



Ambalal Sarabhai Enterprises Limited

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

Ref. No. : 6th October, 2017

Date :

To

Corporate relations deptt

B S E Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400 001

Dear Sir

Scrip code: 500009

Sub: Submission of Annual report as per Regulation 34 of SEBI(LODR) Regulations, 2015

We herewith submit Annual Report of our company for the year ended 31st March, 2017 as approved and adopted by the members of the Company at the Annual General Meeting of the company held on 29th September, 2017.

Please take the same on your record.

Yours faithfully

For Ambalal Sarabhai Enterprises Ltd



Company Secretary

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Ambalal Sarabhai Enterprises Limited

**39th Annual Report
2016-17**

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

Company Secretary
Mr. Ketan Adhvaryu

Auditors

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

Registered Office :

Shanti Sadan
Mirzapur Road,
Ahmedabad-380 001

INDEX

Notice - - - - -	02
Directors' Report and its Annexure - - - - -	05
Auditor's Report - - - - -	25
Balance Sheet - - - - -	29
Statement of Profit and Loss - - - - -	30
Notes to the Accounts - - - - -	31
Cash Flow Statement - - - - -	44
Statement regarding Subsidiaries Form AOC-1 - - - - -	45
Consolidated Auditors Report - - - - -	47
Consolidated Financial Statements - - - - -	51
Consolidated Cash Flow Statement - - - - -	66

Notice

Notice is hereby given that the Thirty-Ninth Annual General Meeting of the Company will be held on Friday, the 29th September, 2017 at 10.30 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, 2017, together with reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Anil H Parekh (DIN-00312504) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution:

“Resolved that pursuant to provisions of section 139 of the Companies Act, 2013, and rules made thereunder, M/s. Khandhar & Associates, Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of 44th Annual General Meeting to be held in the year 2022 (subject to ratification of their appointment at every AGM) on such remuneration (including out of pocket expenses) as may be decided by the Board of Directors in mutual consultation with the said Auditors.”

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

Date : 10.8.2017

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 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 26-9-2017 to 29-9-2017 (both days inclusive)
3. All the documents referred to in the Notice 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 ketanadhvayu@sarabhai.co.in or to our Registrar at mcsltbaroda@gmail.com.

Voting through electronic means:

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September 2017 at 10.00 a.m. and ends on 28th September 2017 at 5.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical form should enter folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat form and Physical form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as Physical shareholders.) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company Depository Participant are requested to use the sequence number in the PAN Field. The Sequence Number is printed on-address slip
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with depository or company please enter the member id/folio number in the dividend bank details.

(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 "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option No implies that you dissent to the Resolution.

(xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote.

Click on "OK", else to change your vote, click on 'CANCEL' and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.

(xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on forgot password and enter the details as prompted by the system.

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 Corporate
- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

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

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

- The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- CS Ajay Parikh & Associates, Practising Company Secretary (Membership No: FCS 6075; CP No:6503, C-4, Yashpal Apartment-2, Nr. Vijay Cross Roads, Navrangpura, Ahmedabad-380 009 has been appointed Scrutinizer to scrutinize the e-voting Process.
- The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the

votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forthwith to the Chairman of the Company.

- iv. The Results shall be declared within 3 days of the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL <https://www.evotingindia.co.in> and communicated to the BSE Limited, where the shares of the company are listed.
- 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: L52100GJ1978PLC0003159

E-mail ID: ketanadhvaryu@sarabhai.co.in
Registrar and Transfer Agent : MCS share Transfer Agent Limited

e-Voting Agency : Central Depository Services (India) Limited

E-mail ID: helpdesk.evoting@cdslindia.com,
Scrutinizer : CS Ajay Parikh & Associates, Practising Company Secretary

E-mail; ID : ajay_ajay21@yahoo.com

Details of the Directors Seeking Reappointment at the 39th Annual General Meeting

Name of the Director	Anil H. Parekh
Date of Birth	18-10-1948
Date of Appointment	04-05-2005
Qualification	M. Pharm
Experience	Experience of Pharma Production Facilities of more than 4 decades
List of other Directorships	Vovantis Laboratories Pvt. Ltd. Suvik Hitek Pvt. Ltd.
Chairman / Membership of Committees of Board of Directors	NIL
Share Holding in Company	NIL

Directors' Report

To

The Shareholders

The Directors hereby present their 39th Annual Report together with the Audited Statements of Accounts of the Company for the year ended March 31, 2017.

	(Rs.lakh)	
	2016-17	2015-2016
(Consolidated accounts)		
Turnover (Net)	14246	13523
Other Income	606	9508
Total Income	14625	22705
Financial Cost	486	410
Depreciation	447	1654
Profit/Loss before		
Extra Ordinary Income	(1445)	6174
Net Profit/(Loss) before taxation	(1445)	6174
Net Profit (Loss)	(1874)	4814

Your directors regret their inability to recommend payment of any dividend in view of carried forward loss till the year.

Consolidated Results :

The Company has 9 wholly Subsidiaries and a joint venture company. These companies operate in the pharmaceutical and Electronics sectors. The turnover (Net) from operations for the year 2016-17 was Rs. 14,246 lakhs showing an increase of approximately 5.5%.

Sarabhai Chemicals (India) Pvt. Ltd.

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

Asence Group

Asence, 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 Pharma Pvt. Ltd. a wholly owned subsidiary of Asence Inc. is concentrating on its exports business along with its domestic sales and setting up a NEW finished dosage manufacturing plant.

Vovantis Laboratories Pvt. Ltd.

Vovantis is a USFDA inspected effervescent product

manufacturing company with increased focus in USA and European markets.

Suvik Hitek Pvt. Ltd.

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

Synbiotics Limited

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

Systronics (Inda)Limited

It has two divisions Systronics & Telerad.

SYSTRONICS, is a leading manufacturer of Analytical and Test & Measuring instruments.

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

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 nine wholly owned subsidiaries and one joint venture company. Their performance is integrated in the consolidated accounts.

Consolidated Financial Statement:

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

Directors and Key managerial Personnel:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. A H Parekh, who retires by rotation and being eligible, offers himself for re-appointment.

Mr. B.V. Suryakumar, Independent director resigned in the current financial year due to his other preoccupations. There is no change in Key Managerial Personnel of the company.

Declaration by Independent Directors:

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

Annual Evaluation :

The Board of Directors has carried out an Annual Evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange 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 committee meetings, etc.

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

Particulars of Loans, Guarantees or Investments :

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

Related Party Transactions :

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

During the year 2016-17, pursuant to section 177 of the Companies Act,2013 and SEBI(LODR) Regulations

,2015 all RPTs were placed before Audit Committee for its prior/omnibus approval.

Material Changes and Commitments :

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

Number of Meetings of the Board :

There were 5 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 directors appointment and remuneration and other matters provided in Section178(3) of the Act has been followed by Nomination and Remuneration Committee while recommending appointment of Directors or Key Managerial Personnel. They have fixed criteria for appointment of directors and key Managerial Persons. Every year their performance is evaluated by the committee and accordingly suitable recommendation is made.

Internal Financial control systems and their adequacy :

The company has an Internal control System commensurate with size, scale and complexity of its operations. During the year the company got its Internal Audit done through its own Internal Audit Department. This department works according to policies and rules framed to monitor and control Financial transactions within the company. The Company has already appointed an Internal Auditor during the current year.

Audit Committee :

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

Auditors' Report and Secretarial Auditors' Report :

Auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an annexure which forms

part of this report. Regarding appointment of CFO, the Company is in the process of selecting a suitable person for the post of CFO. It is expected that CFO will be appointed soon by the company. The Company has already appointed Internal Auditors in current financial year.

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:

The company was incurring losses for last many years, however due to income from sale of land, the company had shown profit of about Rs 45.00 crores for the last financial year of 2015-16. Since the profit is achieved due to sale of assets and not from business activities, the same shall not be calculated under provisions of section 198 of the companies Act 2013, as income for the purpose of this section. Hence company is not required to spend on CSR activities. Although the Company has adopted a Corporate Social Responsibility Policy and set up a committee of following directors to frame an appropriate policy to decide the programmes/activities to be undertaken by the company towards its Corporate Social Responsibility

Mr. Kartikeya Sarabhai - Chairman

Mr Anil H. Parekh - Member

Mr Ashwin Hathi - Member

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 Managerial Personnel) Rules, 2014 will be provided upon request in terms of section 136 of the Act, the reports and accounts are being sent to the members and others excluding the information on employees' particulars, which is available for inspection by members at the registered office of the company during 11.00 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 orders passed by any regulators or courts during the financial year.

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

No Wholtime 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 Wokplace (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 Directors have selected such accounting policies and applied them consistently and made judgments 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, 2017.
- (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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.
- (v) That the directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.
- (vi) That the Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and the systems are adequate and operating effectively.

Insurance:

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

Statutory Auditors:

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the existing Auditors M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, (Reg.No. 110417W) shall vacate their office from the conclusion of this Annual General Meeting. M/s. Khandhar & Associates, Chartered Accountants, Ahmedabad, are appointed as Auditors by the Board and recommended for approval of shareholders at the forthcoming Annual General Meeting to hold office until the conclusion of the 44th Annual General Meeting.

Acknowledgement :

Your Directors would like to take this opportunity to express their deep sense of gratitude to the banks,

Government Authorities, Customers and Shareholders for their continuous guidance and support. Further, they would also like to place on record their sincere appreciation for the dedication and hard work put in by one and all members of Sarabhai Pariwar including workers.

For and on behalf of the Board
Date : 10.8.2017 Kartikeya V. Sarabhai
Place : Ahmedabad Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of additional particulars as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forming part of the Director's report for the year ended 31st March 2017.

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

- ii) Total foreign exchange earned and used

	Rs. Lakh
Foreign exchange earned	--
Foreign exchange used	5.37

ANNEXURE TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2016-17

I) Corporate Governance Philosophy:

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

a) Composition of the Board:

The Company's Board at present has 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 Directorships and the Committee position held by them in other public limited companies are given below:

Name of Director	Category / Designation	No. of Directorships held in other Public Ltd. companies	No. of Committee Memberships in other companies
Kartikeya V. Sarabhai	Chairman and Whole-time Director	—	—
Govind Das Zalani	Non-Executive/ Independent	—	—
K. Mohandas	Non-Executive	1	—
Anil H. Parekh	Whole-time Director & President (Formulations)	—	—
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 5 times on the following dates during the financial year 2016-2017 and the maximum time gap between the two meetings did not exceed 120 days.

31.5.2016	14.11.2016
12.8.2016	9.2.2017
29.9.2016	

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 2016-17 and at the last Annual General Meeting held on 29-9-2016 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	5	5	—	Yes	30.07.1992
B.V. Suryakumar*	5	4	45,000	-	18.05.2000
Govind Das Zalani	5	3	35,000	Yes	01.04.1996
K. Mohandas	5	4	—	Yes	03.03.2011
Anil H. Parekh	5	4	—	Yes	04.05.2005
Ashwin P. Hathi	5	3	40,000	Yes	24.06.2010
Chaula Shastri	5	5	—	Yes.	16.10.2012
Chandrashekhar Bohra	5	2	15,000	Yes	13.6.2013

*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) Regulations, 2015, with regard to composition of Audit Committee. The details of

attendance of Audit committee Meetings held during the financial year 2016-2017 are as under:

Name of Director	Status	No. of Meetings held	No. of Meetings attended
B.V. Suryakumar*	Chairman	4	3
Govind Das Zalani	Member	4	2
Ashwin P. Hathi	Member	4	3
K. Mohandas	Member	4	3

*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 2016-2017 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 2016-2017 are as under:

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

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

Independent Directors Meeting:

The details of attendance of Independent Directors Meeting held during the Financial year 2016-17 is as under:

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

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

Details of Remuneration of Directors (2016-17):

Name of Director	Salary & perquisites	Sitting Fees	Total
Kartikeya V. Sarabhai	21,82,552.00	-----	21,82,552.00
Anil H Parekh	19,14,256.00	-----	19,14,256.00
Chaula Shastri	14,66,791.00	-----	14,66,791.00
B V Suryakumar*	-----	45,000.00	45,000.00
Govind Das Zalani	-----	35,000.00	35,000.00
Ashwin P. Hathi	-----	40,000.00	40,000.00
Chandrashekhar Bohra	-----	15,000.00	15,000.00
K Mohandas	-----	-----	-----

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

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:

The company is committed to creating a healthy and conducive working environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment. Pursuant to provisions of "The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules made 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 and 2015 were held at Prof. C. C. Mehta Auditorium, General Education Centre, The Maharaja Sayajirao University of Baroda,

Vadodara and Last Annual General Meeting of the Company was held on The Auditorium of Ahmedabad Textile Mills Association(ATMA) , OPP: Citigold Cinema, Ashram Road, Ahmedabad on the following dates and time:

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

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 Act, 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 2017. 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 has tried to comply with the provisions of Stock Exchange / SEBI / Statutory Authorities on all matters related to Capital Markets. There was no non-compliance during the year 2016-17 by the Company on any matter related to Capital Markets.
- 4) **Means of Communications:**
 - a) Quarterly /Half yearly Financial Results of the Company are being 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 39th Annual General Meeting. Friday, 29th September, 2017 at 10.30 a.m. at ‘ATMA’ Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380 009
- 3 Financial Calendar From 1st April 2016 to 31st March 2017
- 4 Book Closure dates From 26.09.2017 to 29.09.2017 (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-2016	11.15	6.00	26100.54	24523.20
May-2016	10.88	8.44	26837.20	25057.93
June-2016	9.10	6.75	27105.41	25911.33
July-2016	8.49	6.13	28240.20	27034.14
August-2016	8.34	6.01	28532.25	27627.97
September-2016	7.00	6.00	29077.28	27716.78
October-2016	8.60	6.44	28477.65	27488.30
November-2016	10.33	7.01	28029.80	26717.93
December-2016	8.95	6.31	26803.76	25753.74
January-2017	10.40	7.00	27980.39	27477.06
February-2017	9.90	8.51	29065.31	27590.10
March-2017	15.49	8.83	29824.62	28716.21

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 already 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 transfers are registered upon approval by the Share Transfer Committee of Directors, the meetings of which Committee of Directors are generally held at regular intervals of about 15 /20 days. Thereafter, duly transferred share certificates are dispatched to the respective shareholders.

Total shares transferred during financial year 2016-17	11994
Total Transfer Deeds received and processed during financial year 2016-17	96
Total No. of shares(s) Demated as on 31st March 2017	6,20,97,501
% of total Equity shares in Demat as on 31st March 2017	81.03%

IX) Distribution of Shareholding - as on 31st March, 2017:

Category	No. of Shares	%
Promoters	23561244	30.75
FII/NRI	396358	0.52
Public Financial Institutions & Nationalized Banks	4912	0.01
Mutual Funds/UTI	-	-
Bodies Corporate	18510876	24.15
Indian Public	34159906	44.58
Total	76633296	100.00

X) Distribution of Shareholding as on 31st March, 2017 (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	155110	93.4330	11180528	14.5896
501 to 1000	7132	4.2961	5448004	7.1092
1001 to 2000	2219	1.3367	3280387	4.2806
2001 To 3000	475	.2861	1210741	1.5799
3001 To 4000	229	.1379	824522	1.0759
4001 To 5000	216	.1301	1027803	1.3412
5001 To 10000	285	.1717	2130560	2.7802
Over 10000	346	0.2084	51530751	67.2433
Total.....	166012	100.00	76633296	100.00

XI) Dematerialization of Shares:

During the year under review, 63,111(0.08%) shares were dematerialized in National Securities Depository Ltd. and Central Depository Services (India) Ltd.

ISIN No. : INE432A01017

XII) Plant Locations:

Village Ranoli Dist: Vadodara

XIII) Address for Correspondence:

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

addressed to Mr. Ketan Adhvaryu, Company Secretary – Email- ketanadhvayu@sarabhai.co.in. The Company Secretary is designated by the Company as “Compliance Officer”

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, 2017, 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

Kartikeya V Sarabhai

10-8-2017

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, 2017 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 and on behalf of
Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417 W
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date : 10-08-2017
Place : Ahmedabad

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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, 2017 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, 2017 according to the provisions of:

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

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period)
- (d) The Securities and Exchange Board of India (Share based Employee benefit Regulation, 2014) (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;
 - During the year under review the Company has changed its Registrar and Share Transfer Agent from MCS Limited to MCS Share Transfer Agent Limited as per Company's letter addressed to CDSL & NSDL Dated 02.05.2016.
- (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 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:

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

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

I further report that

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

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

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

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

I further report that during the audit period, the following 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.,

1. In the year 2015-16 the Company announced to change its name from 'Ambalal Sarabhai Enterprises Limited' to 'Sarabhai Limited', as mentioned in the Annual Report, 2015-16 in the head Special Business as item No. 4. But afterwards the Company withdrawn the Resolution and gave us Explanation as below : "The Chairman of the Company with the permission of the members present during the Annual General Meeting decided not to move the Resolution and hence the Resolution for 'Change of Name' is withdrawn by the Company".

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

For, **Ajay Parikh & Associates**

Company Secretaries

Ajay M. Parikh

Place: Ahmedabad

Date: 10/08/2017

Proprietor

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 31/03/2017)

To, The Members,

Ambalal Sarabhai Enterprises Limited

Shanti Sadan, Mirzapur Road,

Ahmedabad -380001,

Gujarat.

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

1. Management’s Responsibility :

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

2. Secretarial Auditor’s Responsibility :

Secretarial Audit is a process of verification of records and documents on test basis. My

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

3. Conduct of Company’s affairs :

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

For, Ajay Parikh & Associates

Company Secretaries

Ajay M. Parikh

Proprietor

Place: Ahmedabad

Date: 10/08/2017

FCS: 6075 C P No.: 6503

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.3.2017

[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/s	% 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	99.99%	2(87)
4	Asence Inc.	---	Subsidiary	100%	2(87)
5	Asence Pharma Pvt. Ltd.	U24230GJ2004PTC045141	Subsidiary	100%	2(87)
6	Sarabhai M. Chemicals Ltd.	U50101GJ2000PLC039109	Subsidiary	100%	2(87)
7	Haryana Containers Ltd.	U25202GJ1970PLC037926	Subsidiary	100%	2(87)
8	Suvik Hitek Pvt Ltd.	U24231GJ1977PTC003036	Subsidiary	100%	2(87)
9	Swetsri Investments Pvt. Ltd.	U67120MH1986PTC41664	Subsidiary	100%	2(87)
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 1.4.2016				No. of Shares held at the end of the year 31.3.2017				% Charge during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(I) Indian									
a) Individual/HUF	335212		335212	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)	23561732		23561732	30.75	23561244	—	23561244	30.75	
(II) Foreign									
g) NRIs Individuals	—	—	—	—	—	—	—	—	
h) Other Individuals	—	—	—	—	—	—	—	—	
i) Bodies Corp	—	—	—	—	—	—	—	—	
j) Bank/FI	—	—	—	—	—	—	—	—	
k) Any Other	—	—	—	—	—	—	—	—	
Sub Total (A)(2)	—	—	—	—	—	—	—	—	
Total Shareholding Promoter (A)=(A)(1)+(A)(2)	23561732	—	23561732	30.75	23561244	—	23561244	30.75	
B. Public Shareholding.									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	
b) Banks/FI	1292	1420	2712	0.0034	1292	1420	2712	0.0034	
c) Central Govts	—	—	—	—	—	—	—	—	
d) State Govt(s)	—	—	—	—	—	—	—	—	
e) Venture Capital Funds	—	—	—	—	—	—	—	—	
f) Insurance Companies	—	2200	2200	.0028	—	2200	2200	.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	19348145		19348145	25.247	18368366	142510	18510876	24.15	1.09
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh/ Rs. 2 Lakh	10775345	13273265	24048610	31.38	11934162	13244433	25178595	32.86	1.47
ii) Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh/Rs.21 Lakh	8349525	1023341	9372866	12.23	7992128	989183	8981311	11.72	0.51
c) Others (Specify) NRI	141366	156039	297405	0.39	240319	156039	396358	0.52	0.13
Sub Total (B)(2)	38614381	—	53067024	69.24	38534975	14532165	53067140	69.25	0.62
Total Public Shareholding (B)=(B)(1)+(B)(2)	38615673	—	53071938	69.25	38536267	14535785	53072052	69.25	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	62177031	14456265	76633296	100.00	62097511	14535785	76633296	100.00	-

ii Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year 1.04.2016			Shareholding at the end of the year 31.03.2017			% 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 Sarabhai	115696	0.15	-	123142	0.16		0.01
2.	Mallika Sarabhai	118210	0.15	-	125655	0.16		0.01
3.	Mohal Sarabhai	41387	0.05	-	41387	0.05		-
4.	Samvit Sarabhai	44540	0.06	-	44540	0.06		-
5.	Govind Das Zalani	10	0.00		0	0		
6.	B.V. Suryakumar	374	0.00		0	0		
7.	Mrinalini Sarabhai	14995	0.02	-	0	0		0.02
8.	Sarabhai Holdings PL	19303972	25.19	-	19303972	25.19		-
9.	Rajka Designs PL	163850	0.214	-	163850	0.214		-
10.	Leena Invt. PL.	128217	0.167	-	128217	0.167		-
11.	Himalaya Invt.PL.(IVL)	1911	0.002	-	1911	0.002		-
12.	Yudhisthir Inv. PL. (IVL)	469305	0.612	-	469305	0.612		-
13.	Koshaliya In.PL. (IVL)	456722	0.596	-	456722	0.596		-
14.	Medicinal Drugs Mfg.PL. (IVL)	157716	0.206	-	157716	0.206		-
15.	Sahayog Inv.PL. (IVL)	16011	0.21	-	16011	0.21		-
16.	Talimi Inv. PL. (IVL)	163323	0.213	-	163323	0.213		-
17.	Vasantbahar Inv. PL. (IVL)	200989	0.262	-	200989	0.262		-
18.	Adana Inv. PL. (IVL)	157920	0.206	-	157920	0.206		-
19.	Kanda Inv. PL. (IVL)	209288	0.273	--	209288	0.273		-
20.	Mrigank Inv. PL. (IVL)	178669	0.233	-	178669	0.233		-
21.	Jonpuri Inv. Pvt. (IVL)	178667	0.233	-	178667	0.233		-
22.	Bhadrapad Inv. PL. (IVL)	157920	0.206	-	157920	0.206		-
23.	Bhilwal Inv. PL. (IVL)	157920	0.206	-	157920	0.206		-
24.	Madhavbag Holdings PL. (IVL)	178651	0.233	-	178651	0.233		-
25.	Ashavari Inv. PL. (IVL)	182513	0.238	-	182513	0.238		-
26.	Vaishakhi Inv. PL. (IVL)	181561	0.237	-	181561	0.237		-
27.	Todirag Holdings PL. (IVL)	185675	0.242	-	185675	0.242		-
28.	Khamaj Inv. PL. (IVL)	159086	0.242	-	159086	0.242		-
29.	Sarabhai Management corp. Ltd.	91634	0.12	-	91634	0.12		-
	TOTAL	23561732	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		Cumulative shareholding during the year	
		No of Shares	% of total Shares of the company	No of Shares	% of total Shares of the company
	At the beginning of the year	23561732	30.75	23561732	30.75
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/Bonus/sweat equity etc):	488	—	488	—
	At the End of the year	23561244	30.75	23561244	30.75

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

SI No		Shareholding at the beginning of the year 1.04.2016		Cumulative Shareholding during the year 31.03.2017	
	For Each of the Top 10 Shareholders	No of Shares	% of total Shares	No of Shares	% of total Shares
1.	Caplin Viniyog Pvt Ltd.	4222789	5.5104	4222789	5.5104
2.	Navtech Farm Products Pvt Ltd.	3646117	4.7579	3646167	4.7579
3.	On time hire purchase Agencies Pvt Ltd.	3295625	4.3005	3295625	4.3005
4.	The Methoni Tea Co. Ltd.	2470625	2.9784	-	-
5.	M. Prasad & Co. Ltd.	100000	1.3	626214	0.8172
6.	Monet Securities Pvt. Ltd	1266906	1.6532	1776256	2.3179
7.	Manju Bhalotia Manju	633494	0.8267	633494	0.8267
8.	Sarita Govind Yadav	556528	0.7262	556528	0.7262
9.	Aryavrat Savings units Ltd.	370000	0.4828	-	-
10.	Somani Stock Broking Pvt. Ltd	110000	0.1435	-	-
	At the End of the year (or on the date of separation, if separated during the year				
1.	Caplin Viniyog Pvt Ltd.	4222789	5.5104		
2.	Navtech Farm Products Pvt Ltd.	3646117	4.7579		
3.	On time hire purchase Agencies pvt Ltd.	3295625	4.3005		
4.	The Methoni Tea Co. Ltd.	2470625	2.9784		
5.	Monet Securities Pvt. Ltd.	1776256	2.3179		
6.	Ambit Capital Pvt Ltd.	783699	1.0227		
7.	Kirti Niketan Pvt. Ltd.	671000	0.8756		
8.	Manju Bhalotia Manju	633494	0.8267		
9.	M. Prasad & Co Ltd.	626214	0.8172		
10.	Sarita Govind Yadav	556528	0.7262		

iv Shareholding of Directors and Key Management Personnel

SI No		Shareholding at the beginning of the year 1.04.2016		Cumulative Shareholding during the year 31.03.2017	
	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	Kartikeya V Sarabhai	115696	0.15	123142	0.16
2	Govind Das Zalani	10	0	10	0
3	B. V. Suryakumar*	374	0	374	0
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/Bonus/sweat equity etc):	(Transfer)		7446 (-10) (-374)	0.01
1	At the End of the year (or on the date of the year)				
	Kartikeya V Sarabhai			123142	0.16

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

V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year 31-3-2017				
(i) Principal Amount	817.67	1957.08	--	2774.75
(ii) Interest Due but not paid	175.79	4.16	--	179.95
(iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	993.46	1961.24		2954.70
Changes in Indebtedness during the financial year				
Addition	4.32	--	-	4.32
Reduction	454.00	108.00	-	562.00
Net Change	(449.68)	(108.00)	-	(557.68)
Indebtedness at the end of the financial year 31-3-2017				
(i) Principal Amount	363.67	1849.08	--	2212.75
(ii) Interest Due but not paid	180.11	4.16	--	184.27
(iii) Interest accrued but not due				
Total (i+ii+iii)	543.78	1853.24	--	2397.02

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	13,20,000	11,71,936	7,80,000	3271936
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,35,100	6,83,723	4,76,191	1695014
	(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	327452	58597	210600	596649
	Total (A)	21,82,552	19,14,256	14,66,791	55,63,599
	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	
	Independent Directors Fees for attending Board / committee meetings	45000	35000	40000	15000	135000
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (1)	45000	35000	40000	15000	135000
	Other Non-Executive Directors Fees for attending Board Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, Please Specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	45000	35000	40000	15000	135000
	Total Managerial Remuneration	-	-	-	-	5698599
	Overall Ceiling as per Act	-	-	-	-	-

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

SI No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the income-tax act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	—	7,51,824.00	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission as % of profit	—	—	—	—
	Others specify	—	—	—	—
5	Others, Please specify	—	53,199.00	—	—
	Total	—	8,05,023.00	—	—

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			

Management Discussions and Analysis Report

Overview Of Indian Pharmaceutical Industry

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. Branded generics dominate the pharmaceuticals market, constituting nearly 70 to 80 per cent of the market. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector.

Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period.

The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size.

Government Initiatives

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014, published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, is expected to play a significant role in enhancing the quality of medicines that would in turn promote public health and accelerate the growth and development of pharmaceutical sector.

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. Further, 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.

Challenges

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

Road Ahead

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing

consumer spending, rapid urbanisation, 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.

Performance of your Company:

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

Indian pharmaceutical industry has significantly exported to regulated markets of US and Europe in Generic Drugs Market, wherein your company has also exported substantially through its subsidiaries.

Internal control systems and their adequacy:

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

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

Human resources/Industrial relations:

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

The relations between management and workmen continue to remain cordial.

As on date of the report ,total employees strength of the company is 130

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying standalone financial statements of AMBALAL SARABHAI ENTERPRISES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal

financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 (II) (2) (i) to the financial statements;
- ii. The Company did not have any material foreseeable losses on any 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 – Refer Note 26 (II) (11) to the financial statements;
- iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For and on behalf of
For Sorab S. Engineer & Co.
 Chartered Accountants
 Firm Registration No. 110417 W
C.A. Chokshi Shreyas B.
 Partner
 Membership No. 100892

Date : 30-05-2017
 Place : Ahmedabad

ANNEXURE 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) (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, 2017 for a period of more than six months from the date they became payable.

Particulars	Rs. in Lakh
Income Tax	15.88
Sales Tax	1296.90
ESIC	66.80
PF	36.01
Service Tax	12.18
Professional Tax	114.90

(b)(b) Following amounts have not been deposited as on March 31, 2017 on account of any dispute:

Nature of the Statute	Nature of the dues	Rs. in Lakh	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	18.90	1985-1986, 1989-1990, 1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006	Appellate Tribunal/ Commissioner
Central Excise Act	Excise Duty	54.36	1985-1986, 1986-1987, 1987-1988, 1988-1989	CESTAT
		8.62	2003-2004	Jt. DGFT
Finance Act	Service Tax	70.84	2006-2007, 2007-2008, 2008-2009, 2009-2010	CESTAT
Income Tax Act	Income Tax	4898.93	2008-2009, 2009-2010, 2010-2011, 2011-2012	ITAT
		134.47	2012-2013,	CIT (A)

- 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 and on behalf of
For Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417 W
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Date : 30-05-2017
Place : Ahmedabad

- (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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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, 2017, 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”.

Date : 30-05-2017
Place : Ahmedabad

For and on behalf of
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417 W
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Balance Sheet

	Notes	As at March 31,2017 Rs. Lakh	As at March 31,2016 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(4,934.63)	(2,780.16)
Non-current liabilities			
Long Term Borrowings	-	-	-
Deferred Tax Liabilities (Net)	3	-	-
Long Term Provisions	4	329.80	366.10
Current liabilities			
Short Term Borrowings	5	2,397.03	2,954.71
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	6	906.29	939.43
Other Current Liabilities	7	4,303.12	4,734.54
Short Term Provisions	4	673.70	472.30
Total		<u>11,338.64</u>	<u>14,350.25</u>
Assets			
Non-current assets			
Property, Plant & Equipment	8	1,635.15	2,035.52
Intangible Assets	9	7.79	24.97
Non-current Investments	10	7,634.93	8,290.53
Long Term Loans and Advances	11	137.58	40.22
Other Non-current Assets	12	7.36	6.68
Current assets			
Inventories	13	13.40	29.28
Trade Receivables	14	-	3.01
Cash and Bank Balances	15	353.90	657.04
Short Term Loans and Advances	11	1,540.42	1,952.12
Other Current Assets	12	8.11	1,310.88
Total		<u>11,338.64</u>	<u>14,350.25</u>

Significant Accounting Policies & Notes to Accounts 26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 30.05.2017

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

G. D. Zalani

Director

Ketan Adhvaryu

Company Secretary

Date : 30.05.2017

Place : Ahmedabad

Statement of Profit & Loss

	Notes	Year Ended March 31,2017 Rs. Lakh	Year Ended March 31,2016 Rs. Lakh
Revenue from operations (Gross)	16	151.15	798.40
Less : Excise Duty		-	99.79
Revenue from operations (Net)		151.15	698.61
Other Income	17	702.56	9,594.19
Total Revenue		853.71	10,292.80
Expenses:			
Cost of materials consumed	18	99.06	409.94
Purchases of Stock in Trade	19	-	34.71
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	0.13	25.35
Employee benefits expense	21	771.76	1,078.86
Finance costs	22	261.58	199.45
Depreciation and amortization expense	23	244.98	1,462.12
Other expenses	24	1,394.22	1,313.94
Total Expenses		2,771.73	4,524.37
Profit/(Loss) before exceptional and extraordinary items and tax		(1,918.02)	5,768.43
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1,918.02)	5,768.43
Extraordinary Items		-	-
Profit/(Loss) before Tax		(1,918.02)	5,768.43
Tax expense:			
(a) Current Tax		-	1,200.00
(b) (Excess)/Short Provision of Taxation for earlier years		236.45	-
Profit/(Loss) for the year		(2,154.47)	4,568.43

Earnings per equity share

(Face Value per Share Rs. 10/-

(Previous year Rs. 10/-)

25

Basic and Diluted

(2.81)

5.96

Significant Accounting Policies

& Notes to Accounts

26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 30.05.2017

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

G. D. Zalani

Director

Ketan Adhvaryu

Company Secretary

Date : 30.05.2017

Place : Ahmedabad

SHARE CAPITAL

	As at March 31, 2017 Rs. Lakh	NOTE 1 As at March 31, 2016 Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share	<u>9,500.00</u>	<u>9,500.00</u>
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share		
fully paid up	7,663.33	7,663.33
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Rs. Lakh	No. of Shares	Rs. Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296	7,663.33
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>	<u>7,663.33</u>

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

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

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

Particulars	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Vuniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at March 31, 2017 Rs. Lakh	NOTE 2 As at March 31, 2016 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	185.13	492.98
Less: Transfer to General Reserve	185.13	307.85
Balance at the end of the year	-	185.13
General Reserve		
Balance as per last financial statements	5,448.01	5,140.16
Add: Transfer from Capital Reserve	185.13	307.85
	<u>5,633.14</u>	<u>5,448.01</u>
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	(9,474.22)	(14,042.65)
Add: Profit / (Loss) for the year	(2,154.47)	4,568.43
Balance at the end of the year	(11,628.69)	(9,474.22)
Total	<u>(4,934.63)</u>	<u>(2,780.16)</u>

Deferred Tax Liabilities (Net)

	As at March 31, 2017 Rs. Lakh	NOTE 3 As at March 31, 2016 Rs. Lakh
Deferred Tax Liability		
On account of Depreciation	54.15	185.53
Disallowance u/s 43(b)	(208.48)	(204.31)
Deferred Tax Assets		
On unabsorbed Depreciation	(154.33)	(18.78)
Total	<u>-</u>	<u>-</u>

PROVISIONS**NOTE 4**

	Long Term		Short Term	
	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Provision for Gratuity	287.79	318.13	80.69	90.63
Provision for Leave Encashment	42.01	47.97	15.74	17.88
Provision for Income tax (Net of Advance Tax of Rs.1,342.45 Lakhs)	-	-	576.59	363.11
Provision for Wealth tax	-	-	0.68	0.68
Total	329.80	366.10	673.70	472.30

SHORT TERM BORROWINGS**NOTE 5**

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Secured:		
From others		
Interest bearing@18%	123.37	119.05
Interest free	420.42	874.42
	543.79	993.47
Unsecured:		
From Others	1,853.24	1,961.24
Total	2,397.03	2,954.71

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

1. Secured by Charge on one of the immoveable properties of the company.	123.37
2. Secured by charge on one of the immoveable property of the company & pledge of 80,946 Equity Shares of M/s Synbiotics Ltd.	420.42
Total	543.79

TRADE PAYABLES**NOTE 6**

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Total outstanding dues of micro enterprises and small enterprises (Note a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	906.29	939.43
Total	906.29	939.43

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.

OTHER CURRENT LIABILITIES**NOTE 7**

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Interest accrued and due	432.29	432.29
Advance against Sale of Property	87.50	135.31
Statutory dues	2,323.66	2,119.50
Due to related Parties	459.69	337.50
Payable to Employees	645.38	1,073.77
Due to Directors	12.64	30.60
Security Deposits	49.70	107.65
Others	292.26	497.92
Total	4,303.12	4,734.54

Property, Plant & Equipment**NOTE 8****Rs. Lakh**

Particulars	Gross Block				Depreciation				Net Block	
	Deemed cost on 01.04.16	Additions	Deductions	As on 31.03.17	As on 01.04.16	for the year	Deductions	As on 31.03.17	As on 31.03.17	As on 31.03.16
Own Assets										
Freehold Land	1,396.12	-	-	1,396.12	-	-	-	-	1,396.12	1,396.12
Building	765.91	2.79	38.29	730.41	569.63	23.43	32.27	560.79	169.62	196.28
Plant and Machinery	2,826.13	1.28	2,128.05	699.36	2,400.86	196.60	1,914.38	683.08	16.28	425.27
Furniture and Fixtures	182.25	24.32	155.34	51.23	169.20	4.38	154.86	18.72	32.51	13.05
Vehicles	28.34	17.93	21.97	24.30	23.78	2.87	21.97	4.68	19.62	4.56
Computer Data Processing	18.18	1.32	13.68	5.82	17.94	0.52	13.64	4.82	1.00	0.24
Total	5,216.93	47.64	2,357.33	2,907.24	3,181.41	227.80	2,137.12	1,272.09	1,635.15	2,035.52
Previous Year	7,270.79	20.21	2,074.07	5,216.93	4,223.87	267.45	1,309.91	3,181.41	2,035.52	-

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

Particulars	Gross Block				Amortization / Impairment					Net Block	
	As on 01.04.16	Additions	Disposals	As on 31.03.17	As on 01.04.16	for the year	Impairment	Deductions	As on 31.03.17	As on 31.03.17	As on 31.03.16
Own Assets											
Goodwill	2,277.62	-	-	2,277.62	2,277.62	-	-	-	2,277.62	-	-
Know how	85.00	-	-	85.00	60.92	17.00	-	-	77.92	7.08	24.08
Software	0.94	-	-	0.94	0.05	0.18	-	-	0.23	0.71	0.89
Total	2,363.56	-	-	2,363.56	2,338.59	17.18	-	-	2,355.77	7.79	24.97
Previous Year	2,362.62	0.94	-	2,363.56	1,143.92	17.05	1,177.62	-	2,338.59	24.97	-

NON CURRENT INVESTMENTS**NOTE 10**

Particulars	Face Value Per Share (Rs.)	No. of Share	Rs. in Lakh	
			As at March 31, 2017	As at March 31, 2016

I Trade Investments (At Cost)

Ordinary shares of each fully paid of ORG Informatics Limited (unquoted)	10	1,559,340	156.30	156.30
Less: Diminution in Value of Investment (3,00,000 Ordinary Shares pledged)			(156.30)	(156.30)
			--	--

II Other Investments (Unquoted)

Ordinary shares each fully paid of Co-operative Bank of Baroda Limited	25	1100	0.28	0.28
--	----	------	------	------

Ordinary share fully paid of Baroda Industrial Dev. Corp. Ltd	1000	1	0.01	0.01
Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd	25	1204	0.30	0.30
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	£1	73,498	36.33	36.33
Ordinary shares of Asence Limited (Rs. 445, Previous Year Rs. 445)	US 1 \$	9		
Ordinary shares of Belgium Satellite Services s.a.*	Euro 1	437,733	656.60	656.60
Less: Diminution in Value of Investment			656.60	-
			-	656.60
Ordinary shares of each fully paid of Sardar Vallabh bhai Sahkari Bank Ltd	25	40	0.01	0.01
			36.93	693.53

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

Ordinary shares each paid of Synbiotics Limited (Rs.100 paid up) (Shares pledged)	100	35,000	35.00	35.00
Ordinary shares each fully paid up of Synbiotics Limited. (Shares pledged)	1000	80,946	3,804.46	3,804.46
Ordinary shares each fully paid of Sarabhai M Chemicals Ltd	10	50,000	5.00	5.00
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
Ordinary shares fully paid of Systronics (India) Limited	10	11,985,018	1,198.50	1,198.50
Ordinary shares fully paid of Sarabhai Chemicals(I) Pvt. Ltd	10	984,000	98.40	98.40
Ordinary shares each fully paid of Suvik Hitek P Limited	100	250,000	1.00	1.00
Ordinary shares each fully paid of Swetsri Investments Pvt. Ltd	100	1,000	1.00	1.00

IV In Joint**Venture Company (Unquoted)**

Ordinary shares each fully paid of Vovantis Laboratories P Ltd	10	4,229,258	422.93	422.93
			5,577.16	5,577.16
Share Application money			2,020.84	2,019.84
Total			7,634.93	8,290.53

a Aggregate amount of quoted investments	—	—
Market value of quoted investments	—	—
Aggregate amount of unquoted investments	5,614.09	6,270.69
Aggregate provision for diminution in value of investments	812.90	156.30

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	5,614.09	6,270.69
Current Investments	—	—
Total	5,614.09	6,270.69

LOANS AND ADVANCES**NOTE 11**

	Long Term		Short Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Security Deposits	137.58	40.22	—	—
Advance tax paid	—	—	—	—
Loans and Advances: To Related Parties	—	—	—	—
Considered good	—	—	944.80	951.52
Advances recoverable in cash or in kind or for value to be received	—	—	—	—
Considered good	—	—	577.59	980.34
Considered doubtful	—	—	379.67	375.79
Less: Provision	—	—	379.67	375.79
Prepaid Expenses	—	—	2.63	4.86
Balances with Government Authorities	—	—	2.10	2.10
Cenvat/Custom Duty Receivable	—	—	13.30	13.30
Total	137.58	40.22	1,540.42	1,952.12

OTHER ASSETS**NOTE 12**

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 15)	7.36	6.68	—	—
Interest Accrued	—	—	8.11	7.64
Debtors other than Trade	—	—	—	1,303.24
Total	7.36	6.68	8.11	1,310.88

INVENTORIES

	As at	NOTE 13
	March 31, 2017	As at
	Rs. Lakh	March 31, 2016
		Rs. Lakh
Raw Materials and Packing Materials	13.40	29.15
Work-in-Progress	-	0.13
Total	13.40	29.28

a. Details of Inventory

	As at	As at
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Raw Material and Packing Material		
Antibiotics	1.75	4.25
Anti Cancer	1.66	3.77
Board and Paper	-	1.20
Other Therapeutic Agents	-	0.31
Others	6.32	8.70
Packing Materials	3.67	10.92
Total	13.40	29.15
Work-in-Progress		
Tablets & Capsules	-	0.13
Total	-	0.13

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)	As at	NOTE 14
	March 31, 2017	As at
	Rs. Lakh	March 31, 2016
		Rs. Lakh
Outstanding for a period exceeding six months from the date they became payable	—	—
Considered good	—	—
Considered doubtful	413.37	416.49
Less: Provision for Doubtful Debts	413.37	416.49
	—	—
Others	—	3.01
Total	—	3.01

CASH AND BANK BALANCES

	Non Current	Current
	As at March	As at March
	31, 2017	31, 2016
	Rs. Lakh	Rs. Lakh
		As at March
		31, 2016
		Rs. Lakh

Cash and Cash Equivalents:

Cash on Hand	—	—	0.35	0.49
Cheques on Hand	—	—	—	—
Balances with Banks				
In Current Accounts	—	—	24.83	266.61
In Deposits Accounts				
With original maturity less than 3 months	—	—	2.73	77.57
	—	—	27.91	344.67

Other Bank Balances:

In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	—	—	325.99	312.16
(Rs. 308.37 Lakhs under lien with Bank as Security Guarantee Facility, Margin Money and Income Tax Department; Previous year Rs. 300.91 Lakhs)				
Lodged with Industrial Court	0.68	-	-	0.21
With original maturity more than 12 months	0.01	0.01		
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	-	-	-	-
Lodged with Sales Tax/Excise Department	6.67	6.67	-	-
	7.36	6.68	325.99	312.37
Amount disclosed under the head "Other Non Current Assets"	7.36	6.68	-	-
(Note 12)				

Total **—** **—** **353.90** **657.04**

REVENUE FROM OPERATIONS

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Sale of Products		
Finished Goods and Stock-in-Trade	149.35	796.18
Less : Excise Duty	—	99.79
	149.35	696.39
Sale of Services	1.80	2.22
Total	151.15	698.61

a Details of Sales and Services

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Sale of Products (including Excise Duty)		
Tables/Capsules	68.64	232.66
Liquid	6.26	15.10
Injectable	74.45	496.68
Powder	-	51.74
Total	149.35	796.18
Sale of Services		
Income on EDP Charges	1.80	2.22
	1.80	2.22
Total	151.15	798.40

OTHER INCOME

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Interest Income	144.97	145.19
Service Income	90.00	90.00
Provision no longer required (net)	0.20	0.19
Profit on sales of Assets (net)	-	9,294.83
Miscellaneous Income	39.01	43.01
Sale of Scrap	278.05	15.18
Royalty	8.25	5.79
Prior period income	142.08	-
Total	702.56	9,594.19

COST OF MATERIALS CONSUMED

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Stock at the beginning of the year	29.15	252.47
Purchases	83.31	186.62
	112.46	439.09
Less: Stock at the end of the year	13.40	29.15
Total	99.06	409.94

**a.RAW MATERIAL AND
PACKING MATERIAL CONSUMED**

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Antibiotics	26.50	19.51
Board and Paper	1.20	2.64
Other Therapeutic Agents	0.31	214.53
Anti Cancer	38.41	53.40
Others	12.02	15.08
Packing Materials	26.62	104.78
Total	99.06	409.94

**b Value of imported and
indigenous materials consumed**

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Raw Materials and Packing Materials		
Imported	0.31	221.54
	0.31%	54.04%
Indigenous	98.75	188.40
	99.69%	45.96%
Total	99.06	409.94

PURCHASE OF STOCK IN TRADE

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Drug and Pharmaceuticals formulations	-	-
Powder	-	34.71
Total	-	34.71

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

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	-	-
Work-in-Progress	-	0.13
	-	0.13
Stock at the beginning of the year		
Finished Goods	-	4.82
Work-in-Progress	0.13	20.66
	0.13	25.48
(Increase) in stocks	0.13	25.35

EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Salaries and Wages	656.41	944.23
Contribution to Provident Fund and Other Funds	34.62	51.18
Staff Welfare Expenses	25.10	32.73
	716.13	1,028.14
Directors' Remuneration	55.63	50.72
Total	771.76	1,078.86

FINANCE COST

	NOTE 22
	Year Ended
	March 31, 2017
	Rs. Lakh
Interest	
Others	261.58
Total	261.58

DEPRECIATION EXPENSE AND AMORITZATION EXPENSE

	NOTE 23
	Year Ended
	March 31, 2017
	Rs. Lakh
Depreciation of Tangible Assets (Note 8)	227.80
Amortisation of Intangible Assets (Note 9)	17.18
Impairment of Intangible Assets (Note 9)	-
Total	244.98

OTHER EXPENSES

	NOTE 24
	Year Ended
	March 31, 2017
	Rs. Lakh
Power and fuel	18.18
Insurance	0.95
Rent	6.25
Rates and taxes	41.07
Repairs:	
To Buildings	74.41
To Machineries	-
To others	4.55
Factory Over Heads	30.85
Royalty paid	4.51
Sundry Debit Balance	
Written Off (net)	65.54
Directors' Fees	1.35
Excise Duty - others	0.08
Legal Charges	226.41
Travelling Expenses	32.93
Postage	9.61
Service charges paid - Others	13.83
Loss on Assets Sold/Discarded	109.26
Diminution of value of Investment	656.60
Payments to the auditor as	
(a) Auditor	5.80
(b) For Others	10.29
(c) For reimbursement of expenses	2.87
Miscellaneous Expenses	78.88
Total	1,394.22

SPARE PARTS

	NOTE 24-A
	Year Ended
	March 31, 2017
	Rs. Lakh
Imported	—
Indigenous	8.47
	100%
Total	0.36

EARNING PER SHARE (EPS)

	NOTE 25
	Year Ended
	March 31, 2017
	Rs. Lakh
Calculation of EPS (Basic & Diluted)	
Profit/ (Loss) available to Equity Shareholder	(2,154.47)
Weighted average no. of Equity Shares for Basic and Diluted EPS	76,633,296
Nominal value of Equity Shares (Rs.)	10
Basic and Diluted Earning per Equity Share (Rs.)	(2.81)

NOTE 26**NOTES TO FINANCIAL STATEMENTS****I. SIGNIFICANT ACCOUNTING POLICIES:****(A) BASIS OF PREPARATION**

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

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

(B) USE OF ESTIMATES

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

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products, income from job work services. Sales

are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. The company presents sales net of returns, excise duty and Sales tax. Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts. Dividend is accounted for as and when right to receive payment is established.

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

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

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

(E) VALUATION OF INVENTORY

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

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

(F) PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION/AMORTISATION**Property, Plant & Equipment (PPE)**

PPE are stated at cost, net of accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition. Subsequent expenditure related to an item of PPE are added to its book value only if they increase future benefits from the existing assets beyond its previously assessed standard of performance.

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

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are

recognised in the Statement of Profit and Loss.

INTANGIBLE ASSETS

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

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

Depreciation of Property, Plant & Equipment

The carrying value of PPE as on April 1, 2016 is depreciated over remaining useful life of the assets.

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

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

AMORTISATION OF INTANGIBLE ASSETS

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

Amortisation of Intangible Assets

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

(G) IMPAIRMENT OF ASSETS

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

Loss.

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

(H) INVESTMENTS

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

Investments in subsidiaries are valued at cost less any provision for impairment

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

(I) FOREIGN CURRENCY TRANSACTIONS

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

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

Non-monetary foreign currency items are carried at cost.

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

(J) EMPLOYEE BENEFITS

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

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

(J.3) Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognized

immediately in the Statement of Profit and Loss as income or expense.

(K) TAXES ON INCOME

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

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

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

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

(L) EARNING PER SHARE

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

(M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

II. NOTES TO ACCOUNTS

- 1 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.
2. No Provision is considered necessary for following Contingent liabilities:

	Year Ended March 31, 2017	Year Ended March 31, 2016
	Rs. Lakh	Rs. Lakh
(i) Disputed demand in respect of Customs and Excise		
(a) Customs and Excise	133.82	133.82
(b) Sales Tax	18.90	18.90
(c) Income Tax	5,033.40	3,344.64
(d) Employees' State Insurance Corporation	10.23	10.23
(e) Provident Fund	10.56	10.56
(ii) Claims not acknowledged as debt	1,992.87	1,997.88
(iii) Claims not acknowledged as debt other than (ii) above	781.70	781.70
Refer Note (b) below		
(iv) Claims by Government for payment in to DPEA	39.25	39.25
(v) Guarantee given by banks on behalf of the Company	267.86	268.64
(vi) Guarantee given by company on behalf of Subsidiaries	1,115.46	913.79

NOTES :

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

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

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the 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.

3. Capital and Other Commitments

	Year Ended March 31, 2017	Year Ended March 31, 2016
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	—	—
Other Commitments	—	—

4.. Employee benefits AS-15 (Revised)

(I) Define Benefit Plans Grautiy Liability (Unfunded) - As per Acurial Valuation as on 31-03-17

	Year Ended March 31, 2017	Year Ended March 31, 2016
	Rs. Lakh	Rs. Lakh
I Expense recognized in the Statement of Profit & Loss for the year ended		
1. Current Service Cost	9.67	15.85

2. Interest Cost	30.82	57.85
3. Expected Return on plan Assets	—	—
4. Past Service cost (Non vested Benefit) Recognized	—	—
5. Past Service cost (Vested Benefit) Recognized	—	—
6. Acurial (Gain) / Loss	34.85	22.52
7. Total Expenses	75.34	96.22

II Amount recognized in the Balance Sheet as on

1. Liability at the end of the year	368.48	408.76
2. Fair Value of Plan Assets	—	—
3. Amount recognized in the Balance Sheet under "Provision for Gratuity"	(368.48)	(408.76)

III Change in Obligation during The year ended

1. Liability at the beginning of the year	408.76	732.23
2. Interest Cost	30.82	57.85
3. Current Service Cost	9.67	15.85
4. Benefit paid	(115.62)	(419.69)
5. Acurial (Gain) / Loss obligation	34.85	22.52
6. Liability at the end of the year	368.48	408.76

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

1. Fair value of plan Assets at the beginning of the year	—	—
2. Expected return of plan Assets	—	—
3. Contribution by Employer	115.62	419.69
4. Actual Benefit paid	(115.62)	(419.69)
5. Acurial Gain / (Loss) of plan Assets	—	—
6. Fair value of plan Assets at the end of the year	—	—
7. Acurial Gain / (Loss) to be recognized	(34.85)	(22.52)

V Balance Sheet Reconciliation

1. Opening Net Liability	408.76	732.23
2. Expenses Recognized in the statement of profit & Loss	75.34	96.22
3. Employer's Contribution	(115.62)	(419.69)
4. Amount Recognized in the Balance Sheet	368.48	408.76

(II) Actuarial Assumption:

1. Discount Rate:	7.39%	7.55%
2. Salary Growth Rate:	4%	4%

5. Segment Reporting:

Information About Primary and Secondary Business Segments.

The Company is in the business of manufacturing, trading and dealing in the Pharmaceuticals only operating in India. In view of above the Company has only one reportable business Segments i.e. Pharmaceuticals.

6. Related Party Disclosures:

As per the Accounting Standard on "Related Party disclosures (AS 18)" the related parties of the Company are as follow :

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

Synbiotics Limited	Subsidiary Company
Haryana Containers Limited	Subsidiary Company
Asence Inc USA	Subsidiary Company
Asence Pharma Pvt. Ltd	Subsidiary of Subsidiary Company
Sarabhai M Chemicals Ltd	Subsidiary Company

Systronics (I) Ltd	Subsidiary Company
Suvik Hitek Pvt. Ltd	Subsidiary Company
Sarabhai Chemicals(I) Private Limited	Subsidiary Company
Swetsri Investments Private Limited	Subsidiary Company
Vovantis Laboratories Private Limited	Joint Venture Company
Mr. Kartikeya V Sarabhai, Chairman	Key Management Personnel
Mr. A. H. Parekh, Whole Time Director	Key Management Personnel
Ms. Chaula Shastri, Whole Time Director	Key Management Personnel

Note:

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

B Related Party Transactions:

Rs. in Lakh

Particulars	Subsidiary Companies		Joint Venture		Key Management Personnel	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
EXPENSES						
Purchase of Goods/Services	29.44	22.78	2.64	2.52		
Interest paid	31.75	31.75	-	-		
INCOME						
Recovery of salaries etc. of seconded employees	-	-	25.40	10.28		
Sales of Goods	105.33	156.93	-	-		
Royalty	8.25	5.79	-	-		
Recovery of share in cost of various utilities and expenditures etc.	114.50	107.68	10.07	0.48		
Remuneration to key managerial personnel					55.63	50.71
Interest received	109.93	110.65	-	-		
Investment			-	-		
Share Application Money	-	2,019.84	-	-		
Loan Given	98.26	-	-	-		
Loan Taken	115.51	--				
Loan Repaid	--	736.79				
Receivable in respect of Loans	944.80	951.52	-	-		
Payable in respect of Current Liabilities	448.63	319.03	11.06	18.47	12.64	30.60
Guarantee Given	1,115.46	913.79	-	-		

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

Rs. in Lakh

Name of Subsidiary	Purpose	Closing Balance		Maximum Outstanding	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Loans and Advances					
Systronics (I) Limited	General Business Purpose	823.61	911.24	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
Sarabhai Chemicals(I) Private Limited	General Business Purpose	80.31	0.45	80.31	111.25
Total(A)		944.80	951.52	1,032.94	1,708.65
Corporate Gurantee					
Asence Pharma Private Limited	Facilitate Trade Finance	473.29	372.52	473.29	372.52
Synbiotics Limited	Facilitate Trade Finance	537.65	474.78	537.65	474.78
Systronics (I) Limited	Facilitate Trade Finance	18.97	41.49	18.97	41.49
Suvik Hitek Private Limited	Facilitate Trade Finance	85.55	25.00	85.55	25.00
Vovantis Laboratories Private Limited	Facilitate Trade Finance	-	-	-	188.00
Total(B)		1,115.46	913.79	1,115.46	1,101.79
Total(A+B)		2,060.26	1,865.31	2,148.40	2,790.10

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.

7 CIF Value of Imports

	Year Ended March 31, 2017	Year Ended March 31, 2016
Rs. Lakh	Rs. Lakh	Rs. Lakh
Purchase of Stock in Trade	-	34.71

on November 8, 2016	1.14	0.02	1.16
(+) Permitted Receipts	-	1.76	1.76
(-) Permitted Payments	-	--	--
(-) Amount deposited in Banks	1.14	1.77	2.91
Closing cash balance as on December 30, 2016	-	0.01	0.01

8 Expenditure in Foreign Currency

	Year Ended March 31, 2017	Year Ended March 31, 2016
Rs. Lakh	Rs. Lakh	Rs. Lakh
Others	5.37	3.30

9 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification is given below:

Particulars	SBNs*	Other denomination notes	Total
-------------	-------	--------------------------------	-------

Closing cash balance as

10 Impairment of Fixed Assets

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

11 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

12 Figures less than Rs. 500/- which are required to be shown separately, have been shown as actual in brackets.

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

As per our report of even date attached

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership no. 100892
Date : 30.05.2017
Place : Ahmedabad

Kartikeya V. Sarabhai
Chairman
G. D. Zalani
Director
Ketan Adhvaryu
Company Secretary
Date : 30.05.2017
Place : Ahmedabad

Cash Flow Statement

	March 31, 2017 Rs. Lakh	March 31, 2016 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(1,918.02)	5,768.43
Adjustments for:		
Depreciation /Amortization	244.98	1,462.12
Interest Income	(144.97)	(145.19)
Interest Expenses	261.58	199.45
Provision for Diminution in value of Investments	656.60	15.60
Sundry Credit Balances Appropriated	65.54	461.24
Provision written Back	(0.20)	(0.19)
Profit on Sale of Tangible/Intangible assets	109.26	(9,294.83)
	<u>1,192.79</u>	<u>(7,301.80)</u>
Operating Profit before Working Capital Changes	(725.23)	(1,533.37)
Working Capital Changes:		
Changes in Inventories	15.88	256.67
Changes in trade payables	(33.14)	(261.36)
Changes in other current liabilities	(431.22)	(3,532.43)
Changes in provisions	(48.38)	(379.43)
Changes in loans and advances	248.80	21.74
Changes in trade receivables	3.01	153.06
Changes in Other Assets	1,303.24	(1,303.24)
Changes in Other Bank Balances	(14.30)	7.65
Net Changes in Working Capital	<u>1,043.89</u>	<u>(5,037.34)</u>
Cash Generated from Operations	318.66	(6,570.71)
Direct Taxes paid (Net of Income Tax refund)	(366.27)	(348.18)
Net Cash Flow from Operating Activities	295.69	(6,936.98)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(47.64)	(11.06)
Sale of tangible assets	110.95	10,058.99
Purchase of Investments	(1.00)	(2,677.44)
Interest Income	144.50	151.69
Net cash flow before Extra Ordinary Item	206.81	7,522.18
Net cash flow from Investing Activities	206.81	7,522.18
C Cash Flow from Financing Activities		
Changes in short term borrowings	(557.68)	(55.19)
Interest Paid	(261.58)	(200.48)
Net Cash flow from Financing Activities	(819.26)	(255.67)
Net Increase/(Decrease) in cash & cash equivalents	(316.76)	329.53
Cash & Cash equivalents at the beginning of the period	344.67	15.14
Cash & Cash equivalents at the end of the period	27.91	344.67
a Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents comprise of: (Note 15)		
Cash on Hand	0.35	0.49
Balances with Banks	24.83	266.61
In Deposit Account	2.73	77.57
Total	27.91	344.67

As per our report of even date attached

For Sorab S Engineer & Co.

Firm Registration No 110417 W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Date : 30-05-2017

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

G. D. Zalani

Director

Ketan Adhvaryu

Company Secretary

Date : 30-05-2017

Place : Ahmedabad

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, 17	INR	844.46	(10.99)	2,343.62	1,510.15	6.50	1,247.90	92.48	-	92.48	Nil	100%
2	Haryana Containers Ltd	March 31, 17	INR	5.00	(32.86)	881.98	909.84	-	-	(0.50)	0.99	(1.49)	Nil	100%
3	Sarabhai M Chemicals Ltd	March 31, 17	INR	5.00	(4.21)	3.74	2.95	-	-	(0.78)	-	(0.78)	Nil	100%
4	Asence Inc.	Dec. 31, 16	"1 USD= Rs. 64.86"	3.24	(0.96)	109.26	106.98	14.50	322.53	(71.20)	0.56	(71.76)	Nil	100%
5	Asence Pharma Pvt. Ltd	March 31, 17	INR	9.96	772.54	2,622.13	1,839.63	30.29	4,015.02	156.33	51.84	104.49	Nil	100%
6	Systronics India Ltd	March 31, 17	INR	1,198.50	513.48	3,743.76	2,031.78	3.28	6,777.83	434.82	159.04	275.78	Nil	100%
7	Suvik Hitek Private Ltd	March 31, 17	INR	250.00	(1,140.05)	683.75	1,573.80	0.48	1,492.99	(15.79)	0.07	(15.86)	Nil	100%
8	Sarabhai Chemicals (India) Pvt Ltd	March 31, 17	INR	99.40	(495.89)	300.73	697.22	-	626.95	(197.39)	3.47	(200.86)	Nil	99.90%
9	Swetsri Investments Pvt. Limited	March 31, 17	INR	1.00	(0.48)	231.09	230.57	-	-	0.56	0.17	0.39	Nil	100%

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

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

Part "B": Joint Venture

Sr. No.	Particulars	Vovantis Laboratories Pvt Ltd	5	Net worth attributable to shareholding as per latest Audited Balance Sheet	10
1	Latest Audited Balance Sheet Date	March 31, 2017	6	Profit/(Loss) for the year	
2	Shares of Joint Ventures held by Company on the year end			I) Considered in Consolidation II) Not Considered in Consolidation	27.98 55.94
	I) Number	4,532,166		Note: A There is significant influence due to percentage (%) of Share Capital	
	II) Amount of Investment in Joint Ventures	453.31			
	III) Extent of Holding %	33.34%			
3	Description of how there is significant influence	Note A			Kartikeya V. Sarabhai Chairman
4	Reason why the Joint Venture is not consolidated	Not applicable		Date : 10-8-2017 Place : Ahmedabad	G. D. Zalani Director Ketan Adhvaryu Company Secretary

FORMAOC-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- All Contracts / arrangements or transactions are at arm's length basis.
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. 2. 3. 4. 5. 6. 7. 8. 9. 10	Synbiotics Ltd Systronics (I) Ltd. Sarabhai Chemicals (India) Pvt. Ltd. Asence Inc. Asence Pharma Pvt. Ltd. Sarabhai M Chemicals Ltd Haryana Containers Ltd. Suvik Hitek Pvt. Ltd. Vovantis Laboratories Pvt. Ltd. Swetsri Investments Pvt.Ltd.	There is no material contract or arrangement or transactions by the Company.				

Date : 10-08-2017
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 Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Ambalal Sarabhai Enterprises Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Companies (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the 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 Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Basis for Qualified Opinion

The Group has not provided for doubtful debts of Rs. 124.78 Lakh (Previous year ended 31st March, 2016: Rs. 114.73 Lakh) and doubtful advance of Rs. 15.08 Lakh (Previous year ended 31st March, 2015: Rs. 15.08 Lakh). Accordingly, expenses and net loss would have been increased by Rs. 139.86 Lakh (Previous year ended 31st March, 2016: Rs. 129.81 Lakh) and shareholders' funds would have been reduced to that extent. This matter was also qualified in our report on the financial statements for the year ended 31st March, 2016.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one

subsidiary company and one joint controlled entity, whose financial statements reflect total assets of Rs.961.14Lakhas at 31st March, 2017, total revenues of Rs.753.15 Lakh and net cash flows amounting to Rs.33.03 Lakh for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

- (a) (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 and taken on record by the Board of Directors of the Holding Company and the reports

of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India, none of the directors of the Group companies and jointly controlled company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A"; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity— Refer Note 28 to the Consolidated Financial Statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amount required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled company incorporated in India.
 - iv. The Group has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management.

For and on behalf of

For Sorab S. Engineer & Co.

Firm Registration No. 110417 W

Chartered Accountants

C.A. Chokshi Shreyas B.

Partner

Date: 10-08-2017

Place: Ahmedabad

Membership No. 100892

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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 holding Company") and its subsidiary companies and its jointly controlled entity incorporated in India, for the year ended March 31, 2017 in conjunction with our audit of the Consolidated Financial Statements of the Company.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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".

Date : 10-08-2016
Place : Ahmedabad

For and on behalf of
For Sorab S. Engineer & Co.
Firm Registration No. 110417 W
Chartered Accountants
C.A. Chokshi Shreyas B.
Partner
Membership No. 100892

Consolidated Balance Sheet

	Notes	As at March 31,2017 Rs. Lakh	As at March 31,2016 Rs. Lakh
Equity and Liabilities			
Shareholders' funds			
Share Capital	1	7,663.33	7,663.33
Reserves and Surplus	2	(5,710.63)	(3,790.14)
Non-current liabilities			
Long Term Borrowings	3	578.66	574.74
Deferred Tax Liabilities (Net)	4	33.09	20.88
Long Term Provisions	5	558.26	674.65
Current liabilities			
Short Term Borrowings	6	3,785.06	3,950.15
Trade Payables	7	2,756.03	2,693.07
Other Current Liabilities	8	5,202.53	5,669.70
Short Term Provisions	5	881.73	577.69
Total		15,748.06	18,034.07
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	9	5,120.08	4,674.94
Intangible Assets	10	2,480.56	2,501.06
Intangible Assets under development		0.60	0.60
Capital Work-in-progress		343.32	896.00
Non-current Investments	11	46.29	809.82
Long Term Loans and Advances	12	334.21	200.94
Other Non-current Assets	13	99.72	70.89
Deferred Tax Assets (Net)	4	-	-
Current assets			
Current Investments	11	0.20	0.20
Inventories	14	1,461.46	1,441.15
Trade Receivables	15	3,335.13	3,010.92
Cash and Bank Balances	16	1,481.49	1,640.58
Short Term Loans and Advances	12	1,009.34	1,451.50
Other Current Assets	13	35.66	1,335.47
Total		15,748.06	18,034.07

Notes to Accounts & Significant Accounting Policies 26

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

As per our report of even date attached

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

Firm Registration No. 110417W

Chartered Accountants

CA. Chokshi Shreyas B.

Partner

Membership no. 100892

Date : 10-08-2017

Place : Ahmedabad

Kartikeya V. Sarabhai

Chairman

G. D. Zalani

Director

Ketan Adhvaryu

Company Secretary

Date : 10-08-2017

Place : Ahmedabad

Consolidated Statement of Profit & Loss

	Note	March 31, 2017 Rs. Lakh	March 31, 2016 Rs. Lakh
Revenue from operations (Gross)	17	14,246.27	13,522.55
Less : Excise Duty		<u>226.95</u>	<u>324.78</u>
Revenue from operations (Net)		14,019.32	13,197.77
Other Income	18	<u>602.99</u>	<u>9,507.67</u>
Total Revenue		14,622.31	22,705.44
Expenses:			
Cost of materials and accessories consumed	19	1,195.64	1,367.77
Purchases of Stock in Trade	-	6,790.38	5,756.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(25.52)	135.17
Employee benefits expense	21	3,154.11	3,218.32
Finance costs	22	485.89	410.04
Depreciation, Amortization and Impairment expense	23	447.37	1,654.25
Other expenses	24	<u>4,066.40</u>	<u>3,988.94</u>
Total Expenses		16,114.27	16,531.25
Profit/(Loss) before exceptional and extraordinary items and tax		(1,491.96)	6,174.19
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(1,491.96)	6,174.19
Extraordinary Items		-	-
Profit/(Loss) before tax and after extraordinary items		(1,491.96)	6,174.19
Tax expense:			
Current Tax		202.21	1,315.42
Deferred Tax		12.21	38.72
MAT Credit entitlement		(23.23)	-
Profit/(Loss) after Tax		(1,683.15)	4,820.05
(Excess)/Short Provision for Taxation of earlier years		237.44	6.53
Profit/(Loss) for the year		(1,920.59)	4,813.52
Earnings per equity share			
Face Value per Share Rs. 10/-			
(Previous year Rs. 10/-):	25		
Basic and Diluted		(2.51)	6.28
Notes to Accounts & Significant Accounting Policies	26		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date attached			
For Sorab S. Engineer & Co.		Kartikeya V. Sarabhai	
Firm Registration No. 110417W		Chairman	
Chartered Accountants		G. D. Zalani	
CA. Chokshi Shreyas B.		Director	
Partner		Ketan Adhvaryu	
Membership no. 100892		Company Secretary	
Date : 10-08-2017		Date : 10-08-2017	
Place : Ahmedabad		Place : Ahmedabad	

SHARE CAPITAL

	As at March 31, 2017 Rs. Lakh	NOTE 1 As at March 31, 2016 Rs. Lakh
Authorised		
Equity Shares		
95000000 Shares		
(Previous Year 95000000)	9,500.00	9,500.00
Par Value of Rs. 10/- per share		
	<u>9,500.00</u>	<u>9,500.00</u>
Issued		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)	7,663.33	7,663.33
Par Value of Rs. 10/- per share		
	<u>7,663.33</u>	<u>7,663.33</u>
Subscribed and fully paid up		
Equity Shares		
76633296 Shares		
(Previous Year 76633296)		
Par Value of Rs. 10/- per share		
fully paid up	7,663.33	7,663.33
Total	<u>7,663.33</u>	<u>7,663.33</u>

(a) Reconciliation of Number of Equity Shares

		As at March 31, 2017 Rs. Lakh	As at March 31, 2016 No. of Share Rs. Lakh
Balance at the beginning of the year	76,633,296	7,663.33	76,633,296
Balance at the end of the year	<u>76,633,296</u>	<u>7,663.33</u>	<u>76,633,296</u>

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

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

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

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
a. Sarabhai Holdings Pvt. Ltd.	1,93,03,972	1,93,03,972
% of Share holding	25.19%	25.19%
b. Caplin Viniyog Pvt. Ltd.	42,22,789	42,22,789
% of Share holding	5.51%	5.51%

RESERVES AND SURPLUS

	As at March 31, 2017 Rs. Lakh	NOTE 2 As at March 31, 2016 Rs. Lakh
Capital Reserve		
Balance as per last financial statements	185.13	492.98
Less: Transfer to General Reserve	185.13	307.85
Balance at the end of the year	-	185.13
General Reserve		
Balance as per last financial statements	5,448.40	5,140.55
Add: Amount Transfer from Capital Reserve	185.13	307.85
	5,633.53	5,448.40

Securities Premium Account

Balance as per last financial statements	1,060.92	1,060.92
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Surplus in Statement of Profit and Loss

Balance as per last financial statements	(10,484.59)	(15,298.11)
Add: Adjustment on Consolidation	(0.10)	-
	(10,484.49)	(15,298.11)
Add: Profit/(Loss) for the year	(1,920.59)	4,813.52
Balance at the end of the year	(12,405.08)	(10,484.59)
Total	(5,710.63)	(3,790.14)

LONG TERM BORROWINGS

	Non- Current portion		Current Maturities	
	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Secured:				
Term Loans :				
From Banks	578.66	572.30	168.11	188.64
Unsecured:				
From Others	-	2.44	1.99	1.60
	<u>578.66</u>	<u>574.74</u>	<u>170.10</u>	<u>190.24</u>

Amount disclosed under the head "Other Current Liabilities" (Note 8)	—	—	170.10	190.24
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Total	578.66	574.74	—	—
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Deferred Tax Liabilities/(Assets) (Net) **NOTE 4**

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Deferred Tax Liabilities		
Depreciation	389.83	512.45
Deferred Tax Assets		
Disallowance u/s 43B	(282.69)	(288.90)
Unabsorbed Depreciation	(74.05)	(202.67)
Total	33.09	20.88

PROVISIONS **NOTE 5**

	Long Term		Short Term	
	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Provision for Accrued				
Gratuity Liabilities	513.28	610.24	184.55	181.99
Provision for Accrued				
Leave Liabilities	44.98	64.41	160.09	140.29
Provision for Income				
Tax (Net of Advance Tax of Rs. 2,497.30 Lakh) (Previous year Rs. 2360.35 Lakh)	-	-	536.41	254.73
Provision for Wealth tax	-	-	0.68	0.68
Total	558.26	674.65	881.73	577.69

SHORT TERM BORROWINGS **NOTE 6**

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Secured:		
Working Capital Loans repayable on demand from Banks	1,061.10	733.51
From Others -		
Interest bearing	183.37	993.47
Interest free	420.42	-
	1,664.89	1,726.98
Unsecured:		
From Others	2,120.17	2,223.17
Total	3,785.06	3,950.15

TRADE PAYABLES

NOTE 7

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Total outstanding dues of micro enterprises and small enterprises (Note a)	--	--
Total outstanding of Creditors other than micro enterprises and small enterprises	2,756.03	2,693.07
Total	2,756.03	2,693.07

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 suppliers 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.

OTHER CURRENT LIABILITIES

NOTE 8

	As at March 31, 2017 Rs. Lakh	As at March 31, 2016 Rs. Lakh
Current maturities of		
long-term borrowings (Note 3)	170.10	190.24
Payable in respect of Capital Goods	1.20	1.45
Interest accrued and due on borrowings	432.29	432.29
Advances against sales of property	87.50	135.31
Advances from Customers	259.05	189.31
Statutory dues	2,526.32	2,332.40
Due to Director	12.64	30.60
Security Deposits	271.70	268.52
Payable to employees	952.59	1,400.63
Book Overdraft	-	15.00
Others	489.14	673.95
Total	5,202.53	5,669.70

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

Asset	Gross Block				Depreciation				Net Block	
	As on 01.04.16	Addi- tions	Deduc- tions	As on 31.03.17	As on 01.04.16	for the year	Deduc- tion	As on 31.03.17	As on 31.03.17	As on 31.03.16
Leasehold Land	16.41	-	0.33	16.08	-	-	-	-	16.08	16.41
Own Assets										
Freehold Land	1,686.89	881.60	-	2,568.49	-	-	-	-	2,568.49	1,686.89
Building	1,918.36	13.21	38.29	1,893.28	820.62	59.65	32.27	848.00	1,045.28	1,097.74
Plant and Machinery	4,568.83	74.39	2,129.23	2,513.99	2,989.97	300.52	1,914.69	1,375.80	1,138.19	1,578.86
Computer & Data	97.53	11.32	15.21	93.64	80.22	10.29	15.10	75.41	18.23	17.31
Processing unit										
Furniture and Fixtures	509.22	37.26	158.49	387.99	316.53	34.19	155.72	195.00	192.99	192.69
Vehicles	155.31	80.72	43.87	192.16	70.27	20.09	39.02	51.34	140.82	85.04
Total	8,952.55	1,098.50	2,385.42	7,665.63	4,277.61	424.74	2,156.80	2,545.55	5,120.08	4,674.94
Previous Year	10,516.66	518.24	2,082.35	8,952.55	5,136.96	454.28	1,313.63	4,277.61	4,674.94	

Intangible Assets**NOTE 10****Rs. Lakh**

Asset	Gross Block					Amortization/ Impairment					Net Block	
	As on 01.04.16	Adjust- ment consolidation	Addi- tions	Deduc- tions	As on 31.03.17	As on 01.04.16	for the year	Impair- ment Loss/ (Reversal)	Deduc- tion	As on 31.03.17	As on 31.03.17	As on 31.03.16
Own Assets												
Goodwill on Consolidation	2,456.12	-	-	-	2,456.12	-	-	-	-	-	2,456.12	2,456.12
Goodwill	2,277.62	-	-	-	2,277.62	2,277.62	-	-	-	2,277.62	-	-
Know How	55.94	-	-	-	55.94	40.25	11.30	-	-	51.55	4.39	15.69
Software	55.06	-	1.80	-	56.86	25.81	11.00	-	-	36.81	20.05	29.25
Brand Value	5.00	-	-	-	5.00	5.00	-	-	-	5.00	-	-
Total	4,849.74	-	1.80	-	4,851.54	2,348.68	22.30	-	-	2,370.98	2,480.56	2,501.06
Previous Year	4,847.13	1.36	1.25	-	4,849.74	1,149.04	1,199.64	-	-	2,348.68	2,501.06	

INVESTMENTS**NOTE 11**

	As at 31-3-17	As at 31-3-16	As at 31-3-17	As at 31-3-16
	Non Current	Current	Non Current	Current
Face Value Per Share (Rs.)	No. Share	No. Share	Rs. in Lakh	Rs. in Lakh

I Trade Investments**(Unquoted)**

Ordinary shares of each fully paid of ORG Informatics Limited	10	1559340	156.30	156.30	—	—
Less: Diminution in Value of Investment		(156.30)	(156.30)	—	—	—

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

National Saving Certificate	—	—	0.20	0.20	—	—
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Other Investments**(Unquoted)**

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

Ordinary shares each fully paid of Manekchowk Co-op Bank Ltd.	25	1204	0.30	0.30	—	—
"B" class shares of each fully paid of Teknoserv (Jersey) Ltd.	1 pound	73498	36.33	36.33	—	—
Ordinary shares of Belgium Satellite Services s.a *	Euro 1	555066	762.06	763.53	—	—
Less: Diminution in Value of Investment		(762.06)	—	—	—	—
			--	763.53		

Ordinary shares of each fully paid of Sardar Vallabh Bhai Sahakari Bank Limited	25	9540	2.39	2.39	—	—
Ordinary shares of each fully paid of Kalupur Commerical Co. Op. Bank Limited	25	26000	6.50	6.50	—	—
			45.81	809.34	-	-

Gold Coins

			0.48	0.48	—	—
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Total

			46.29	809.82	0.20	0.20
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a Disclosure as per**AS 13 - Accounting for Investments**

Long Term Investments	46.29	809.82	-	-
Current Investments	-	-	0.20	0.20
Total	46.29	809.82	0.20	0.20

LOANS AND ADVANCES**NOTE 12**

(Unsecured, Considered good unless otherwise stated)

	Long Term		Short Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Capital Advances	16.78	20.76	-	-
Security Deposits				
Considered Good	273.90	166.31	1.80	1.80
Considered Doubtful	9.21	9.21	-	-
Less: Provision	9.21	9.21	-	-
	-	-	-	-
Advances:				
To Employees	2.87	2.59	36.52	30.63
To Others	0.10		82.03	33.96
MAT Credit				
Entitlement	23.23			
Advances recoverable in cash or in kind or for value to be received				
Considered good	-	-	536.58	1,079.46
Considered doubtful	5.00	5.00	392.18	388.30
Less: Provision	-	-	382.10	378.22
	5.00	5.00	10.08	10.08
Prepaid Expenses	11.93	5.88	12.37	13.50
Balances with Government Authorities				
Considered good	0.40	0.40	130.73	66.82
Considered doubtful	-	-	1.09	1.09
Less: Provision	-	-	1.09	1.09
	-	-	-	-
CENVAT/Custom Duty Receivable	-	-	199.23	215.25
Total	334.21	200.94	1,009.34	1,451.50

OTHER ASSETS**NOTE 13**

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Non Current Bank Balances (Note 16)	99.72	70.89	-	-
Debtors Other than Trade	-	-	0.10	1,303.24
Interest Accrued	-	-	27.39	22.55
Income Receivable	-	-	8.17	9.68
Total	99.72	70.89	35.66	1,335.47

INVENTORIES**NOTE 14**

	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh
Raw Materials and Packing Materials	327.21	341.08
Raw Materials in Transit	17.08	23.60
Stores and Spares	13.40	12.49
Work-in-Progress	412.92	327.26
Finished Goods	138.93	224.60
Stock in Trade in Transit	33.84	15.94
Stock in Trade	518.08	496.18
Total	1,461.46	1,441.15

TRADE RECEIVABLES**NOTE 15**

	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	436.82	518.99
Considered doubtful	575.59	572.66
Less: Provision for Doubtful Debts	450.81	457.93
	124.78	114.73
Others	2,773.53	2,377.20
Total	3,335.13	3,010.92

CASH AND BANK BALANCES**NOTE 16**

	Non Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Rs. Lakh	Rs. Lakh	Rs. Lakh	Rs. Lakh
Cash and Cash Equivalents:				
Cash on Hand	-	-	87.83	8.26
Cheques on Hand	-	-	-	-
Balances with Banks				
In Current Accounts	-	-	446.94	910.79
In Exchange Earners				
Foreign Currency A/c	-	-	8.23	-
In Deposit Account	-	-	-	-
Held as Margin Money (with original maturity up to 3 months)	-	-	2.73	83.57
(Under lien with bank as Security for Guarantee Facility)	-	-	-	-
	-	-	457.90	994.36

Other Bank Balances:**In Deposits Accounts**

With original maturity more than 3 months but less than 12 months

With original maturity

more than 12 months

Held as Margin Money

(Under lien with bank as Security for Guarantee Facility)

Lodged with Sales

Tax / Excise

Department

Amount disclosed under the head

"Other Non Current

Assets" (Note 13)

Total

REVENUE FROM OPERATIONS**NOTE 17**

Year Ended **Year Ended**
March 31, 2017 **March 31, 2016**
Rs. Lakh **Rs. Lakh**

Sale of Products

Finished Goods and

Stock-in-Trade

Less : Excise Duty

Sale of Services

Other Operating Revenues

Export Incentives

Others

Total

OTHER INCOME**NOTE 18**

Year Ended **Year Ended**
March 31, 2017 **March 31, 2016**
Rs. Lakh **Rs. Lakh**

Interest Income

Dividend Income on:

Long Term Investments

Exchange Difference (Net)

Provision no longer required (Net)

Profit on sales of Assets (Net)

Prior Period Income

Profit on sales of Investment

Scrap Income

Miscellaneous Income

Cash Discount

Excise Duty Refund

Claim realised

Bad Debts recovered

Total

Cost of Materials and**Accessories Consumed****NOTE 19**

Year Ended **Year Ended**

March 31, 2017 **March 31, 2016**

Rs. Lakh **Rs. Lakh**

Stock at the beginning of

the year

Purchases

Less: Stock at the end

of the year

Total

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

Year Ended **Year Ended**
March 31, 2017 **March 31, 2016**
Rs. Lakh **Rs. Lakh**

(Increase)/Decrease in stocks

Stock at the end of the year

Finished Goods

Stock-in-trade

Work-in-Progress

Stock at the beginning of the year

Finished Goods

Stock-in-trade

Work-in-Progress

Excise duty in value of stock

(Increase)/Decrease in stocks

EMPLOYEE BENEFITS EXPENSE**NOTE 21**

Year Ended **Year Ended**
March 31, 2017 **March 31, 2016**
Rs. Lakh **Rs. Lakh**

Salaries and Wages

Contribution to Provident

Fund and Other Funds

Staff Welfare Expenses

Directors' Remuneration

Total

FINANCE COSTS**NOTE 22**

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Interest		
On Term Loans	118.91	116.37
On working capital loans	88.12	70.98
Others	273.74	213.20
Other Borrowing Costs	5.12	9.49
Total	485.89	410.04

**DEPRECIATION /
AMORTIZATION AND
IMPAIRMENT EXPENSE****NOTE 23**

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Depreciation of Tangible Assets	424.74	454.28
Amortization/ Impairment of		
Intangible Assets	22.30	1,199.64
Amortization of Lease hold Land	0.33	0.33
Total	447.37	1,654.25

OTHER EXPENSES**NOTE 24**

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Power and fuel	327.78	366.88
Stores Consumed	74.39	69.21
Insurance	19.36	15.10
Processing Charges	195.40	246.10
Rent	109.01	124.62
Rates and taxes	91.40	322.18
Repairs:		
To Buildings	105.69	106.74
To Machineries	31.27	28.55
To others	32.90	42.26
Factory Over Head	127.14	165.12
Integration & Installation Expense	6.60	3.21
Selling Commission	189.79	188.76
Selling Expenses	389.35	386.75
Distribution Expenses	59.76	66.70
Fixed Asset Written Off	-	0.81
Research and Development	1.72	2.78
Excise Duty - Others	29.52	27.48
Legal and Professional Fees	367.70	312.93
Conveyance and		
Travelling Expenses	425.03	379.86
Directors' sitting fees	1.35	1.54
Provision for Doubtful		
Debts & Advances	-	10.00
Bad Debts written off	93.74	72.34

Communication Expenses	49.79	20.46
ETP Expenses	8.50	10.00
Hire Charges		
(Transportation Services)	21.19	26.99
Product Development Expenses	11.71	8.40
Royalty paid	4.51	4.15
Labour Charges	44.12	44.64
Loss on Sale of Assets(net)	109.35	-
Provision for Diminution in		
Value of Investment	762.06	15.60
Project Expense Written Off	-	72.80
Sundry Debit Balances		
Appropriated (Net)	12.62	444.14
Payments to the auditor as		
(a) Auditor	12.26	12.24
(b) For tax audit matters	2.65	0.68
(c) For Other Certification work	10.98	10.87
(d) For reimbursement of expenses	4.26	3.83
Miscellaneous Expenses	333.50	374.22
Total	4,066.40	3,988.94

EARNING PER SHARE (EPS)**NOTE 25**

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Calculation of EPS		
(Basic & Diluted)		
Profit/ (Loss) available to		
Equity Shareholder		
(Rs. Lakh)	(1,920.59)	4,813.52
Weighted average no. of		
Equity Shares for	76,633,296	76,633,296
Basic and Diluted EPS		
Nominal value of		
Equity Shares (Rs.)	10.00	10.00
Basic and Diluted Earning		
per Equity Share (Rs.)	(2.51)	6.28

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

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

Principles

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

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

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

Sr No	Name of Subsidiary	"Country of incorporation"	"Proportion of ownership as on 31st March 2017"
a)	Synbiotics Limited	India	100%
b)	Haryana Containers Limited	India	100%
c)	Sarabhai M Chemicals Ltd	India	100%
d)	Asence Inc.	USA	100%
e)	Asence Pharma Private Limited	India	100%
f)	Systronics India Limited	India	100%
g)	Suvik Hitek Private Limited	India	100%
h)	Sarabhai Chemicals (India) Pvt Ltd.	India	99.90%
i)	Swetsri Investments Pvt Limited	India	100%

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

Sr No	Name of Joint venture	"Country of incorporation"	"Proportion of ownership as on 31st March 2017"
a)	Vovantis Laboratories Private Limited	India	33.34%

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

These Consolidated Financial statements have been prepared in accordance with the generally accepted accounting principles in

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

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

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

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

(B) USE OF ESTIMATES

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

(C) INFLATION

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

(D) REVENUE RECOGNITION

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

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

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

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

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

(E) VALUATION OF INVENTORY

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

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

(F) PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION/AMORTISATION**Property, Plant & Equipment (PPE)**

(PPE are stated at cost, net of accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition.

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

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

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognised in the Statement of Profit and Loss.)

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

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

(G) Depreciation of Tangible Assets

The carrying value of the tangible fixed assets as on April 1, 2016 is depreciated over remaining useful life of the assets. Depreciation on additions to tangible fixed assets is provided on the straight line method over useful lives of the assets as prescribed

under Part C of Schedule II to the Companies Act 2013.

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

Amortisation of Intangible Assets

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

(H) For Foreign Subsidiaries

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

(I) IMPAIRMENT OF ASSETS

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

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

(J) INVESTMENTS

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

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

(K) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the

exchange rate prevailing at the time of the transaction.

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

Non-monetary foreign currency items are carried at cost.

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

(L) EMPLOYEE BENEFITS

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

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

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

(M) TAXES ON INCOME

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

Minimum Alternate Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will

pay normal income tax within the specified period. The said asset is created by way of a credit to the Statement of Profit and Loss and is shown as MAT Credit Entitlement.

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

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

(N) EARNING PER SHARE

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

(O) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent Liabilities (to the extent not provided for)	NOTE 28	
	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Disputed demand in respect of		
(a) Customs and Excise	136.04	137.90
(b) Sales Tax	66.31	65.28

(c) Income Tax	5,490.90	3,563.25
(d) E.S.I.C.	93.88	93.88
(e) Provident Fund	10.56	10.56
Claims not acknowledged as debt	2,018.05	2,023.06
Claims not acknowledged as debt other than (ii) above		
Refer Note (29) below	781.70	781.70
Claims by Government for payment in to DPEA	39.25	39.25
Guarantee given by banks on behalf of the Company	344.14	339.09
Guarantee given by the Company on behalf of Other Companies	1.88	1.25

Note:

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

NOTE 29

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

With regard to the Guarantee given by the Company favouring Central Bank of India and Bank of Baroda, the Company has received on 31.12.2010, a notice invoking the guarantee dated 16.12.2003 on behalf of Bank of Baroda the notice is received on behalf of International Asset Reconstruction Company Pvt. Ltd. The Company has not accepted the 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.

Capital and Other Commitments **NOTE 30**

	Year Ended	Year Ended
	March 31, 2017	March 31, 2016
	Rs. Lakh	Rs. Lakh
Contracts on Capital Account remaining to be executed	12.40	19.66

Other Commitments	—	—
-------------------	---	---

Segment Reporting : **NOTE 31**
A. Primary Segment (Business Segments)

	Rs. in Lakh	Rs. in Lakh
Particulars	March 31, 2017	March 31, 2016
Segment Revenue		
a) Pharmaceuticals	7,241.49	7,663.56
b) Electronics	6,777.83	5,534.21
Total Sales	14,019.32	13,197.77
Less: Inter Segment	--	--
Net Sales	14,019.32	13,197.77

Segment Results

Segment Results before Interest & Finance Cost		
a) Pharmaceuticals	(1,539.15)	6,330.82
b) Electronics & Broadcast Equipments	533.08	253.41
Total Segment Results (1,006.07)		6,584.23
Less: Interest & Finance Cost	485.89	410.04
Profit/(Loss) from ordinary Activities	(1,491.96)	6,174.19
Extra ordinary Items (Net)	—	—
Profit/(Loss) before Tax(1,491.96)		6,174.19

Other Information

Segment Assets		
a) Pharmaceuticals	12,005.20	14,660.90
b) Electronics & Broadcast Equipments	3,742.86	3,373.17
c) Unallocable	—	—
Total Assets	15,748.06	18,034.07
Segment Liabilities		
a) Pharmaceuticals	8,076.71	8,448.55
b) Electronics & Broadcast Equipments	1,184.83	997.20
c) Unallocable	—	—
Total Liabilities	9,261.54	9,445.75

Segment and Depreciation/Impairment		
a) Pharmaceuticals	413.68	1,620.08
b) Electronics & Broadcast Equipments	33.69	34.17
c) Unallocable	—	—
Total Depreciation /Impairment	447.37	1,654.25
Capital Expenditure		
a) Pharmaceuticals	1,067.91	496.21
b) Electronics & Broadcast Equipments	32.39	23.28

c) Unallocable	—	—
Total Capital Expenditure	1,100.30	519.49
Non Cash Expenses other than Depreciation		
a) Pharmaceuticals	656.60	25.60
b) Electronics & Broadcast Equipments	134.34	73.15
c) Unallocable	—	—
Total Non Cash Expenses other than Depreciation	790.94	98.75

B Secondary Segment (Geographical by Customers)

	Rs. in Lakh	Rs. in Lakh
Particulars	March 31, 2017	March 31, 2016
Segment Revenue		
a) In India	9,781.67	9,038.59
b) Outside India	4,237.65	4,159.18
Total Sales	14,019.32	13,197.77
Carrying Cost of Assets by location of assets		
a) In India	15,653.28	17,833.88
b) Outside India	94.78	200.19
Total	15,748.06	18,034.07
Addition to Assets		
a) In India	1,099.75	519.49
b) Outside India	0.55	-
Total	1,100.30	519.49

Notes:

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

- Geographical segment is considered based on sales within India and outside India.

NOTE 32

Related Party Disclosures:

As per the Accounting Standard on " Related Party disclosures (AS 18) " the related parties of the Company are as follow :

Name of Related Parties and Nature of Relationship :

a	Name of the party	Nature of relationship
---	-------------------	------------------------

Key Managerial Personnel:

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

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

b Transactions and Balances :

Nature of Transactions

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Transactions		
Remuneration to key management personnel	98.15	88.98
Balances as at year end		
Payable in respect of		
Current Liabilities	12.64	30.60

C Disclosure in respect of Related Party

Transactions :

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
Remunerations		
Mr. Kartikeya V Sarabhai	21.83	19.97
Mr. A H Parekh	19.14	17.64
Ms Chaula Shastri	14.67	13.10
Mr. K Mohandas	42.51	38.27
Payable in respect of		
Current Liabilities		
Mr. Kartikeya V Sarabhai	4.50	4.27
Mr. A H Parekh	5.21	18.32
Ms Chaula Shastri	2.93	8.01

Additional Information as required under Schedule III to the Companies Act, 2013**NOTE 33**

Name of the Entity	2016-17				2015-16			
	Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)		Net Assets i.e. total assets minus total liabilities		Share in profit/(Loss)	
	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh	As % of Consolidated Net Assets	Rs. In Lakh	As % of Consolidated Profit/(Loss)	Rs. In Lakh
Parent:								
Ambalal Sarabhai Enterprises Ltd	(156.49%)	(3,055.72)	126.74%	(2,434.13)	443.82%	(897.63)	180.18%	4,247.26
Subsidiaries								
Synbiotics Limited	33.01%	644.67	(25.91%)	(1,038.07)	(66.94%)	651.50	149.88%	(1,232.08)
Haryana Containers Limited	45.14%	881.50	(0.01%)	(1.49)	0.02%	881.44	(0.08%)	(0.38)
Sarabhai M Chemicals Ltd	0.03%	0.61	(0.01%)	(0.78)	0.57%	0.90	0.42%	(0.38)
Asence Inc.	3.64%	71.12	3.81%	(73.11)	(6.61%)	146.46	(1.91%)	17.08
Asence Pharma Private Limited	31.85%	621.88	(71.86%)	1,380.14	(22.65%)	417.42	(185.36%)	1,518.66
Systronics India Limited	129.80%	2,534.69	(24.77%)	475.71	(235.60%)	2,341.23	(47.46%)	306.03
Suvik Hitek Private Limited	(11.84%)	(231.20)	0.82%	(15.73)	24.58%	(193.91)	4.62%	4.15
Sarabhai Chemicals (India) Pvt Ltd	(5.37%)	(104.81)	(0.34%)	(112.18)	(1.04%)	(42.05)	(1.23%)	(16.46)
Swetsri Investments Pvt. Limited	11.66%	227.62	(0.02%)	0.39	-	226.03	-	0.49
Joint Ventures:								
Vovantis Laboratories Pvt. Ltd	18.56%	362.34	(0.64%)	(101.34)	(36.15%)	341.80	0.94%	(30.85)
	100.00%	1,952.70	100.00%	(1,920.59)	100.00%	3,873.19	100.00%	4,813.52

NOTE 34

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 35

No Provision is made for doubtful debts Rs. 124.78 Lakh (Rs. 114.73 Lakh) and doubtful advances of Rs. 15.08 Lakh (Rs. 15.08 Lakh).

NOTE 36**Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification is given below:

Particulars	SBNs*	Rs. Lakh	
		Other denomination notes	Total
Closing cash balance			
as on November 8, 2016	9.51	6.73	16.24
(+) Permitted Receipts	-	44.44	44.44
(-) Permitted Payments	-	38.21	38.21
(-) Amount deposited in Banks	9.51	2.23	11.74
Closing cash balance as on			
December 30, 2016	-	10.73	10.73

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in

the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

NOTE 37**Impairment of Fixed Assets**

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

NOTE 38

In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

NOTE 39

Figures less than Rs. 500/- which are required to be shown separately, have been shown as actual in brackets.

NOTE 40

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

As per our report of even date attached

For, Sorab S. Engineer & Co.	Kartikkeya V. Sarabhai
Firm Registration No. 110417 W	Chairman
Chartered Accountant	G.D.Zalani
CA. Chokshi Shreyas B.	Director
Partner	Ketan Adhvaryu
Membership No. 100892	Company Secretary
Date : 10-8-2017	Date : 10-8-2017
Place : Ahmedabad	Place : Ahmedabad

Consolidated Cash Flow Statement

	Year Ended March 31, 2017 Rs. Lakh	Year Ended March 31, 2016 Rs. Lakh
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before taxation	(1,491.96)	6,174.19
Adjustments for:		
Depreciation /Amortization	447.37	1,654.25
Interest Income	(106.46)	(83.91)
Interest Expenses	485.89	400.55
Dividend Income	(1.03)	(1.03)
Provision for Diminution in value of Investments	762.06	15.60
Sundry Debit Balance Written Off	12.62	444.14
Project Expenses Written Off	-	72.80
Fixed Assets Written Off	-	0.81
Bad Debts Written Off	93.74	72.34
Provisions no longer Required	-	(0.42)
Provisions for Bad Debts/Advances	-	10.00
Foreign Exchange Gain	(8.18)	(4.14)
Profit on Sale of Tangible/Intangible assets	109.35	(9,293.40)
Profit on sale of Investment	-	(0.92)
	1,795.36	(6,713.33)
Operating Profit before Working Capital Changes	303.40	(539.14)
Working Capital Changes:		
Changes in Inventories	(20.31)	268.95
Changes in Current liabilities	(498.24)	(4,004.68)
Changes in Current Assets, Loans & advances	1,622.64	(2,030.06)
Changes in trade receivables	(409.77)	(563.88)
Changes in Other Bank Balances	(326.63)	(118.88)
Net Changes in Working Capital	367.69	(6,448.55)
Cash Generated from Operations	671.09	(6,987.69)
Direct Taxes paid (Net of Income Tax refund)	(157.97)	(511.58)
Net Cash Flow from Operating Activities	513.12	(7,499.27)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(547.62)	(1,408.17)
Sale of tangible assets	118.94	10,061.79
Change in Investments	1.57	(763.53)
Proceeds from Sale of Investment	-	27.59
Dividend Income	1.03	1.03
Interest Income	103.13	86.86
Net cash flow from Investing Activities	(322.95)	8,005.57
C Cash Flow from Financing Activities		
Changes in borrowings	(161.17)	57.52
Interest Paid	(485.89)	(401.58)
Net Cash flow from Financing Activities	(647.06)	(344.06)
Net Increase/(Decrease) in cash & cash equivalents	(456.89)	162.24
Cash & Cash equivalents at the beginning of the period	1,002.62	840.38
Cash & Cash equivalents at the end of the period	545.73	1,002.62
Particulars	As at Year Ended March 31, 2017	As at Year Ended March 31, 2016
a Cash and cash equivalents comprise of: (Note 16)		
Cash on Hand	87.83	8.26
Balances with Banks	457.90	994.36
Total	545.73	1,002.62

As per our report of even date attached
 For Sorab S Engineer & Co.
 Firm Registration No 110417 W
 Chartered Accountants
 CA. Chokshi Shreyas B.
 Partner
 Membership No. 100892
 Date : 10-08-2017
 Place : Ahmedabad

Kartikeya V. Sarabhai
 Chairman
 G. D. Zalani
 Director
 Ketan Adhvaryu
 Company Secretary
 Date : 10-08-2017
 Place : Ahmedabad

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 39th Annual General Meeting of the Company to be held on 29.09.2017 at 10.30 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 31-3-2017
2	Re-appointment of Anil H Parekh, who retires by rotation.
3	Appointment of M/s. Khandhar & Associates, Chartered Accountants as Auditors.
4	

Signed this _____ day of _____ 2017

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**

Friday, 29th September, 2017 at 10.30 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