakh

Particulars	2017-2018	2016-2017
Salaries and Wages	2,414.96	2,620.55
Contribution to Provident Fund and Other Funds	146.24	139.27
Staff Welfare Expenses	105.43	111.27
Directors' Remuneration	132.04	98.15
Directors' Commission	6.76	-
Total	2,805.43	2,969.24

Note 22: Finance Costs

₹ in Lakh

Particulars	2017-2018	2016-2017
Interest expense - Loans	148.44	156.23
Interest expense - Others	132.31	267.81
Interest expense - Working Capital	48.49	40.37
Other finance cost	6.66	6.85
Total	335.90	471.26

Note 23: Depreciation and amortization expense

₹ in Lakh

Particulars	2017-2018	2016-2017
Depreciation on Tangible Assets (Refer Note 5)	193.28	380.16
Amortisation on Intangible Assets (Refer Note 6)	18.91	47.09
Total	212.19	427.25

Note 24: Other Expenses

₹ in Lakh

Particulars	2017-2018	2016-2017
Power and fuel	284.00	267.94
Stores consumed	46.59	55.10
Insurance	15.90	15.92
Factory Overhead	343.08	315.65
Rent (Refer Note 28)	111.06	107.81
Rates and taxes	301.61	91.39
Repairs:		
To Buildings	53.33	105.69
To Machineries	39.66	31.27
To others	22.04	22.41
Excise duty expense	61.22	246.83
Royalty	-	4.51
Directors' Fees	2.14	1.35
Legal Charges	321.61	380.58
Conveyance & Travelling expense	385.78	416.81
Postage	5.34	15.06
Service Charges	42.95	21.08
Sundry Debit balance written off(net)	-	66.41
Penalties	1,018.15	-

Notes to the Financial Statements

Note 24: Other Expenses (Contd...)

₹ in Lakh

Particulars	2017-2018	2016-2017
Auditor's remuneration	13.93	30.16
Miscellaneous Expenses	249.91	213.85
ETP Expenses	10.07	8.50
Printing, stationery & xerox Expense	9.39	9.58
Commission on Sales	43.77	36.32
Commission, Brokerage & discount	40.76	153.47
Freight, insurance & clearing charge	18.70	23.75
Selling & Distribution Expense	363.57	418.15
Installation & Integration Expense	12.99	6.60
Bad debt written off	16.13	93.74
Bank charges	4.76	5.76
Communication Expense	18.98	24.22
Exchange difference (net)	0.79	-
Research & Development Expense	0.64	1.72
Designing & Art Work	1.95	1.95
Security Expense	14.45	14.03
Prior period adjustments	-	0.73
Hire Charges-Transport Services	18.74	21.19
Communication	21.09	25.58
Loss on assets sold/Discarded	-	109.32
Diminution of value of Investments	-	721.46
Total	3,915.08	4,085.89

Payment to Auditors

₹ in Lakh

Particulars	2017-2018	2016-2017
Audit Fee	6.00	12.09
For Other certification work	5.18	13.67
For reimbursement of expenses	2.75	4.40
Total	13.93	30.16

Note 25 : Contingent liabilities

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Contingent liabilities not provided for			
a. Claims against Company not acknowledged as debts	2,637.90	1,813.56	1,818.57
b. Claims against Company not acknowledged as debts other than (a) above	781.70	781.70	781.70
c. Claims by Government for payment in to DPEA	39.25	39.25	39.25
d. Guarantee given by banks on behalf of the Company	382.46	346.02	323.15
e. Disputed demands in respect of:			
Excise/Customs duty	135.16	136.04	137.90
Sales tax	269.13	270.80	269.77
Income tax	2,348.28	5,490.90	3,563.25
Employees' State Insurance Corporation	153.39	93.88	93.88
Provident Fund	-	10.56	10.56
f. Performance Guarantee	3.61	7.08	17.82

Notes to the Financial Statements

Notes :

- i. Future cash outflows in respect of (e) above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.
- ii. Hon'ble Supreme Court has allowed Company's Civil Appeals against the judgment and order of the Division Bench of Gujarat High Court vide which Division Bench by its order had set aside the order of the single judge sanctioning Scheme of Arrangement relating to Company's erstwhile Swastik Division and Electronics Division while allowing the appeals, Hon'ble Supreme Court has directed that Company shall execute a guarantee favouring the Central Bank of India and Bank of Baroda in respect of their dues in the suit filed by then which is pending before Debts Recovery Tribunal. The Company has accordingly given the guarantee.
With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the original demand made of Rs. 781.70 Lakh plus interest thereon at the rate of 18.50% per annum at quarterly rests from June 27, 1989 till date (previous year Rs. 781.70 Lakh plus interest thereon) and based on legal advice, the Company has taken necessary action required in the matter at various legal forum.
- iii. Sundry Debtors, Sundry Creditors and Loans and Advances include certain accounts which are subject to confirmation / reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

Note 26: Capital commitment and other commitments

₹ in Lakh

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital commitments			
Estimated amount of Contracts remaining to be executed on capital account and not provided for	889.25	430.06	13.30
Other commitments	-		-

Note 27 : Foreign Exchange Derivatives and Exposures not hedged

Nature of exposure	Currency	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		In FC	Rs. In Lakhs	In FC	Rs. In Lakhs	In FC	Rs. In Lakhs
Receivables	USD	9,01,363	583.27	11,38,504	733.95	11,00,876	722.17
	EUR	1,500	1.21	-	-	-	-
Payable towards borrowings	USD	-	-	-	-	12,500	8.20
Payable to creditors	USD	3,54,529	229.42	4,74,232	305.69	5,71,374	374.82

Note 28: Lease Rent

Operating Lease

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

₹ in Lakh

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Not Later than one year	60.37	37.73
Later than one year and not later than five year	218.81	25.65
Later than five years	19.00	25.21
Future Minimum lease rental under non-cancellable operating leases	298.18	88.59
Lease Payment recognised in Statement of Profit and Loss	111.06	107.81

Notes to the Financial Statements

Note 29: Income Tax

The major component of income tax expense for the year ended March 31, 2018

₹ in Lakh

Particulars	2017-2018	2016-2017
Statement of Profit and Loss		
Current Tax		
Current income tax	344.85	201.97
Short provision related to earlier years	251.67	236.45
Deferred Tax		
Deferred tax expenses	72.46	22.33
Income tax expense reported in the statement of profit and loss	668.98	460.75

OCI Section

₹ in Lakh

Particulars	2017-2018	2016-2017
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(4.69)	(23.03)
Net (gain) / loss on FVOCI Equity Instrument	1.42	1.11
Deferred tax charged to OCI	(3.27)	(21.92)

A) Current tax

₹ in Lakh

Particulars	2017-2018	2016-2017
Accounting profit before tax from continuing operations	796.42	(1,362.00)
Tax @ 26% (March 31, 2017: 30.90%)	207.07	(420.86)
Adjustment		
Accelerated depreciation for tax purposes	(6.64)	(44.57)
Expenditure allowable on payment basis	(25.24)	351.48
Other Adjustments	493.79	574.70
At the effective income tax rate of 84.00% (March 31, 2017 : -33.83%)	668.98	460.75

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

B) Deferred tax

₹ in Lakh

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(262.84)	(323.70)	(383.00)	60.86	59.30
Expenditure allowable on payment basis	360.08	426.34	453.78	(66.26)	(27.44)
Unused losses of earlier years	330.92	393.29	424.45	(62.37)	(31.16)
Impact of Fair Valuation of equity instruments	(16.56)	(15.14)	(14.03)	(1.42)	(1.11)
Deferred tax (expense)/income				(69.19)	(0.41)
Net deferred tax Assets/(Liabilities)	674.44	804.49	864.20		
Reflected in the balance sheet as follows					
Deferred tax Assets	691.00	819.63	878.23		
Deferred tax liabilities	(279.40)	(338.84)	(397.03)		
Deferred tax Assets/(Liabilities) (net)	411.60	480.79	481.20		

Notes to the Financial Statements

Reconciliation of deferred tax assets / (liabilities), net

₹ in Lakh

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	480.79	481.20
Tax income/(expense) during the period recognised in profit or loss	(72.46)	(22.33)
Tax income/(expense) during the period recognised in OCI	3.27	21.92
Closing balance as at March 31	411.60	480.79

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

Note 30: Earning Per Share (EPS)

₹ in Lakh
unless otherwise stated

Particulars	2017-2018	2016-2017
Profit/(Loss) attributable to ordinary equity holders	127.44	(1,822.75)
Total no. of equity shares at the end of the year	7,66,33,296	7,66,33,296
Weighted average number of equity shares		
For basic EPS	7,66,33,296	7,66,33,296
For diluted EPS	7,66,33,296	7,66,33,296
Nominal value of equity shares (Rs.)	10	10
Basic and Diluted earning per share (Rs.)	0.17	(2.38)
Weighted average number of equity shares		
Weighted average number of equity shares for basic/diluted EPS	7,66,33,296	7,66,33,296

Note 31 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs. 147.00 Lakhs (March 31, 2017: Rs. 144.19 Lakhs) is recognised as expenses and included in Note No.21 "Employee benefit expense"

₹ in Lakh

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Provident Fund	65.15	65.53
Pension Fund	55.91	54.78
Superannuation Fund	25.94	23.88
Total	147.00	144.19

B. Defined benefit plans:

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

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan for 2 subsidiaries only which are administered by Trust/LIC and the Company makes contributions to recognised Trust/LIC.

Notes to the Financial Statements

	Gratuity cost charged to statement of profit and loss						Remeasurement gains/(losses) in other comprehensive income						₹ in Lakh
	April 1, 2017	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018	
March 31, 2018 : Changes in defined benefit obligation and plan assets													
Defined benefit obligation	874.64	29.01	61.37	90.38	(170.83)	(2.56)	-	(2.83)	25.56	18.46	-	812.65	
Fair value of plan assets	(250.81)	-	(18.54)	(18.54)	100.45	(1.11)	-	-	-	(1.11)	(108.19)	(278.20)	
Benefit liability	623.83	29.01	42.83	71.84	(70.38)	(3.67)	-	(2.83)	25.56	17.35	(108.19)	534.45	
March 31, 2017 : Changes in defined benefit obligation and plan assets													
Defined benefit obligation	895.65	28.63	69.17	97.80	(194.42)	-	-	18.72	56.89	75.61	-	874.64	
Fair value of plan assets	(161.82)	-	(12.89)	(12.89)	77.73	(1.88)	-	-	-	(1.88)	(151.95)	(250.81)	
Benefit liability	733.83	28.63	56.28	84.91	(116.69)	(1.88)	-	18.72	56.89	73.73	(151.95)	623.83	

Notes to the Financial Statements

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

Particulars	Year ended March 31, 2018 (%) of total plan assets	Year ended March 31, 2017 (%) of total plan assets	Year ended April 1, 2016 (%) of total plan assets
Insurance Fund	99.70%	99.77%	99.50%
Others (including bank balances)	0.30%	0.23%	0.50%
(%) of total plan assets	100%	100.00%	100.00%

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 1, 2016
Discount rate	0.08	0.07	0.08
Future salary increase	0.04	0.04	0.04
Expected rate of return on plan assets	0.08	0.07	0.08
Attrition rate	0.02	0.02	0.02
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.	N.A.

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

₹ in Lakh

Particulars	Sensitivity level	increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	1% increase	(6.51)	(8.61)
	1% decrease	6.85	9.07
Salary increase	1% increase	6.99	9.24
	1% decrease	(6.77)	(8.92)
Attrition rate	1% increase	0.64	0.77
	1% decrease	(0.66)	(0.81)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Within the next 12 months (next annual reporting period)	263.56	211.35
2 to 5 years	442.44	514.96
Beyond 5 years	244.51	282.53
Total expected payments	950.51	1,008.84

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	Years	Years
Gratuity	3	3

Notes to the Financial Statements

C. Other Long term employee benefit plans

Leave encashment

Amount of Rs. 65.74 Lakhs (March 31, 2017: Rs. 73.74 Lakhs) is recognised as expenses and included in Note No. 21 "Employee benefit expense".

Note 32 : Disclosure pursuant to Related Party

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

a Name of Related Parties and Nature of Relationship :

Joint Ventures

1	Vovantis Laboratories Private Limited	
2	Cosara Diagnostics Private Limited	w.e.f June 28, 2017

Associate

1	Haryana Containers Limited	w.e.f January 08, 2018
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Key Management Personnel

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

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

b. Disclosure in respect of Related Party Transactions :

₹ in Lakh

Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Goods		
Vovantis Laboratories Private Limited	316.07	426.82
Sale of Product		
Vovantis Laboratories Private Limited	-	1.34
Intercompany Deposit Given		
Vovantis Laboratories Private Limited	2.00	-
Intercompany Deposit Received		
Vovantis Laboratories Private Limited	13.20	-
Haryana Containers Limited	2.00	-
Rent Income		
Vovantis Laboratories Private Limited	2.54	11.74
Rendering of services		
Vovantis Laboratories Private Limited	24.21	25.40
Receiving of Services		
Vovantis Laboratories Private Limited	-	2.64
Investment		
Cosara Diagnostics Private Limited	38.85	-
Remuneration		
Mr. Kartikeya V Sarabhai	23.83	21.83
Mr. A. H. Parekh	24.00	19.14
Ms. Chaula Shastri	18.34	14.66
Mr. K Mohandas	45.99	42.51

Notes to the Financial Statements

₹ in Lakh

c. Transactions and Balances :

Particulars	Joint Venture		Associate		Key Management Personnel (KMP)	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Transactions						
Purchase of Goods/Services	316.07	426.82	-	-	-	-
Sale of Product	-	1.34	-	-	-	-
Intercompany Deposit given	2.00	-	-	-	-	-
Intercompany Deposit received	13.20	-	2.00	-	-	-
Rent income	2.54	11.74	-	-	-	-
Rendering of services	24.21	25.40	-	-	-	-
Remuneration to KMP	-	-	-	-	112.16	98.14
Receiving of services	-	2.64	-	-	-	-
Loans given	-	98.26	-	-	-	-
Investment	38.85	-	-	-	-	-

Particulars	Joint Venture		Associate		Key Management Personnel (KMP)	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Balances as at year end						
Receivable in respect of Current assets	123.46	0.40	8.73	767.65	-	-
Payable in respect of Current Liabilities	247.92	184.16	21.75	13.20	-	32.00

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

Notes to the Financial Statements

d Terms and conditions of transactions with related parties

- 1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

Note 33: Segment Reporting

"Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in" the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief "Operating Decision Maker ("CODM") of the Group. The Group's business activity falls within Pharmaceuticals and" Electronics Segment.

(A) Summary of segment information as at and for the year ended March 31, 2018 and March 31, 2017 is as follows:

₹ in Lakh		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
a) Pharmaceuticals	5,539.68	6,687.00
b) Electronics	7,022.00	6,947.34
Total Sales	12,561.68	13,634.34
Less :Inter Segment Revenue	-	-
Net Sales	12,561.68	13,634.34
Segment Results		
Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	247.20	(1,514.81)
b) Electronics	885.12	624.07
Total Segment Results	1,132.32	(890.74)
Less : Interest & Finance Cost	335.90	471.26
Profit from Ordinary Activities	796.42	(1,362.00)
Extra Ordinary Items (Net)	-	-
Profit before Tax	796.42	(1,362.00)
Other Information		
Segment Assets		
a) Pharmaceuticals	15,874.94	12,619.16
b) Electronics	4,150.44	3,743.29
Total Assets	20,025.38	16,362.45

Notes to the Financial Statements

(Cont...)

₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Liabilities		
a) Pharmaceuticals	11,968.64	8,464.32
b) Electronics	1,258.91	1,337.39
Total Liabilities	13,227.55	9,801.71
Segment Depreciation/Impairment		
a) Pharmaceuticals	177.25	393.56
b) Electronics	34.94	33.69
Total Depreciation/Impairment	212.19	427.25
Capital Expenditure (Refer note (a))		
a) Pharmaceuticals	1,112.38	475.08
b) Electronics	46.17	32.08
Total Capital Expenditure	1,158.55	507.16
Non cash expenses other than Depreciation		
a) Pharmaceuticals	0.17	896.32
b) Electronics	15.96	94.61
Total Non cash expenses other than Depreciation	16.13	990.93

b. Summary of Segment Revenue and Segment Assets

₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue*		
(a) In India	9,724.41	10,044.17
(b) Rest of the world	2,837.27	3,590.17
Total	12,561.68	13,634.34
Carrying Cost of Assets by Location of assets@		
(a) In India	19,440.90	15,628.50
(b) Rest of the world	584.48	733.95
Total	20,025.38	16,362.45
Carrying Cost of Segment Non Current Assets#		
(a) In India	7,296.17	7,605.77
(b) Rest of the world	-	-
Total	7,296.17	7,605.77

* Based on location of Customers

@ Based on location of Assets

Excluding Financial Assets and deferred tax asset.

Notes to the Financial Statements

Note 34 : Fair value disclosures for financial assets and financial liabilities

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

₹ in Lakh

Particulars	Carrying amount			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets						
Investments measured at fair value through OCI	99.32	102.84	98.65	99.32	102.84	98.65
Total	99.32	102.84	98.65	99.32	102.84	98.65
Financial liabilities						
Borrowings	4321.73	4191.33	4378.06	4321.73	4191.33	4378.06
Total	4321.73	4191.33	4378.06	4321.73	4191.33	4378.06

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

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

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

Notes to the Financial Statements

Note 35 : Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018, March 31, 2017 and April 1, 2016

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2018					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2018	99.32	-	-	99.32
Investment in Equity shares, unquoted					
As at March 31, 2017					
Assets measured at fair value					
Fair value through Other Comprehensive Income	March 31, 2017	102.84	-	-	102.84
Investment in Equity shares, unquoted					
As at April 01, 2016					
Assets measured at fair value					
Fair value through Other Comprehensive Income	April 01, 2016	98.65	-	-	98.65
Investment in Equity shares, unquoted					

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016

₹ in Lakh

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	March 31, 2018	4,321.73	-	2,431.38	1,890.35
As at March 31, 2017					
Liabilities disclosed at fair value					
Borrowings	March 31, 2017	4,191.33	-	1,651.65	2,539.68
As at April 1, 2016					
Liabilities disclosed at fair value					
Borrowings	April 01, 2016	4,378.06	-	1,351.36	3,026.70

Notes to the Financial Statements

Note 36 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50 basis point of the interest rate yield curves in all the currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018, March 31, 2017 and April 1, 2016.- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges as at March 31, 2018, March 31, 2017 and April 1, 2016 for the effects of the assumed changes of the underlying risk

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Notes to the Financial Statements

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Rs. in Lakh
March 31, 2018		
Increase in 50 basis points	USD	21.61
Decrease in 50 basis points	USD	(21.61)
March 31, 2017		
Increase in 50 basis points	USD	20.96
Decrease in 50 basis points	USD	(20.96)
April 01, 2016		
Increase in 50 basis points	USD	21.89
Decrease in 50 basis points	USD	(21.89)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Group may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the Group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no.27

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

Notes to the Financial Statements

₹ in Lakh

Particulars	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+2%	7.08	7.08
	-2%	(7.08)	(7.08)
March 31, 2017	+2%	8.57	8.57
	-2%	(8.57)	(8.57)
April 1, 2016	+2%	6.78	6.78
	-2%	(6.78)	(6.78)

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

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

₹ in Lakh

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
As at March 31, 2018					
Interest bearing borrowings	3034.24	71.33	204.10	665.43	346.63
Trade payables	-	1839.72	2066.93	-	-
Other financial liabilities	1971.22	332.81	-	-	-
	5005.46	2243.86	2271.03	665.43	346.63
As at March 31, 2017					
Interest bearing borrowings	3,414.20	203.08	96.59	299.21	178.25
Trade payables	-	1836.65	1077.64	-	-
Other financial liabilities	1936.74	155.68	33.52	-	-
	5350.94	2195.41	1207.75	299.21	178.25
As at April 1, 2016					
Interest bearing borrowings	3584.08	218.85	132.01	237.67	205.45
Trade payables	-	1709.29	1,156.07	-	-
Other financial liabilities	2747.55	247.98	22.19	-	-
	6131.63	2176.12	1310.27	237.67	205.45

Notes to the Financial Statements

Note 37 : Capital management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

₹ in Lakh

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Interest-bearing loans and borrowings (Note 13 a)	4,321.73	4,191.33	4,378.06
Less: cash and cash equivalent (including other bank balance) (Note 7 c)	2,207.25	1,671.08	1,657.66
Net debt	2,114.48	2,520.25	2,720.40
Equity share capital (Note 11)	7,663.33	7,663.33	7,663.33
Other equity (Note 12)	(5,010.92)	(5,150.41)	(3,277.09)
Total capital	2,652.41	2,512.92	4,386.24
Capital and net debt	4,766.89	5,033.17	7,106.64
Gearing ratio	44.36%	50.07%	38.28%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017 and April 1, 2016.

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the required financial covenants through out the reporting periods.

Note 38 : First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2017.

Notes to the Financial Statements

A. Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Ind AS optional exemptions

1. Deemed cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its carrying value as on April 1, 2016 and use that carrying value as deemed cost on that date. This exemption has also been elected for Intangible Assets. Accordingly, on transition to Ind AS, the Group has elected to measure all items of property, plant and equipment and Intangible assets at deemed cost.

2. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption.

Ind AS mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 and March 31, 2017 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

1. Investment in equity instruments carried at FVOCI

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

1. Reconciliation of equity as at March 31, 2017 & April 1, 2016

₹ in Lakh

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP		1,952.70	3,873.19
Impact of fair valuation of Financial Instruments	v	(36.41)	41.79
Other adjustments	ii	153.20	52.73
Tax impact on Ind AS adjustments	iii	447.70	460.32
Equity as per Ind AS		2,517.19	4,428.03

2. Reconciliation of total comprehensive income for the year ended March 31, 2017

₹ in Lakh

Particulars	Notes	2016-2017
Profit after tax as per previous GAAP		(1,920.59)
Reclassification of Re-measurement gains / (losses) on defined benefit plans to Other comprehensive income	i	73.73
Other adjustments	ii	1.78
Tax impacts on Ind AS adjustments	iii	22.33
Profit after tax as per Ind AS		(1,822.75)
Other comprehensive income (net of tax)	iv	
Fair valuation impact on investment through FVOCI (net of tax)		(37.52)
Re-measurement gains / (losses) on defined benefit plans (net of tax)		(50.70)
Total Comprehensive Income under Ind AS (net of tax)		(1,910.97)

Notes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017**i. Re-measurement gain / loss on defined benefit plan**

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2017.

ii. Other Adjustments

Other adjustments includes adjustments due to the GAAP differences related to recognition and measurement of employee benefits, financial charges etc.

iii. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

iv. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments, effective portion of gains / losses on cash flow hedging instruments and re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

v. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

vi. Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

vii. Classification & Presentation**Excise duty**

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by Rs. 89.01 Lakhs with a corresponding increase in other expense.

viii. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss a

Note 39: Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant

Notes to the Financial Statements

Note 40: Change in Controlling Nontrolling Interests

- I. During the year ended March 31, 2018, pursuant to Share subscription and shareholders agreement, Haryana Containers Limited, erstwhile wholly owned subsidiary of the Company has issued equity shares outside the group, resulting in loss of control in the subsidiary. Investment in the Company is now accounted as per the Equity method as per INDAS 28.
- II. Following investments were made by the Group during the year to acquire control over below investee entities:
- | | |
|------------------------|----------------------------|
| Name of the investee | Cosara Diagnostics Limited |
| Date of acquisition | June 28, 2017 |
| Voting rights acquired | 49.36% |
| Consideration Paid | Rs. 38.85 lakhs |

Note 41 : Interest in Other Entities

- I. The Consolidated Financial Statements present the Consolidated Accounts of Ambalal Sarabhai Enterprises Limited with its Subsidiaries, Joint Ventures (and its subsidiaries and joint ventures).

₹ in Lakh

Sr. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest	
				As at March 31, 2018	As at March 31, 2017
Subsidiaries					
1	Synbiotics Limited	India	Pharmaceuticals	100%	100%
2	Asence Inc. USA	USA	Pharmaceuticals	100%	100%
3	Sarabhai M. Chemicals Limited	India	Pharmaceuticals	100%	100%
4	Systronics (India) Limited	India	Electronics	100%	100%
5	Suvik Hitek Pvt. Ltd.	India	Pharmaceuticals	100%	100%
6	Swetsri Investment Pvt. Ltd	India	Investment	100%	100%
7	Sarabhai Chemicals (India) Pvt. Ltd.	India	Pharmaceuticals	98.99%	98.99%
8	Asence Pharma Private Limited	India	Pharmaceuticals	99.98%	99.98%
9	Haryana Containers Limited*		Investment	-	100%
Associates					
1	Haryana Containers Limited*	India	Investment	45.45%	-
Joint Ventures					
1	Vovantis Laboratories Limited	India	Pharmaceuticals	31.11%	31.11%
2	Cosara Diagnostics Limited**	India	Pharmaceuticals	49.36%	NA

* Refer Note 40 (I)

** Refer Note 40 (II)

(2) Material - party owned subsidiaries

INDAS 112.12 requires the disclosure of financial information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e. the Group). A subsidiary may have significant non-controlling interest per se but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually.

The Group does not have any subsidiaries that have non-controlling interests that are material to the Group.

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

₹ in Lakh

Particulars		As at 31 March, 2018	As at 31 March, 2017
1	Contingent liability in respect of guarantee given by bank	-	-
2	Disputed demand in respect of :		
	Income Tax	-	-
	Indirect taxes	-	-
3	Claims against the companies not acknowledged as debts	-	-
4	Capital commitments		
	Estimated amount of contracts remaining to be executed on capital account	-	-

Notes to the Financial Statements

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

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

Notes to the Financial Statements

2016-17								
Name of the Entities	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees	As a % of Consolidation net assets	Rupees
Parent :								
Ambalal Sarabhai Enterprises Limited	106%	2,669.07	126%	(2,305.25)	29%	(25.44)	122%	(2,330.69)
Subsidiaries :								
Systronics (I) Limited	28%	713.41	(29%)	536.70	69%	(60.99)	(25%)	475.71
Synbiotics Limited	(70%)	(1,761.01)	59%	(1,078.39)	(3%)	2.30	56%	(1,076.09)
Asence Pharma Private Limited	76%	1,924.95	(68%)	1,244.50	4%	(3.33)	(65%)	1,241.17
Sarabhai Chemicals (I) Pvt Ltd	(17%)	(424.50)	7%	(130.28)	0%	-	7%	(130.28)
Swetsri Investment Private Limited	0%	0.88	(0%)	0.39	0%	-	(0%)	0.39
Asence Inc	(0%)	(4.50)	4%	(73.11)	0%	-	4%	(73.11)
Haryana Containers Limited	(1%)	(32.85)	0%	(1.49)	0%	-	0%	(1.49)
Sub Total	100%	2,517.19	100%	(1,822.62)	100%	(88.22)	100%	(1,910.84)
Inter Company Eliminations and Consolidations	-	-	-	-	-	-	-	-
Total	100%	2,517.19	100%	(1,822.62)	100%	(88.22)	100%	(1,910.84)
Non Controlling Interest in Subsidiaries	(0%)	(0.03)	0%	(0.13)	0%	-	0%	(0.13)
Grand Total	100%	2,517.16	100%	(1,822.75)	100%	(88.22)	100%	(1,910.97)

Note 43 : Regrouped, Recast, Reclassified

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

ase**Ambalal Sarabhai Enterprises Limited**

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

CIN No. : L52100GJ1978PLC003159

**PROXY FORM
MGT-11**

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

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

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

or failing him

Name :	
Address :	
E-mail id :	
Signature :	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on 27.09.2018 at 11.00 a.m. at Auditorium of Ahmedabad Textile Mills Association Ashram Road, Ahmedabad, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
1	Adoption of Annual Accounts for the year ended 31-3-2018
2	Re-appointment of Mr. K. Mohandas, who retires by rotation.
3	Re-appointment of Mr. A. H. Parekh, as a Whole-time Director
4	Re-appointment of Miss. Chaula Shastri, as a Whole-time Director
5	Re-appointment of Mr. Kartikeya V. Sarabhai, as a Whole-time Director
6	Re-appointment of Mr. Ashwin P. Hathi, as an Independent Director
7	Re-appointment of Mr. Chandrashekhar Bohra, as an Independent Director
8	Re-appointment of Mr. Govinddas Zalani,, as an Independent Director

Signed this _____ day of _____ 2018

Signature of shareholder : _____

Signature of Proxy holders : _____

Affix
Rupee 1
Revenue
Stamp
here

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



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

ATTENDANCE SLIP

Annual General Meeting
to be held on
Thursday, 27th September, 2018 at 11.00 a.m.
at
Auditorium of Ahmedabad Textile Mills' Association
Ashram Road, Navrangpura, Ahmedabad-380 009

DP Id*	
Client Id*	

No. of Shares	
Folio No.	

Name of Shareholder/Proxy Holder

Signature

*Applicable for investors holding shares in electronic form.

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

Book-Post

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