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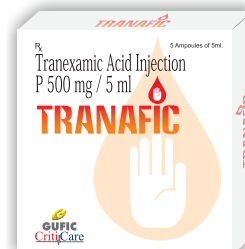
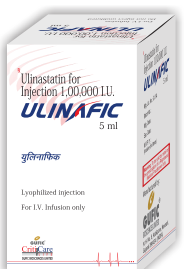
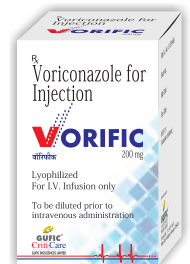
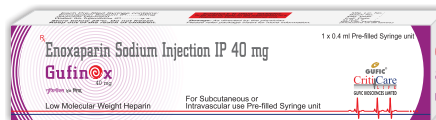
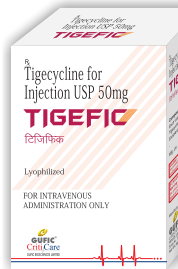
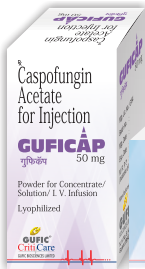
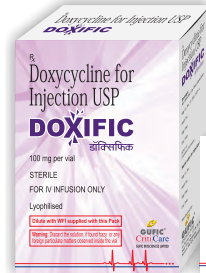
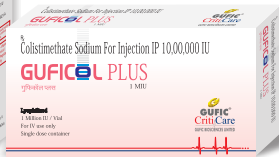
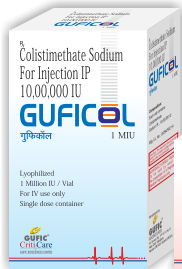
MOVING TOWARDS THE RIGHT DIRECTION



GUFIC
BIOSCIENCES LIMITED

36TH ANNUAL REPORT 2019-2020

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS



BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	Chairman & Managing Director
Mr. Pranav J. Choksi	Chief Executive Officer & Whole-time Director
Mr. Pankaj J. Gandhi	Whole-time Director
Mrs. Hemal M. Desai	Whole-time Director
Mr. Gopal M. Daptari	Independent Director
Mrs. Anu S. Auora	Independent Director
Mr. Shreyas K. Patel	Independent Director
Mr. Shrirang V. Vaidya	Independent Director
Dr. Balram H. Singh	Non-Executive Director
Dr. Rabi N. Sahoo	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

S H R & Co

COST AUDITOR

Kale & Associates

SECRETARIAL AUDITOR

Gajanan D. Athavale

INTERNAL AUDITOR

Mittal Agarwal & Co.

BANKERS

The Saraswat Co-operative Bank Limited
State Bank of India
ICICI Bank
HDFC Bank
Bank of Baroda

REGISTERED OFFICE ADDRESS

37, First Floor, Kamala Bhavan II, S. Nityanand Road,
Andheri (East), Mumbai – 400 069, Maharashtra, India.
• E-mail: info@guficbio.com • website: www.gufic.com
• CIN. L24100MH1984PLC033519

CORPORATE OFFICE

SM House, 11 Sahakar Road, Vile parle (East),
Mumbai – 400 057, Maharashtra, India.
• Tel.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68

PLANT

National Highway No. 8, Near Grid,
Kabilpore Navsari, Gujarat 396 424
Tel.: 91 - 02637 - 239946 / 329424

REGISTRAR AND TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083.
Tel No.: (022) 4918 6270
Fax (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

36th Annual General Meeting

DAY & DATE

Wednesday, 11th November, 2020

TIME

11.00 AM.

MODE

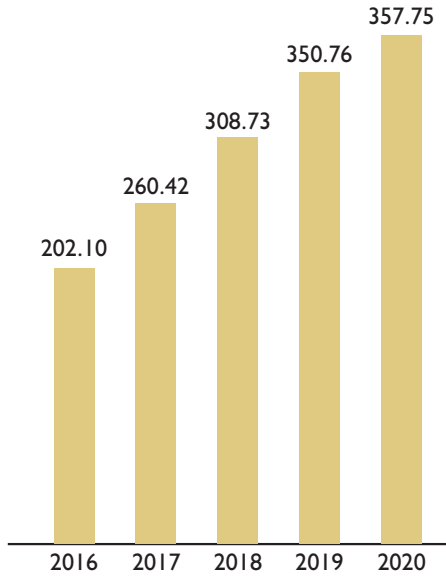
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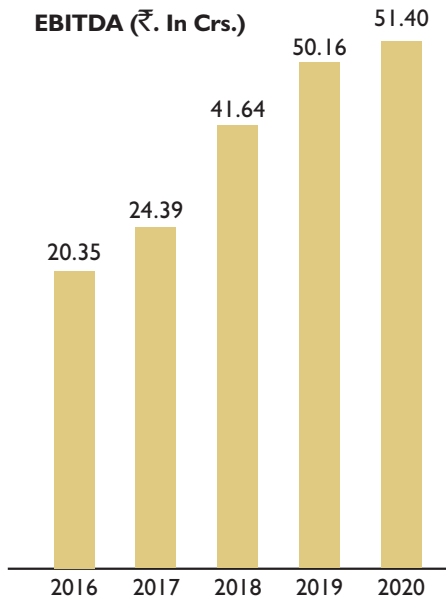
GUFIC BIOSCIENCES LIMITED

FINANCIAL HIGHLIGHTS

Revenue from Operation (₹. in Crs.)



EBITDA (₹. In Crs.)



The above graph shows the performance of the Company in the last five years through its sales and Earnings before Interest, Depreciation and Amortization. The graph reflects the growth of the Company which is going upwards year over year and thus shows the commitment of the Company to grow high. With total operational revenue at ₹ 357.75 crores and EBITDA at ₹ 51.40 crores, the Company have been able to post a considerable growth of around 2% and 2.48% respectively.

Chairman's Message

Dear Shareholders,

As we prepare to move ahead with our plans to take Gufic to the next level of success, the worldwide crisis of Covid-19 has hit almost every country, every industry and almost every business including ours. The performance of the financial year 2019-20 has been challenging yet satisfying for us since the year saw many approvals for us in terms of various regulatory approvals for our plant. These approvals stand as a testimony of our commitment to quality, adherence to compliance, manufacturing excellence, strong research & development team, dedication to provide affordable medicines to public and trust of all the stakeholders.

With the investment on the manufacturing front, Gufic group is now all set to enhance our manufacturing capacity of the lyophilized products to around 50 million Vials by September, 2020. This will help us to explore the business opportunities in various countries with the product pipelines being built by us in the immediate and long term future.

The Domestic business for us has been progressing well especially in the Critical care segment where the company features in the Top 5 companies and continues to consolidate its presence every year.

The Company's drive in the domestic business has started paying off as it has entered the Top 100 companies ranking (February 2020) by reaching a position of 92 with a CAGR 39.4%.

With a well spread portfolio in Critical care, Infertility and mass specialty products we now cover almost 90 % of the tertiary care hospitals and more than 1 lakh doctors and over 2 lakh retail counters. The focus of every division is to increase the number of prescribers and prescriptions and eventually build high value brands. We now have more than 12 brands with more than Rs. 5 crores sales and the strategy is to nurture these brands further to earn leadership position in the respective segments. We have several brands (12) ranked among the top 5 brands in the relevant competing segments-which gives us confidence to build brands. Apart from our plans to consolidate the strong segments like Criticare care and Infertility, Gufic has already chalked out plans to create separate teams to cater to Orthopedics and Gynecologists in the metro cities.

Looking at the Pandemic scenario and its impact of the therapy areas, we have re-strategized some of our therapy areas in the portfolio and have started building Covid-centric products like some anti-infectives, Sepsis products and Peptides to manage the critically ill patients in the tertiary care hospitals.

In the year 2020, Gufic is all set to enter the high growth Dermatology segment with evidence based Aesthetic Dermatology products with technical collaborations with companies based in USA and France. It's a pleasure to announce that Gufic is one of the 5 companies in the World which is fully equipped to manufacture high quality Botulinum Toxin. Our state-of-the-art facility at Navsari can manufacture Botulinum toxin successfully, complying to the stringent Global standards of quality.

We will have a separate highly skilled team to promote these products to high end Cosmetologists and Plastic surgeons in India. The team would be functional by the month of December, 2020.

We are also in the process of seeking approval for new drug delivery systems for the Botulinum Neurotoxin for first time users which do not prefer the injectable route.

In the financial year 2019-20, the Company has achieved total revenue of Rs. 36,456.63 lakhs over Rs. 35494.18 lakhs in the previous year and net profit after tax of Rs. 2285.67 lakhs over Rs. 2,194.07 lakhs in the previous year, respectively. The EBITDA growth of the company has increased by 2.47 % in comparison with the previous year. We have grown consistently both in terms of revenue as well as profits. The growth of the company was mainly attributed to the performance of Criticalcare business, the CMO Business and the international partnerships that we nurtured for the past few years.

During the year under review, your Company launched around 8 new products and made continuous efforts for improvising the existing products. R&D has around 30 active projects in the pipeline. 3 clinical trials have been initiated in India in the field of anti-virals, resistant bacterial infections and dermatology

Your company's Active Pharmaceutical Ingredient (API) business has seen good growth. Your company also plans to increase the pipeline of API product offering by at least 6 more products in FY 2020-21 which will drive the API business further and also utilize increased capacities. Your Company's annual API manufacturing capacity has been increased by 36 tons which will contribute in revenue growth in the future.

Your Company is also in talks with several international companies for in-licensing innovative concepts in various therapy areas such as Dermatology, nutritional, infertility and anti-infectives.

We remain focused on improving quality across all aspects of our operations, with initiatives for continuous improvement, reducing manual interventions through digitization and automated equipment's. We intend to continue this journey and meet the highest regulatory standards for our manufacturing facilities and new product development.

Further, your Company is awaiting sanction of Scheme of Amalgamation of Gufic Lifesciences Private Limited (GLPL) with the Company by the requisite regulatory authorities. The manufacturing unit of GLPL is EU-GMP certified and this Scheme on becoming effective would provide larger asset base to the Company, and enable further growth and development of the Company especially in terms of Exports.

Our thanks to the management team and all our employees for coming together to deliver better results and many thanks to you for your support.

With best regards,

Yours faithfully,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director



GUFIC BIOSCIENCES LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 36th Annual Report of the Company and the Standalone Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL SUMMARY :

The financial performance of the Company, for the year ended March 31, 2020 is summarized below :

₹ in Lakhs

Particulars	2019-20	2018-19
Total Revenue from Operations	35,775.13	35,076.96
Other Income	681.50	417.22
Total Income	36,456.63	35,494.18
Profit / (Loss) before Depreciation, Finance Cost, Exceptional items & tax Expenses	5,139.84	5,015.69
(Less): Depreciation and Amortization expense	835.00	464.66
Profit / (Loss) before Finance Costs/ Exceptional items & Tax Expense	4,304.84	4,551.03
(Less): Finance Costs	1,271.83	1,016.12
Profit / (Loss) before Exceptional items and Tax Expense	3,033.01	3,534.91
Add / (Less) Exceptional items	-	-
Profit / (Loss) before tax Expense	3,033.01	3,534.91
(Less): Tax Expense (Current)	831.00	1,152.82
Deferred Tax	91.98	182.07
(Excess)/ Short Tax Provision of Earlier Years	(175.64)	5.94
Profit / Loss for the year (1)	2,285.67	2,194.08
Other Comprehensive Income / (Loss) (2)	(197.96)	(2.24)
Total (1+2)	2,087.71	2,191.84

The Company has prepared the Standalone Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

PERFORMANCE REVIEW:

The Company's total revenue for the financial year under review was ₹. 36,456.63 lakhs as compared to ₹. 35,494.18 lakhs in the previous year thus making an increase of about 2.71%. The turnover of the Company from the domestic market is around 88% and from exports is around 12%.

During the year under review, the Net Profit after tax of the Company increased to ₹. 2,285.67 lakhs as against ₹. 2,194.07 Lakhs in the previous year, thus registering a growth of about 4.17%. The increase in the Net Profit is mainly due to the increase in the operational revenue of the Company in the financial year 2019-20.

The Company has made a significant progress in the export market by making a growth of 38.50%.

There is no change in the nature of business of the Company and it continues to operate only in one segment i.e. Pharmaceutical.

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis section.

TRANSFER TO RESERVES:

The Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹. 0.05/- on every equity share of face value ₹. 1/- each (5%) for the financial year ended March 31, 2020. The dividend if approved at the 36th Annual General Meeting (AGM), will be paid to those shareholders whose name appear on the Register of Members of the Company as on the Book Closure date as specified in the Notice to the AGM.

The total dividend pay-out would amount to approximately ₹. 38,91,500. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Accordingly, your Company shall make the payment of the Final Dividend after deduction of tax at source.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked with long-term growth objectives of the Company to be met by internal cash accruals.

SCHEME OF AMALGAMATION

The Board of Directors of the Company at its Meeting held on March 25, 2019 approved the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme"). The Company has also received No Objection from BSE Limited and National Stock Exchange of India Limited vide their Observation letters both dated April 15, 2020 for the said Scheme.

Further, application for approval of the said Scheme has been filed before the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") and as per the directives of NCLT, the meeting of shareholders for approval of the Scheme is scheduled to be held on September 15, 2020.

MATERIAL CHANGES & COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report. There has been no change in nature of business of the Company.

CHANGES IN CAPITAL STRUCTURE:

During the year under review, neither there have been any change in the authorized, issued, subscribed and paid up share capital of the Company nor the Company have re-classified or sub-divided its Share Capital.

Further, neither the Company have issued any shares with differential voting rights nor granted any stock options nor sweat equity shares nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees, in the financial year ending March 31, 2020.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

I KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

2. CESSATION/ EXPIRY OF DIRECTORSHIP TENURE:

Mr. Sharat S. Gandhi tendered his resignation as an Independent Director of the Company on March 30, 2019 effective from April 01, 2019. The Board places on record its sincere appreciation for Mr. Gandhi's contribution and guidance provided during his tenure as a Director and a Member on various Committees of the Board.

The term of Mr. Jagdish D. Shah as an Independent Director of the Company ended on September 25, 2019 and he had conveyed his unwillingness to be re-appointed as the Director of the Company. The Board places on record its sincere appreciation for Mr. Shah's contribution and guidance provided during his tenure as a Director and a Member on various Committees of the Board.

The term of Mrs. Hemal M. Desai, Whole time Director of the Company is expiring on September 30, 2020 and she has conveyed her unwillingness to be re-appointed as the Director of the Company. Accordingly, the tenure of Mrs. Hemal M. Desai as Whole Time Director of the Company shall end on September 30, 2020.

3. RETIREMENT BY ROTATION:

In accordance with the provisions of the Section 152(6) of the Companies Act, 2013 read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Bal Ram Singh, Non-Executive Non-Independent Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

4. APPOINTMENT:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee and after considering the knowledge, experience and skill set in the field of medicine, had appointed Mr. Rabi Narayan Sahoo as an Additional Independent Director of the Company for a term of three years effective from June 29, 2019, subject to the approval of the shareholders. The shareholders of the Company at its 35th Annual General Meeting held on September 30, 2019 approved the said appointment.

The shareholders at its 35th Annual General Meeting held on September 30, 2019 re-appointed Mr. Jayesh P. Choksi as Chairman & Managing Director and Mr. Pranav J. Choksi as Whole Time Director of the Company for a period of five years each, commencing from April 01, 2020 and Mr. Shreyas K. Patel and Mr. Gopal M. Daptari for a further period of five years commencing from September 26, 2019 and November 23, 2019 respectively.

The Board of Directors at its Meeting held on December 23, 2019, on the recommendation of the Nomination & Remuneration Committee had appointed Dr. Anu Sanjiv Aurora as an Additional Independent Director of the Company for a consecutive period of two years with immediate effect, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Board recommends her appointment.

The term of Mr. Shrirang V. Vaidya as an Independent director and Dr. Bal Ram Singh as a Non-Executive, Non Independent director expires on February 11, 2021 and May 28, 2021 respectively. Pursuant to the provisions of section 149 and 152 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee, the Board recommends re-appointment of the above-mentioned Directors and the details of which are mentioned in the Notice to the ensuing General Meeting.

In the opinion of the Board, the Independent Directors appointed / re-appointed during the year under review are persons of high repute, integrity and possess the relevant expertise and experience (*including the proficiency) in their respective field.

*As per Ministry of Corporate (MCA) Notification dated 22nd October, 2019, Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, the Independent Director need to give proficiency test online with the Indian Institute of Corporate Affairs within one year from the date of inclusion of his name in the Independent Directors data bank. Accordingly, your Directors have registered their name in the said data bank and they shall be appearing for the online proficiency test within the prescribed timelines.

GUFIC BIOSCIENCES LIMITED

DECLARATION BY INDEPENDENT DIRECTORS:

The Company have received declaration/confirmation from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that there is no change in the circumstances which may affect their status as Independent Director during the year under review.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified under the Act and Listing Regulations and are independent of the management.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees including the senior management of the Company in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/ behaviours of any form and the Board has laid down the directives to counter such acts. The Code can be accessed from the website of the Company i.e., www.gufic.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

In compliance with the requirements of Listing Regulations, the Company has put in place a Familiarization Programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors in the Company.

Through the Familiarization programme, the Company apprises the Independent Directors about the Company's operations, Corporate strategy, business plans, regulatory, internal control system and critical aspects which would enable them to effectively discharge responsibilities and functions conferred on them.

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at <http://gufic.com/wpcontent/uploads/2020/08/Familiarisation%20Programme%20for%20independent%20directors.pdf>

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at <http://gufic.com/investor/Appointment.pdf>

NUMBER OF MEETINGS OF THE BOARD

During the year under review, Eight Board Meetings were convened and held. The details of which are given in the Corporate Governance Report, which forms part of this Report. The intervening gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

COMMITTEES OF THE BOARD

The Board currently has four committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Stakeholders Relationship Committee. All the recommendations made by the Committees of Board including the Audit Committee were accepted by the Board. The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report that forms part of this Annual Report.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company is in compliance with the provisions of Section 177(8) of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The functions performed by the Audit Committee, details of meetings held and attendances thereat are given in the Corporate Governance Report, which forms part of this Annual Report. The Board have accepted all the recommendations made by the Audit Committee.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, Listing Regulations and all other applicable laws in force.

In compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management. The details of the Policy are disclosed in the Corporate Governance Report, which forms a part of this Report.

The policy lays down the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission, if any.), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The policy can be accessed on the following link: <http://gufic.com/wpcontent/uploads/2016/08/Appointment of DirectorsKMP201718.pdf>

BOARD EVALUATION:

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 read with the Rules framed there under and the Corporate Governance requirements as prescribed by Listing Regulations.

The performance evaluation of Individual Directors, Committees of the Board and the Board as a whole was carried out, after seeking inputs from all Directors, inter-alia covering different aspects viz. composition and structure of the Board, responsibilities, attendance including participation of the Directors at the Board and Committee meetings, observance of governance, functions and duties, quality of deliberations and effectiveness of the procedures adopted by the Board and all other factors based on the criteria and framework approved by the Nomination and Remuneration Committee.

The Board of Directors were satisfied with the evaluation process and expressed satisfaction over performance of individual directors, Board as a whole and of the Board Committees, as revealed by the evaluation reports.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated.

Manner in which the evaluation has been carried out and matters incidental thereto, have been detailed in the Corporate Governance Report, which forms part of this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **"Annexure- A"**.

Further, the information as required under Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, pertaining to the names and other particulars of employees is available for inspection at the Corporate office of the Company and pursuant to the proviso to Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding this. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary/Compliance Officer at the Corporate office address of the Company .

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby confirm: -

- a. In the preparation of the annual accounts/financial statements for the year ended March 31, 2020, the applicable Indian Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2020 and of the profit of your Company for that year;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual financial statements on a going concern basis;
- e. The Directors had laid down proper internal financial controls and that the same are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Internal Auditor review the effectiveness and efficiency of these systems and procedures to ensure that adopted policies and procedures are followed and implemented properly.

Your Company is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

GUFIC BIOSCIENCES LIMITED

REPORTING OF FRAUDS

During the year under review, the statutory auditors, internal auditor, secretarial auditor and cost auditor have not reported to the Audit committee, any instances of fraud committed against the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013, the details of which would need to be mentioned in the Board's report

SUBSIDIARY/ JOINT VENTURE /ASSOCIATE COMPANIES

During the year under review, the Company did not have any subsidiary, joint venture or associate Company. Hence, statement containing salient features of financials of subsidiaries pursuant to Section 129 of the Act read with Rule 5 and 8(1) of the Companies (Accounts) Rules, 2014 in Form AOC-1 is not applicable to the Company.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company had not given any loan or provided any guarantee or given any security with respect to any loan given or invested by way of subscription, purchase or otherwise, the securities of any other body corporate as per Section 186 of the Companies Act, 2013.

UNCLAIMED DIVIDEND/SHARES

In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the details of shares lying in unclaimed suspense account and unclaimed shares/dividend transferred to IEPF, are provided in the Corporate Governance Report, that forms part of this Report.

RELATED PARTY TRANSACTIONS

In lines with the requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at the link: <http://gufic.com/wpcontent/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>

Prior omnibus approval was obtained for Related Party Transactions (RPTs) from Audit Committee at the beginning of the financial year for transactions likely to be entered with the related parties. All RPTs were placed before the Audit Committee for review and approval on quarterly basis. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

There are no material related party transactions which are not in ordinary course of business and which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held for the financial year 2019-20 are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board, on the recommendation of the CSR Committee are available on the website of the Company and can be accessed through the web link: <http://gufic.com/wp-content/uploads/2016/09/CorporateSocialResponsibilityPolicy.pdf>

Your Company continues to contribute to its CSR activities in accordance with the CSR policy. During the year under review, the Company continued several initiatives under the CSR program focusing on its thrust areas i.e., Community Healthcare, Sanitisation & Hygiene; 2. Education, Knowledge & Research and 3. Social Care and Concern, through various agencies permitted under the Act.

The details of the CSR activities undertaken by the Company during the year under review, is annexed to this report as "Annexure B"

CONSERVATION OF ENERGY

I. Steps taken by the Company or impact on conservation of energy:

- Energy saving being a prime objective for all new procurement and modification i.e the machines/equipments purchased by the Company are Energy efficient and controlled by Variable Frequency Drive (VFD) so that the power is consumed as per the requirement of each equipment. Automatisation leads to less human intervention.
- Have Energy Management System in place
- Uses Online Energy Monitoring System for monitoring day to day energy consumption and an online report is generated in which day to day consumption is being monitored and compared with production so as to analyse and reduce excess/additional uses of power.
- Replaced Conventional CFL lights with LED lights in phased manner. Primarily all new purchases of lights are done of LED lights.
- Installation of Steam Strap on main stream line to improve quality of steam.

- Ensured All Air Handling Unit (AHU) system is with Variable frequency drives (VFD) for getting required consumption of Power.
- Improvisation of power factor
- Treated high salt content in waste water system
- Harmonisation of best energy conservation practices.
- Improvisation of power factor
- Energy audit at the factory premises by external agency and measures taken.

2. Steps taken for utilizing alternate source of energy:

- Conventional fuel like furnace oil /high speed diesel are replaced with biomass briquettes with Eco-friendly fuel for Steam generation
- Usage of diesel generator (DG Set) to generate electrical energy.
- Reduction in energy consumption and cost

3. Capital investment on energy conservation equipment:

During the year under review, the Company has not made any specific capital investment on energy conservation.

TECHNOLOGY ABSORPTION:

(I) Efforts made towards technology absorption;

- New product development using newer formulations as well as new molecules and drugs
- Updating and improving the processes and systems used for existing products
- Developing and introducing new technologies for enhancing efficacy, bio-availability and the potency of the existing as well as new products
- Developing and launching new drug delivery systems with a special focus on Lyophilized products
- Strategic collaborations with other independent teams for introducing new products and technologies
- Filing of appropriate patents and function as a link between the management and the IP lawyers
- Filed multiple Process Patents for many life saving drug injections
- Filed Herbal Patents for herbal treatment for chronic ailments
- Stability testing of the current as well as new products with a focus on quality and bio-availability
- Development and scale-up of new formulations for existing and newer active drug substances using innovative and advanced processing equipment.

(ii) the benefits derived as a Result of R & D:

- Launched 8 New products in the market in the financial year 2019-20.
- About 12 products are ready to be commercialized.
- About 30 New products are in projection & development of many products is already started.
- Development of new drug delivery systems and devices to improve patient benefit.
- Development of products for import substitution.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

Details of technology imported	Year of Import	whether the technology been fully absorbed;	if not fully absorbed, areas where absorption has not taken place, and the reasons there of
Botulinum Neurotoxin A EP/BP	2018-19	Yes	Product under stability
Botulinum Neurotoxin A for Injection EP/ BP	2018-19	Yes	Product under stability
Recombinant FSH	2019-20	No.	Under development

(iv) the expenditure incurred on Research and Development :

Particulars	Rs. in lakhs	
	2019-20	2018-19
Capital	38.36	179.96
Recurring	200.07	207.75
Total	238.43	387.71

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FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Earnings in foreign currency: ₹ 4183.29 lakhs

Out-go in foreign currency: ₹ 7859.28 lakhs

RISK MANAGEMENT:

Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Audit Committee.

Your Company has adopted a risk management policy for identification, evaluation and mitigation of business risk and threats. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Various risk traced by the Company during the financial year 2019-20, were minimized to its best. The risk management policy adopted by the Company can be accessed on the Company's website [link:http://gufic.com/wp-content/uploads/2016/08/Risk-Management-Policy-2017-18.pdf](http://gufic.com/wp-content/uploads/2016/08/Risk-Management-Policy-2017-18.pdf)

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As stipulated by Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has established a Vigil Mechanism policy i.e. Whistle Blower Policy that enables the Directors and employees to report genuine concerns, unethical behavior, irregularities, if any, that would adversely affect the operation of the Company and to provide adequate safeguards against victimization of persons who may use such mechanism. The Vigil Mechanism provides for direct access to the Chairperson of the Audit Committee. The details of the policy are made available on the website of the Company at the link: <http://gufic.com/wp-content/uploads/2016/08/WHISTLE-BLOWER-POLICY.pdf>. The policy is reviewed by the Audit Committee from time to time.

No concerns or irregularities have been reported by employees/directors till date.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future except admission of petition by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), filed by one of the Operational creditors for initiating Corporate Insolvency Resolution Process against the Company and appointment of the Interim Resolution Professional in the matter vide its order dated October 22, 2019 and October 25, 2019, respectively. However, the said orders were recalled by the NCLT vide its order dated December 03, 2019.

Copy of the said orders is available on the website of the Company. Stage-wise developments in the aforesaid process were duly intimated to the Stock Exchanges from time to time.

Yours Directors state that the Company was fully solvent during the said period and the petition filed by the said Operational Creditor was solely due to commercial dispute.

AUDITORS & AUDIT REPORT

(I) STATUTORY AUDITOR:

The Report given by M/s. S H R & Co., Chartered Accountants, (FRN: 120491W), Statutory Auditors on the financial statements of the Company for the Financial year 2019-20 is part of Annual Report. The Notes on financial statements referred to in Auditor's Report are self explanatory and do not call for any further comments. There has been no qualification, reservation or adverse remark in their Report on Financial Statement for FY 2019-20.

At the 35th Annual General Meeting held on September 30, 2019, the shareholders of the Company had approved re-appointment of M/s. S H R & Co. as the Statutory Auditors for a period of four years commencing from the conclusion of the 35th Annual General Meeting until the conclusion of 39th Annual General Meeting. However, M/s. S H R & Co., tendered their resignation vide letter dated August 13, 2020 effective from the date of approval of the Un-Audited financial results for the quarter ending June 30, 2020 by the Board of Directors and the said resignation was accepted and noted by the Audit Committee and Board at its respective Meetings held on August 18, 2020.

The Board of Directors of the Company at its meeting held on September 14, 2020 appointed M/s. Mittal Agarwal & Co., Chartered Accountants, Mumbai (Registration No. ICAI FRN: 131025W) as Statutory Auditors, to fill the casual vacancy caused due to resignation of M/s. S H R & Co., Chartered Accountants, as Statutory Auditors of the Company and to hold office from September 21, 2020 till the conclusion of ensuing Annual General Meeting (AGM) and for a period of 5 years commencing from the conclusion of the ensuing AGM till conclusion of the AGM to be held for the financial year 2024-25, subject to the approval of the shareholders.

M/s. Mittal Agarwal & Co. have provided their consent to act as Statutory Auditors of the Company and a certificate in accordance with Sections 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company. Also, a confirmation of holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India has been received from the proposed Auditor, in pursuance of the Listing Regulations.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

(ii) COST AUDITOR:

Pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records And Audit)

Amendment Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records maintained by the Company. The Board, has on recommendation of Audit Committee, appointed M/s. Kale & Associates, Cost Accountants, Mumbai, (Firm Registration No. 101144) to audit the cost records of the Company for the financial year 2020-21. As required under the said Act and the Rules made there under, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the ensuing Annual General Meeting. Accordingly, a resolution seeking ratification by members for their remuneration, forms part of the Notice convening 36th Annual General Meeting. The Board recommends the same for approval of Members.

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company.

In compliance with Section 148(6) of the Act and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report in the Form CRA - 4 (XBRL mode) for the financial year ended March 31, 2019, was filed by the Company with the Central Government on April 11, 2020.

(iii) SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, the Company had appointed Mr. Gajanan D. Athavale, a Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report in the prescribed Form No. MR – 3 is annexed to this Report as 'Annexure – C'.

The explanation of the Company on the observation mentioned in the Secretarial Audit Report are as follows:

- With regards to delay in submission of financial results by the Company for the financial year ended March 31, 2019, the same was delayed by one day as the Board Meeting for approval of said financial results commenced at 7.00 pm on May 30, 2019, which was the last day for submission and concluded on the next day i.e., May 31, 2019 at 5.20 a.m
- With regards to delay in submission of financial results by the Company for the quarter and half year ended September 30, 2019, the same was delayed by the Interim Resolution Professional (IRP) who was appointed in the Company w.e.f. October 25, 2019 by the Hon'ble National Company Law Tribunal, Mumbai bench, as he needed time to get acquainted with the accounts of the Company. The said financials were approved by the Board of Directors on December 03, 2019 after the IRP was discharged from his role and responsibilities and the Management of the Company was restored and continued to be in function.
- With regards to Spending the amount earmarked for Corporate Social Responsibility activities outside local area where the Company have its Registered & Corporate office i.e., Mumbai (Maharashtra) and factory i.e., Navsari (Gujarat), the Company operates PAN India and accordingly the Company have contributed in the CSR activities throughout India in the financial year 2019-20

Except as stated above, there were no qualification, reservation or adverse remark in the Secretarial Audit Report for the year ending March 31, 2020.

(iv) INTERNAL AUDITOR:

As per section 138 of the Companies Act, 2013, the Company is required to have Internal Auditor. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of Mrs. Shilpa Bansal, Chartered Accountants as the Internal Auditor of the Company for the financial year 2020-21.

ANNUAL SECRETARIAL COMPLIANCE REPORT

Mr. Gajanan D. Athavale, Practising Company Secretary, have issued Annual Secretarial Compliance Report for the financial year ended March 31, 2020, which confirms that the Company has maintained proper records as stipulated under various Acts, Rules and Regulations and that no action has been taken against the Company or promoters/ directors by the SEBI/Stock Exchanges, except as stated in the said Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable mandatory Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return as required under sub-section (3) of Section 92 of the Act in form MGT-9 is annexed herewith as "Annexure D" and is also made available on the website of the Company at the link: <http://gufic.com/investor/Annual%20Return-MGT-9%20of%20FY%202019-20.pdf>

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the SEBI Listing Regulations is provided in a separate section and forms part of this Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated by Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report forms part of this Annual Report and the same can also be accessed from the website of the Company i.e., www.gufic.com

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. As stipulated by Regulation 34(3) read with Schedule V(C) of the SEBI Listing Regulations, Corporate Governance Report forms part of this Annual Report. The Report on

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Corporate Governance issued by Mr. Deep Shroff, partner of M/s. S H R & Co., Chartered Accountant (FRN: 120491W) as prescribed under Schedule (E) of the SEBI Listing Regulations, is annexed to this Annual Report.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

Your Company has zero tolerance towards sexual harassment at work place and adhere to the safety of the women employees at the Company. Your Company believes in providing opportunity and key position to women professionals. It is the continuous endeavor of the Board of Directors to create a discrimination and harassment free environment for all its employees.

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment at workplace.

An Internal Complaints Committee (ICC) has been duly constituted by the Company for the employees of the Company at its Corporate office situated at Mumbai, Maharashtra and manufacturing facility at Navsari, Gujarat in compliance with the said Act to redress complaints regarding sexual harassment. During the year under review, no complaints pertaining to sexual harassment was received by the Company. The Company has submitted the Annual Returns to the local authorities where the ICC is constituted, as required under the above mentioned Act.

GREEN INITIATIVE

The Ministry of Corporate affairs had taken the Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send all communications to its shareholders to their respective registered e-mail addresses.

Your Company appeals to you, its shareholders, who are yet to register your e-mail addresses that they take necessary steps for registering same so that you can also become a part of the initiative and contribute towards a Greener environment.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication of its employees in all areas of business. Also, we believe the organisation's achievements are an outcome of efforts, dedication and conviction demonstrated by its people. Human Resource agenda encourages high performance culture with focus on Employee Safety and welfare, Employee development and productivity.

The HR processes are continuously evolving and aligning with the changing business requirements to create a culture of continuous learning and innovation among our employees. Your Company continued to conduct various employee benefit, recreational and team building programs, social gatherings to foster team spirit.

Industrial relations were cordial throughout the year. Health and Safety of our work force is of prime importance to us and we maintain highest standards in all the plants with adoption of best technologies and manufacturing practices which are at par with global standards.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting by Designated Person and Immediate Relative(s) of Designated Person of the Company, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. The Code includes obligations and responsibilities of Designated Persons, maintenance of the digital database, mechanism for preventing insider trading and handling of Unpublished Price Sensitive Information (UPSI), disclosure of UPSI for legitimate purpose; prohibited and permitted transactions, consequence for violation etc.

The code can be accessed on the website of the Company at the web link: <http://gufic.com/wp-content/uploads/2016/08/CodeoffairDisclosure.pdf>

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

ACKNOWLEDGEMENTS

Your Directors commend all employees of the Company for their dedication, commitment, hard work and contributions. The Board wishes to express their deepest gratitude to various regulatory authorities, medical professionals, suppliers, clients, business partners, bankers, and other statutory authorities at all levels for their continuous co-operation and assistance.

The Directors also acknowledge the whole-hearted support and faith the investors continue to repose in the Company.

Place: Mumbai
Date: 14th September, 2020

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

ANNEXURES TO BOARD'S REPORT

ANNEXURE 'A' TO BOARD'S REPORT

Statement under Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2019-20:

S. No.	Name	Designation	% increase remuneration in the year ended March 31, 2020	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mr. Jayesh P. Choksi	Chairman & Managing Director	61.89%	26.08
2.	Mr. Pranav J. Choksi	Chief Executive Officer & Whole Time Director	97.44%	18.72
3.	Mrs. Hemal M. Desai	Whole Time Director	26.96%	4.62
4.	Mr. Pankaj J. Gandhi	Whole Time Director	6.54%	4.02
5.	Mr. Devkinandan Roonghta	Chief Financial Officer	Not applicable*	Not applicable
5.	Ms. Ami N. Shah	Company Secretary	28.19%	Not applicable

* Not comparable since Mr. D. B. Roonghta was appointed as CFO of the Company w.e.f October 29, 2018

The remuneration to the Non-executive directors comprises of only sitting fees paid to them for attending the meetings of the Board. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

- The percentage increase in the median remuneration of the employees for the financial year 2019-20 was 22.09%.
- The Company has 1044 permanent Employees on the rolls of Company as on 31st March, 2020
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increase in the remuneration for all employees other than managerial personnel was 11.24 %, while the average increase in the managerial remuneration was 61.93%. The increase in salary of the employees of the Company depend upon their respective performance whereas increase in the Managerial Remuneration has been recommended to the Board of Directors by the Nominations and Remuneration Committee based on various factors viz., involvement in the growth of the Company, experience, integrity, etc, which has been duly approved by the Board of Directors.

4. Affirmation that the remuneration is as per the remuneration policy of the Company :

The Board of Directors of the Company affirm that the remuneration paid is as per the remuneration policy of the Company

Place: Mumbai
Date: 14th September, 2020

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Annexure 'B' to the Board's Report ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :

The Company's CSR Policy is in adherence to the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder. The Company has a Board approved CSR policy which was formulated on the recommendation of CSR Committee, with the following objective:

- To set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.
- To strive for economic development that positively impacts the society at large with minimal resource footprint and to encourage a positive impact through its activities on various social causes and the society at large.

The Company has outline the following thrust areas in the CSR Policy:

a. Community Health Care, Sanitation & Hygiene

To assist in providing medical assistance to underprivileged and to the villages / towns where there are no adequate medical facility.

b. Education, Knowledge & Research

To assist in providing educational facilities to the underprivileged children, promote sports and upgrade research and development activities especially in pharma industries to provide better health to the people.

c. Social care and concern

To assist in eradicate poverty, generate employment, assistance for safe drinking water, welfare of victims of natural calamities etc.

The CSR Policy of the Company including the CSR activities undertaken by it is available at: Web Link : <http://gufic.com/wp-content/uploads/2016/09/Corporate-Social-Responsibility-Policy.pdf>

I. Composition of CSR committee:

- i. Mr. Gopal M. Daptari- Chairman
- ii. Mr. Shreyas K. Patel – Member
- iii. Mr. Jayesh P. Choksi – Member
- iv. Mr. Pranav J. Choksi – Member

2. Average net profit of the company for last three financial years:

The average net profit of the company for the last three (3) financial Years calculated in accordance with the provisions of section 198 of the companies Act, 2013 was ₹.2805.36 Lakhs

3. Prescribed CSR Expenditure (Two percent of the amount as in item 2 above) ₹. 56.11 Lakhs

4. Details of CSR spend for the financial year :

- a. Total amount spent for the financial year: 56.15 Lakhs
- b. Amount unspent if any: NIL
- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects/ Activities	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify The State & Districts Where Projects or Programs Was Undertaken	Amount outlay (Budgets) projects or programme wise (In INR)	Amount spent on the projects/ programs subheads: (1) Direct Expenditure on projects / programs (2) Over heads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	Promoting education by providing vocational training to mentally challenged people	Promoting education including special education	Khopoli, Raigad District, Maharashtra	1.50	1.50	1.50	Dr. Kunda & Subhash Mahadev Donde Charitable Trust
2.	Promotion of Healthcare by treating underprivileged children and young adults born with Cleft Lip & Palate and Maxillofacial anomalies free of cost	Healthcare	Srinagar, Jammu & Kashmir	5.00	5.00	5.00	Inga Healthcare Foundation
3.	Promotion of Healthcare by offering quality medical care to the under privileged	Healthcare	Dharampur, Valsad district in Gujarat	4.55	4.55	4.55	Shrimad Rajchandra Sarvamangal Trust
4.	Contribution towards sports promotion	Sports Promotion	Moinabad, Hyderabad	30.00	30.00	30.00	The Sudar Educational Society
5.	Eradicating hunger for the poor and needy people	Social care and concern	Navsari, Gujarat	12.10	12.10	12.10	Gandhighar Kachholi Trust
6.	Eradicating hunger for the poor and needy people	Social care and concern	Mumbai, Maharashtra	3.00	3.00	3.00	Adarsh Foundation

*Details of implementing agency

5. In case, the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report-

Not Applicable

6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company:

The Corporate Social Responsibility Committee of the Company hereby confirms that the implementation and monitoring of CSR policy of the Company is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

For and on behalf of the CSR Committee

Gopal M. Daptari
Chairman of CSR Committee

Place : Mumbai

Date : 14th September, 2020

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2020

(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,

Gufic Biosciences Limited

Shop - 37, First Floor, Kamala Bhavan II,

S Nityanand Road, Andheri East, Mumbai - 400069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gufic Biosciences Limited (CIN L24100MH1984PLC033519) (hereinafter called 'the Company'). The 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as were made available for my verification 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 opinion, the Company has, during the audit period covering the financial year ended on 31 March 2020 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 and as were made available for my verification for the financial year ended on 31 March 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder to the extent modified/substituted by the provisions of SEBI (Depositories and Participants) Regulations, 2018.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under - **The Company has complied with the provisions of SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 05 April 2018 related to Monitoring of Foreign Investment limits in listed Indian companies (to the extent applicable during the audit period under review.)**
- (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 – **to the extent to the extent continual disclosures under regulation 30.**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018– **to the extent regulation 158 read with regulation 164 relating to pricing of shares under section 230-234 of the Companies Act, 2013.**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable during the audit period under review.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable during the audit period under review.**
 - (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–**Not applicable during the audit period under review.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable during the audit period under review.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable during review period;** and
 - (i) Other SEBI regulations/circulars, etc.
 - (aa) SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017, including modification there of, issued under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957.
 - (bb) SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 05 April 2018 related to Monitoring of Foreign Investment limits in listed Indian companies - **to the extent applicable.**
 - (cc) SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 – **The Company has intimated to stock exchanges on 10 June 2020 as to its non-applicability.**
 - (dd) In terms of Circular CIR/CFD/CMD1/114/2019 dated 18 October 2019 (SEBI Circular), Gufic Biosciences Limited (CIN L24100MH1984PLC033519) have modified the terms of appointment of Statutory Auditors who have already been appointed by way of issuance of addendum letter as per the conditions mentioned in Clauses 6(A) and 6(B) of the SEBI Circular.
- (vi) On the basis of the written representations received from the management, there is the compliance system prevailing in the Company for complying with the following laws applicable specifically to the Company:
 - (a) The Drugs and Cosmetics Act, 1940 and rules made thereunder.
 - (b) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made thereunder.
 - (c) Drugs (Prices Control) Order.
 - (d) The Legal Metrology Act, 2009 and rules made thereunder.

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

- The Secretarial Standards issued by the Institute of Company Secretaries of India; and
- The Listing Agreements entered into by the Company with Stock Exchanges - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **to the extent applicable.**

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

- The following are the details of actions taken against the Company and/or its promoters / directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars):

Sr. No.	Action taken by	Details of violations	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary
1.	Notice dated 17/06/2019 received from NSE & BSE for Non-Compliance of Listing Regulation 33	Delayed submission of financial results for the year ended March 2019 and for the quarter ended September 2019 in terms of regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015	As per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018, fine was levied.	The levied fine was paid by the Company on 24/06/2019 to BSE & to NSE on 02/07/2019 amounting to Rs. 5,900/- each.
2.	Notice dated 02/12/2019 received from NSE & BSE respectively, for Non-Compliance of Listing Regulation 33			The levied fine was paid by the Company on 20/12/2019 to NSE & BSE amounting to Rs. 1,06,200/- each.

- As per section 135(5) of the Companies Act, 2013, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. As per representation by the management of the Company, since the Company is operating, PAN India, substantial amount towards CSR obligation was spent outside local area and areas around it where the Company having its Registered and Corporate office and factory is situated i.e., Mumbai (Maharashtra) and Navsari (Gujarat).

I further report that the compliance by the Company in regards to direct and indirect tax laws, and the maintenance of records and/or books of accounts thereunder including the cost records and related records therefore, has not been verified by me, since the same has been subjected to audit/review by statutory auditors and other designated professionals/ auditors required to be engaged by the Company for that purpose under relevant laws / rules such as Income Tax Act, GST Laws, etc.

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except some of the meetings were held at shorter notice). Based on performance review by the directors; during the year under review, there is system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

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 the events / actions, which were listed below, could have a major bearing on the Company's affairs:

- the scheme of amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors pursuant to the provisions of Section 230-232 of the Companies Act, 2013 is sub-judice at NCLT Mumbai Bench and Ahmedabad Bench.
- Statutory / Internal / Cost audit observations / qualifications / qualified opinions by the respective auditors appointed by the Company including the reported contingent liabilities/ statutory tax demands, etc.

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

Membership No.: F-9177
Certificate of Practice No.: 10121
UDIN: F009177B000669089
Unique Code No.: I201IMH843800
Peer Review Certificate No. 558/2018

Place: Thane, Maharashtra State

Date: 05th September, 2020

This report is to be read with our letter dated 05 September 2020, which is annexed as Annexure A and forms an integral part of this report.

GUFIC BIOSCIENCES LIMITED

Annexure 'A' to Form No. MR-3 - SECRETARIAL AUDIT REPORT for the Financial Year ended on 31st March 2020

[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,
Gufic Biosciences Limited
Shop - 37, First Floor, Kamala Bhavan II,
S Nityanand Road, Andheri East, Mumbai - 400069

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Gufic Biosciences Limited (CIN L24100MH1984PLC033519) (herein called as 'the Company'). My responsibility is to express an opinion on these secretarial records based on my audit subject to the availability thereof.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records/cost records and Books of Accounts of the Company and for which I have placed reliance on the report issued by the Independent Statutory Auditors / Cost Auditors and the Internal Auditors of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Company's management. My examination was limited to the verification of procedures on test basis in respect of records that were made available to me for my examination.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management of the Company has conducted the affairs of the Company.

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

Membership No.: F-9177
Certificate of Practice No.: I0121
UDIN: F009177B000669089
Unique Code No.: I2011MH843800
Peer Review Certificate No. 558/2018

Place: Thane, Maharashtra State

Date: 05th September, 2020

ANNEXURE 'D' TO THE BOARD'S REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON
31st March, 2020

[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:	L24100MH1984PLC033519
ii. Registration Date:	23/07/1984
iii. Name of the Company:	GUFIC BIOSCIENCES LIMITED
iv. Category / Sub-Category of the Company:	Company Limited by Shares / Non Govt Public Company
v. Address of the Registered office and contact details:	37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India. Tel: (022) 6726 1000 • Fax: (022) 6726 1067 Email ID: mgr_legal@guficbio.com
vi. Whether listed company:	YES
vii. Name, Address and Contact details of Registrar and Transfer Agent	LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 Park, LBS Marg, Vikhroli (West) Mumbai – 400 083, Tel No. (022) 4918 6000, • Fax: (022) 4918 6060, Email: rnt.helpdesk@linkintime.co.in

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:

Sr. No.	Name and Description of main products / service	NIC code of the product / service	% to total turnover of the company
I.	Pharmaceuticals	210	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
NIL					

GUFIC BIOSCIENCES LIMITED

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
a) Individual/ HUF	25278885	Nil	25278885	32.48	25278885	Nil	25278885	32.48	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	25854287	43200	25897487	33.27	25897487	Nil	25897487	33.27	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (1)	51133172	43200	51176372	65.75	51176372	Nil	51176372	65.75	Nil
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	51133172	43200	51176372	65.75	51176372	Nil	51176372	65.75	Nil
(B) Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	6627680	Nil	6627680	8.52	6069462	Nil	6069462	7.80	-0.722
b) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Alternate investment funds	811856	Nil	811856	1.04	811856	Nil	811856	1.04	Nil
d) Foreign Venture capital investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Foreign portfolio investors	50000	Nil	50000	0.06	462586	Nil	462586	0.59	0.53
f) Finacial institutions/bank	57648	Nil	57648	0.07	61814	Nil	61814	0.08	0.01
g) Insurance company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) provident funds/pension funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	7547184	Nil	7547184	9.70	7405718	Nil	7405718	9.52	-0.18
2. Central Government/ State Government(s)/ President of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3. Non- Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9128541	133996	9262537	11.90	8962158	114996	9077154	11.66	-0.24
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6705901	Nil	6705901	8.62	6924099	Nil	6924099	8.90	0.28
b) NBFCs registered with RBI	750	Nil	750	0.00	Nil	Nil	Nil	Nil	0.00
c) Employee trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Overseas depositories (holding Drs) (balance figure)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other (Specity)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IEPF	159373	Nil	159373	0.20	195399	Nil	195399	0.25	0.05
Foreign Nationals	6996	Nil	6996	0.01	6996	Nil	6996	0.01	Nil
Hindu Undivided Family	481725	Nil	481725	0.62	501883	Nil	501883	0.64	0.02
Non Resident Indians (Non Repat)	185836	Nil	185836	0.24	191169	Nil	191169	0.25	0.01
Non Resident Indians (Repat)	204011	Nil	204011	0.26	167334	Nil	167334	0.21	-0.05
Clearing Member	101149	Nil	101149	0.13	30296	Nil	30296	0.04	-0.09
Market Maker	9331	Nil	9331	0.01	100	Nil	100	0.001	0.0091
Bodies Corporate	1988835	Nil	1988835	2.56	2153480	Nil	2153480	2.77	0.21
Sub-total (B)(3):-	18972448	133996	19106444	24.55	19132914	114996	19247910	24.73	0.18
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	26519632	133996	26653628	34.25	26538632	114996	26653628	34.25	0.00
Total (A)+(B)	77652804	177196	77830000	100	77715004	114996	77830000	100	Nil
(C) Non Promoter -Non Public									
(1) Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2017)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (A)+(B)+(C)	77652804	177196	77830000	100	77715004	114996	77830000	100	Nil

B. Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% 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	Zircon Teconica Private Limited (Formerly Zircon Finance & Leasing Private Limited)	20523330	26.37	Nil	20523330	26.37	Nil	-
2	Jayesh P. Choksi	18010259	23.14	Nil	18010259	23.14	Nil	-
3	Pranav J. Choksi	7268626	9.34	Nil	7268626	9.34	Nil	-
4	Gufic Private Limited	5374157	6.91	Nil	5374157	6.91	Nil	-
	TOTAL	51176372	65.75	Nil	51176372	65.75	Nil	-

C. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/Decrease	Reason	Cumulative Shareholding during the year (31.03.2020)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Zircon Teconica Private Limited (Formerly Zircon Finance & Leasing Private Limited)	20523330	26.37		No change		20523330	26.37
2	Jayesh P. Choksi	18010259	23.14				18010259	23.14
3	Pranav J. Choksi	7268626	9.34				7268626	9.34
4	Gufic Private Limited	5374157	6.91				5374157	6.91

GUFIC BIOSCIENCES LIMITED

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

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Reason	Cumulative Shareholding during the Year 31.03.2020	
		No. of shares	% of total shares of the company	Date of Transaction	No of Shares		No. of shares	% of total shares of the company
1	SBI Healthcare Opportunities Fund	4273513	5.49				4273513	5.49
				05 April 2019	(86106)	Sale	4187407	5.38
				12 April 2019	(113918)	Sale	4073489	5.23
				24 May 2019	(5773)	Sale	4067716	5.23
				31 May 2019	(67327)	Sale	4000389	5.14
				02 Aug 2019	(4956)	Sale	3995443	5.13
				09 Aug 2019	(25717)	Sale	3969716	5.10
				16 Aug 2019	(137916)	Sale	3831800	4.92
	23 Aug 2019	(81800)	Sale	3750000	4.82			
	At the end of the year (31.03.2020)					3750000	4.82	
2	Vipula Choksi	2885273	3.71				2885273	3.71
	At the end of the year (31.03.2020)						2885273	3.71
3	ICICI Prudential Pharma Healthcare and Diagnostics (P.H.D) Fund	2354167	3.02				2354167	3.02
				05 July 2019	(12023)	Sale	2342144	3.01
				12 July 2019	(7000)	Sale	2335144	3.01
				23 Aug 2019	(15682)	Sale	2319462	2.98
		At the end of the year (31.03.2020)					2319462	2.98
4	Jagdish N. Master	2140000	2.75				2140000	2.75
				05 April 2019	436	Purchase	2140436	2.75
				12 April 2019	2500	Purchase	2142936	2.75
				26 April 2019	64	Purchase	2143000	2.75
				10 May 2019	4500	Purchase	2147500	2.76
				17 May 2019	6000	Purchase	2153500	2.77
				24 May 2019	4000	Purchase	2157500	2.77
				31 May 2019	2500	Purchase	2160000	2.78
				21 June 2019	250	Purchase	2160250	2.78
				29 June 2019	4750	Purchase	2165000	2.78
				12 July 2019	470	Purchase	2165470	2.78
				19 July 2019	2030	Purchase	2167500	2.78
				26 July 2019	3500	Purchase	2171000	2.79
				02 Aug 2019	3700	Purchase	2174700	2.79
				09 Aug 2019	4300	Purchase	2179000	2.80
				16 Aug 2019	1000	Purchase	2180000	2.80
				23 Aug 2019	2500	Purchase	2182500	2.80
				27 Sep 2019	2500	Purchase	2185000	2.81
				11 Oct 2019	3500	Purchase	2188500	2.81
				25 Oct 2019	3600	Purchase	2192100	2.82
01 Nov 2019	6400	Purchase	2198500	2.82				
08 Nov 2019	4000	Purchase	2202500	2.83				
15 Nov 2019	2500	Purchase	2205000	2.83				

				13 Dec 2019	1000	Purchase	2206000	2.83
				27 Dec 2019	1000	Purchase	2207000	2.84
				31 Dec 2019	500	Purchase	2207500	2.84
				03 Jan 2020	2000	Purchase	2209500	2.84
				10 Jan 2020	1500	Purchase	2211000	2.84
				24 Jan 2020	2300	Purchase	2213300	2.84
				31 Jan 2020	6700	Purchase	2220000	2.85
				21 Feb 2020	2000	Purchase	2222000	2.85
				28 Feb 2020	1000	Purchase	2223000	2.86
				06 March 2020	3000	Purchase	2226000	2.86
				13 March 2020	3500	Purchase	2229500	2.86
				20 March 2020	7500	Purchase	2237000	2.88
				27 March 2020	575	Purchase	2237575	2.88
	At the end of the year (31.03.2020)						2237575	2.88
5	SBI Active Select Fund	811856	1.04				811856	1.04
	At the end of the year (31.03.2020)						811856	1.04
6	Sambhav Properties LLP	645949	0.83				645949	0.83
	At the end of the year (31.03.2020)						645949	0.83
7	Dhyuti Choksi	497045	0.63				497045	0.63
	At the end of the year (31.03.2020)						497045	0.63
8	Bharat Kanaiyalal Sheth	377500	0.49				377500	0.49
				12 July 2019	50000	Purchase	427500	0.55
				23 Aug 2019	40762	Purchase	468262	0.60
				13 Sep 2019	15000	Purchase	483262	0.62
	At the end of the year (31.03.2020)						483262	0.62
9	Tarra Fund	0	0				0	0
				05 April 2019	50000	Purchase	50000	0.64
				12 April 2019	50000	Purchase	100000	0.13
				19 April 2019	100000	Purchase	200000	0.26
				24 May 2019	20000	Purchase	220000	0.28
				21 June 2019	151093	Purchase	371093	0.48
				23 Aug 2019	760	Purchase	371853	0.48
				30 Aug 2019	38458	Purchase	410311	0.53
				06 Sept 2019	2275	Purchase	412586	0.53
	At the end of the year (31.03.2020)						412586	0.53
10	Orbis Financial Corporation Limited	200	0.00				200	0.00
				19 April 2019	400	Purchase	600	0.00
				29 June 2019	5500	Purchase	6100	0.01
				6 Sept 2019	(5500)	Sale	600	0.00
				4 Oct 2019	50	Purchase	650	0.00
				13 March 2020	1000	Purchase	1650	0.00
				20 March 2020	340443	Purchase	342093	0.44
				27 March 2020	7605	Purchase	349698	0.45

GUFIC BIOSCIENCES LIMITED

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2019				Cumulative Shareholding during the year 31.03.2020		
		No. of shares	% of total shares of the company	Date	Increase / Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1	Mr. Jayesh P. Choksi – Managing Director							
	At the beginning of the year	18010259	23.14		No Change		18010259	23.14
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil				Nil	Nil
	At the end of the year						18010259	23.14
2	Mr. Pranav J. Choksi – Whole Time Director & Chief Executive Director							
	At the beginning of the year	7268626	9.34		No Change		7268626	9.34
	At the end of the year						7268626	9.34
3	Mrs. Hemal M. Desai – Whole Time Director							
	At the beginning of the year	10	0.00		No Change		10	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil				Nil	Nil
	At the end of the year						10	0.00
4	Mr. Shreyas Patel – Independent Director							
	At the beginning of the year	2600	0.003		No Change		2600	0.003
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil					
	At the end of the year						2600	0.003

Note :Apart from the above, none of the Directors and Key Managerial Personnel hold equity shares in the Company

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment: (In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	97,72,28,541	6,30,480	-	97,78,59,021
ii) Interest due but not paid	9,46,000	-	-	9,46,000
iii) Interest accrued but not due	6,39,000	-	-	6,39,000
Total (i+ii + iii)	97,88,13,541	6,30,480	-	97,94,44,021
Change in Indebtedness during the financial year-				
* Addition	14,71,75,281	-	-	14,71,75,281
* Reduction	1,79,76,799	3,65,835	-	1,83,42,634
Net Change	12,91,98,482	(3,65,835)	-	12,88,32,647
Indebtedness at the end of the financial year-				
i) Principal Amount	1,10,70,39,726	2,64,645	-	1,10,73,04,371
ii) Interest due but not paid	11,60,266	-	-	11,60,266
iii) Interest accrued but not due	3,78,932	-	-	3,78,932
Total (i+ii + iii)	1,10,85,78,924	2,64,645	-	1,10,88,43,569

Note :- I. The amount of Security Deposit received from C & F Agents for day to day business activities are not considered

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Jayesh Choksi (MD)	Pranav Choksi (WTD & CEO)	Hemal Desai (WTD)	Pankaj Gandhi (WTD)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	40,00,620	20,00,400	11,47,624	9,97,608	81,46,252
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	24,76,400	26,49,751	Nil	Nil	51,26,151
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as 1% of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total(A)	64,77,020	46,50,151	11,47,624	9,97,608	1,32,72,403
	Ceiling as per the Companies Act, 2013	₹. 274.09 lakhs (being 10% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)				

B. Remuneration to other directors

(In ₹)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Rabi Sahoo	Mr. Shreyas Patel	Dr. Anu Aurora	Mr. Gopal Daptari	Mr. Shirang Vaidya	
1.	Independent Directors						
	Fee for attending board / committee meetings	10,000	15,000	5,000	25,000	39,500	94,500
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	10,000	15,000	5,000	25,000	39,500	94,500
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	10,000	15,000	5,000	25,000	39,500	94,500

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C. Remuneration to key managerial personnel other than MD/Manager/WTD

(In ₹.)

SN	Particulars of Remuneration	CS	CFO	Total
		Ms. Ami N. Shah	Mr. Devkinandan B Roonghta	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,92,958	29,59,343	38,52,301
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	8,92,958	29,59,343	38,52,301

VIII. 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	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Place: Mumbai

For and on behalf of the Board of Directors

Date: 14th September, 2020

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At Gufic, Corporate Governance is about upholding the highest standards of integrity, transparency and accountability. We believe that Corporate governance is about maximizing shareholder value legally, ethically and sustainably while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct. These values form a base of the Corporate Governance practices of the Company. We believe that retaining and enhancing stakeholder trust is essential for sustained corporate growth. For us, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business the right way.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

At Gufic, we are committed to do things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation in force.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Fair Disclosure to regulate, monitor and report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and for fair disclosure of unpublished price sensitive information.

As per the requirements of Regulation 34 read with the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), detailed Report on Corporate Governance is set below:

2. BOARD OF DIRECTORS :

(A) Composition and size of the Board

The Board of the Company represents an appropriate mix of Executive, Non-Executive and Independent Directors which is compliant with the Companies Act, 2013 (Act) and the Listing Regulations,

As on March 31, 2020 and the date of this Report, the Company had ten (10) Directors, of which two are Executive Promoter – Directors including one Chairman & Managing Director; two Executive Non-Promoter Directors, One Professional Non-Executive Non-Independent Director and five Independent Directors. The Company has two women directors of which one is an Independent Director, which is in compliance with Regulation 17 of the SEBI Listing Regulations.

Dr. Sharat S. Gandhi, aged 80 years, had resigned from the Board of the Company w.e.f. April 01, 2019, consequent to the applicability of Regulation 17(1A) of the Listing Regulations and also due to his health issues. Dr. Gandhi has confirmed that there were no other material reason for his resignation as Director. The Board places on record immense contribution made by him during his long tenure with the Company as an Independent Director of the Company.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. Your directors have rich and diverse experience in fields of business management, medicine, banking & finance and financial management that brings expertise to the Board. Each Director brings to the Board, domain knowledge on different aspects/functions in accordance with the Company's policy on Board diversity. The board provides leadership, strategic guidance, objective and independent views to the company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

(B) Non executive directors' compensation and disclosures

Except Mr. Balram H. Singh, all other Non-Executive Directors are Independent Directors in the Company. No fees or compensations are paid to the Non-Executive Directors, which requires previous approvals of shareholders in a general meeting, except sitting fees and travelling expenses for attending the Board Meeting and reimbursement of expenses borne by the Directors, if any, on behalf of the Company.

(C) Board Meetings held, attendance of each Director at the Board Meeting and AGM and other details

Eight (8) Board Meetings were held during the financial year 2019-2020 and the gap between the two Board Meetings did not exceed the limit as prescribed under the Act and the Listing Regulations. The Board meetings were held on May 30, 2019; June 29, 2019; July 31, 2019; August 13, 2019; August 20, 2019; December 03, 2019; December 23, 2019 and February 13, 2020.

Number of Board meetings the Directors were entitled to attend, attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM), details of shareholding held by each director and number of other Directorships and Chairmanships/Memberships of Committee of each Director for the year under review, are given below:

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Name of the Director	Category	No. of Board Meeting attended during 2019-20	No. of shares held in the Company	Whether attended Last AGM	No. of Directorship in other	No. of Chairmanship/ Membership in Committees	
						Chairmanship	Membership
Mr. Jayesh P. Choksi	Promoter, Chairman & Managing Director	8	1,80,10,259	Yes	1	Nil	3
Mr. Pranav J. Choksi	Promoter, Whole Time Director & Chief Executive Officer	8	72,68,626	Yes	Nil	Nil	3
Mr. Pankaj J. Gandhi	Whole-Time Director	7	0	Yes	Nil	Nil	Nil
Mrs. Hemal M. Desai	Whole Time Director	8	10	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi*	Non-Executive Independent Director	-	0	NA	Nil	NA	NA
Mr. Shreyas K. Patel	Non-Executive Independent Director	3	2600	Yes	Nil	Nil	3
Mr. Jagdish D. Shah*	Non-Executive Independent Director	-	0	No	Nil	Nil	NA
Mr. Gopal M. Daptari	Non-Executive Independent Director	5	0	No	Nil	1	2
Mr. Shirang V. Vaidya	Non-Executive Independent Director	8	0	Yes	Nil	2	Nil
Dr. Balram H. Singh	Non-Executive Non-Independent Director	2	0	Yes	Nil	Nil	Nil
Mr. Rabi N. Sahoo##	Non-Executive Independent Director	2	0	Yes	Nil	1	NIL
Dr. Anu S. Aurora##	Non-Executive Independent Director	1	0	NA	Nil	NIL	1

*Dr. Sharat S. Gandhi and Mr. Jagdish D. Shah ceased be the Independent Directors of the Company w.e.f April 01, 2019 and September 26, 2019 respectively.

The appointment of Mr. Rabi N. Sahoo as an Independent Director was approved by the shareholders at its 35th Annual General Meeting of the Company for a term of three years effective from June 29, 2019.

Dr. Anu S. Aurora was appointed as an Additional Independent Director for a term of two years effective from December 23, 2019 by the Board of Directors of the Company, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Note:

- The above list of other directorships does not include Directorships in Private and Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013. None of the Directors of the Company hold Directorship in other listed company.
- The Memberships and Chairmanships of Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship's Committee and Corporate Social Responsibility Committee of all Public Limited Companies, including this Company are included.
- Mr. Jayesh P. Choksi and Mr. Pranav J. Choksi were re-appointed by the shareholders at its 35th Annual General Meeting as Chairman & Managing Director and Whole Time Director of the Company respectively for a period of 5 (five) years each, with effect 1st April, 2020 to 31st March, 2025.
- Mr. Shreyas K. Patel and Mr. Gopal M. Daptari were re-appointed by the shareholders at its 35th Annual General Meeting as Independent Directors of the Company for a further term of five years commencing from September 26, 2019 and November 24, 2019, respectively.

(D) Disclosure of Relationship between Directors inter-se

Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director is the son of Mr. Jayesh P. Choksi, Chairman & Managing Director of the Company. Except Mr. Pranav J. Choksi and Mr. Jayesh P. Choksi, none of the Directors are related to any other Director of the Company.

(E) Disclosure for Non-Convertible Instruments held by Non-Executive Directors

During the year under review, the Company has not issued any non-convertible instruments. Further, none of the Non-Executive Directors holds any of non-convertible instruments of the Company.

(F) Re-appointment of Directors retiring by rotation

Brief profiles of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulations Listing Regulations is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

(G) Chart or Matrix setting out Skills/Expertise/Competence Of Board

The composition of the Board is structured for high degree of diversity by age, education/qualifications, professional background and industry expertise. The Nomination and Remuneration Committee (NRC) of the Company follows the define criteria for selecting and recommending the candidates for appointment of the Directors on the Board. Based on the recommendation of NRC, the Board has identified the following core skills/expertise/competencies of Directors for its effective functioning:

Sr. No.	Skills	Description
1	Vision	Ability to envisage future and set the goals accordingly.
2	Industry knowledge	Ability to expand and develop the business with the thorough industry knowledge in Pharmaceutical Sector.
3	Finance & Accounting	Practical knowledge and experience in Financial management, financial reporting and strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.
4	Corporate Governance	Ability to protect the interest of the stakeholders by including the best governance practices in the organization.
5	Marketing skills	Understanding the Market and deploying the effective strategies necessary for the growth of the organization.
6	Leadership skills	Ability to manage and motivate people and business with experience and strategies to achieve the goals established by the organization.
7	International Business knowledge	Understanding of international market of pharma sector, culture, economy and politics. Identifying challenges and opportunities and leading the business to International front.
8	Sector knowledge	Significant Knowledge and experience of Pharma sector, Science & technology including Research & Development.
9	Networking skills	Ability to connect with people and develop business relationships.
10	Risk Management	Ability to identify risks associated with the business and strategizing to minimise or mitigate the risk.

In the table below, the specific areas of focus or expertise of Individual Board members have been highlighted.

Areas of Skills /Expertise	Name of Directors									
	Jayesh Choksi	Pranav Choksi	Pankaj Gandhi	Hemal Desai	Shreyas Patel	Gopal Daptari	Shrirang Vaidya	Balram Singh	Rabi Sahoo	Anu Aurora
Vision	√	√	√	√						
Industry Knowledge	√	√	√	√	√	√	√	√	√	√
Finance Accounting	√	√		√		√	√			
Corporate Governance	√	√	√	√	√	√	√	√	√	√
Marketing Skills	√	√	√							
Leadership Skills	√	√	√	√	√	√	√	√	√	√
International Business Knowledge	√	√		√				√	√	
Sector Knowledge	√	√	√	√	√	√	√	√	√	√
Networking Skills	√	√	√		√		√	√		
Risk Management	√	√	√	√		√	√			

(H) Confirmation as regards to independence of Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and as per opinion of the Board, they fulfil the conditions specified they are independent of the management.

(I) Compliance as to applicable laws

Pursuant to the provisions of Section 165(1) the Act and Listing Regulations, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than three listed companies.

As per the requirements of Regulation 17 of the Listing Regulations, the Board of Directors of the Company has met at least four times a year and a maximum time gap between any two meetings were not more than one hundred and twenty days. At least one board meeting was conducted in a calendar quarter, as prescribed under Secretarial Standards I issued by Institute of Company Secretaries of India. The meeting of the Board of Directors and Annual General Meeting are always held in Mumbai, where the registered office of the Company is situated. The Agenda and the supporting papers for consideration at the Board meeting are circulated to the Directors well in advance before the meeting. Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that are considered to be in the nature of Unpublished Price Sensitive Information.

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Each director informs the Company on an annual basis about the board and board committee positions she/he occupies in other companies, and notifies the Company of any changes regarding their directorships. In addition, the independent directors provide an annual confirmation that they meet the criteria of independence as defined under the provision of the Companies Act, 2013 and the Listing Regulations. Section 152 of the Companies Act, 2013, states that one-third of the board members other than independent directors who are subject to retire by rotation, shall do so every year and be eligible for reappointment, if approved by the shareholders. Mr. Balram Singh, retires by rotation at the forthcoming Annual General Meeting and being eligible, seeks re-appointment.

(J) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the roles, responsibilities and duties to be undertaken by him/her as a Director of the Company. The terms and conditions of their appointment are disclosed on the Company's website: <http://gufic.com/investor/Appointment.pdf>

The Director is also apprised of the Compliance required from him under Act, the Listing Regulations and other various statutes. The Chief Executive Officer and Chief Financial Officer also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at <http://gufic.com/wp-content/uploads/2020/08/Familiarisation%20Programme%20for%20independent%20directors.pdf>

3.COMMITTEE OF THE BOARD:

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their performances were reviewed regularly. Meetings of each of these Committees are convened by their respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the Board in the subsequent Board meetings.

A. Audit Committee:

The terms of reference of the Audit Committee covers all matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. The Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company. The major functions undertaken by the Audit Committee as covered under the Listing Regulations and Companies Act, 2013 are as follows:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- reviewing and examining with management the quarterly financial results before submission to the Board;
- recommendation for appointment, remuneration and terms of appointment of Statutory Auditors;
- reviewing and monitoring auditor's independence, performance and effectiveness of audit process;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- reviewing management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Whistle Blowing mechanism;

Further, pursuant to the amendments in Listing Regulations, the terms of reference of the Committee were amended with effect from April 1, 2019 to include reviewing the utilisation of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments.

Composition:

As on March 31, 2020 and as on date, the Audit Committee comprises of six Directors which includes four Independent Directors viz., Mr. Shrirang V. Vaidya, Mr. Shreyas K. Patel, Mr. Gopal M. Daptari and Mrs. Anu S. Aurora and two Executive Directors i.e., Mr. Jayesh P. Choksi, who is the Managing Director of the Company and Mr. Pranav J. Choksi. Mr. Shrirang V. Vaidya holds the Chairmanship of the Committee. The constitution of Audit Committee meets with the requirements as laid down under Section 177 of the Act and also of Regulation 18 of the Listing Regulations.

The Company Secretary acts as the Secretary to the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement.

In the financial year 2019-2020, Five Audit Committee meetings were held i.e. on May 30, 2019; August 13, 2019, ,December 03, 2019, December 23, 2019 and February 13, 2020 and the members attendance during the year are as under :

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shrirang V. Vaidya	Chairman	5	5
Mr. Jagdish D. Shah*	Member	2	NIL
Mr. Shreyas K. Patel	Member	5	3
Mr. Gopal M. Daptari	Member	5	3
Mr. Jayesh P. Choksi	Member	5	5
Mr. Pranav J. Choksi	Member	5	5
Dr. Anu S. Aurora**	Member	1	1

*Mr. Jagdish D. Shah ceased to be the Member of the Committee w.e.f. September 26, 2019.

** Dr. Anu S. Aurora was appointed as the Member of the Committee w.e.f. December 23, 2019.

The gap between two Audit Committee Meeting did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

B. Nomination & Remuneration Committee :

In compliance with the provisions of section 178 of the Act and Regulation 19 of the Listing Regulations, the Board has constituted a "Nomination and Remuneration Committee" [NRC].

The terms of reference of the said NRC is specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

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1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to remuneration of the directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
3. Devising policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal;
5. To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition of Nomination and Remuneration Committee :

The Nomination and Remuneration Committee comprises of three Independent Directors viz. Mr. Shrirang V. Vaidya-Chairman, Mr. Shreyas K. Patel – Member and Mr. Gopal M. Daptari-Member.

During the financial year 2019-2020, the committee met Four times i.e., June 29, 2019, July 31, 2019, August 13, 2019 and December 23, 2019. The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shrirang V. Vaidya	Chairman	4	4
Mr. Jagdish D. Shah*	Member	3	-
Mr. Shreyas K. Patel	Member	4	1
Mr. Gopal M. Daptari	Member	4	3

The Company Secretary acts as the Secretary to the Committee.

*Mr. Jagdish D. Shah ceased from the membership of the Committee w.e.f September 26, 2019.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted the criteria as provided in the Guidance Note on Board Evaluation by Securities and Exchange Board of India vide its notification no. SEBI/HO/CFD/CMD/CIR/P2017/004 dated January 05, 2017 for evaluation of the Individual Directors including Independent Directors. The said criteria provides certain parameters like knowledge, competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process

REMUNERATION OF DIRECTORS:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a “Policy On Criteria For Appointment Of Directors, KMPs And Senior Management Personnel And Evaluation Of Their Performance” determining the criteria for appointment of Directors, KMPs and Senior Management Personnel and formulating Remuneration Policy for Executive and Non-Executive Directors of the Company. The policy can be accessed on the following link: <http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf>

Remuneration of Executive Directors comprise of fixed components viz. Salary & Perquisites. Nomination and Remuneration Committee recommends to the Board, periodic revision in remuneration of Executive Directors based on remuneration policy of the company and Board fixes their remuneration taking into consideration their performance, contribution towards the growth of the Company, dedication in fulfilling their duties as Directors, industry standards vis a vis growth of the Company. The revisions made are well within the limits as prescribed under the Companies Act, 2013. While deciding the remuneration, Nomination & Remuneration Committee ensures that they are reasonable and sufficient to attract, retain, reward and motivate the best and qualified managerial personnel. Executive Directors are not paid sitting fees for attending Board/Committee meetings.

The Non-Executive Independent Directors are entitled to receive remuneration by way of sitting fees for participation in the

Board meetings, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. They are also entitled to receive travelling and other expenses they incur for attending to the Company's affairs.

The details of remuneration for the year ended March 31, 2020 to the Executive and Non-executive Directors are as follows:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in Rs.	Perquisites / Allowances (Rs)	Performance Linked Bonus / Commission (Rs)	Stock Options	Sitting Fees	TOTAL
1	Mr. Jayesh P. Choksi	40,00,620	24,76,400	0	0	0	64,77,020
2	Mr. Pranav J. Choksi	20,00,400	26,49,751	0	0	0	46,50,151
3	Ms. Hemal M. Desai	11,47,624	0	0	0	0	11,47,624
4	Mr. Pankaj J. Gandhi	9,97,608	0	0	0	0	9,97,608
5	Mr. Shreyas Patel	0	0	0	0	15,000	15,000
6	Mr. Gopal Daptari	0	0	0	0	25,000	25,000
7	Mr. Shirang Vaidya	0	0	0	0	39,500	39,500
8	Mr. Bal Ram Singh	0	0	0	0	0	0
9	Mr. Rabi Sahoo	0	0	0	0	10,000	10,000
10	Dr. Anu Aurora	0	0	0	0	5,000	5,000

Besides this, all the Whole-time Directors to whom remuneration is paid are also entitled to encashment of leave as per Company policy, and gratuity at the end of tenure, as per the rules of the Company.

Service contracts, Notice Period and Severance Fees :

The employment of the Chairman & Managing Director and the Executive Directors of the Company is contractual. The employment of Mr. Jayesh P. Choksi, Mr. Pranav J. Choksi, Mr. Pankaj J. Gandhi and Mrs. Hemal M. Desai is for the period of five years beginning from the date of their appointment/re-appointment. The Executive Directors can resign from the Directorship of the Company before the expiry of the term by giving three months' prior notice in writing. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Company has paid sitting fees of ₹ 5,000/- per Board meeting to Independent Directors during the financial year 2019-2020. None of the Non-executive directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending the board meetings.

During the year under review, no stock option were granted to any of the Directors of the Company. Further, the Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company

C. Stakeholders Relationship Committee:

The composition of the Committee comprises of three directors viz., Mr. Rabi N. Sahoo, Mr. Jayesh P. Choksi and Mr. Pranav J. Choksi, Mr. Rabi N. Sahoo, Non-Executive Independent Director acts as the Chairman of the Committee. The constitution of the Stakeholders' Relationship Committee meets with the requirements of Section 178 of the Act and also of Regulation 20 of the SEBI Listing Regulations.

The Terms of reference of the said Stakeholder Relationship Committee is specified in clause B of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence of to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar of Share Transfer Agent.

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4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Ms. Ami N. Shah, Company Secretary acts as the Compliance Officer of the Company.

Mr. Rabi N. Sahoo, the Chairman of the Committee attended the last Annual General Meeting of the Company held on September 30, 2019

During the financial year 2019-20, the Committee met three times. The dates on which Meetings were held are as follows: May 30, 2019, August 13, 2019 and February 13, 2020.

The attendance at the Shareholders/Investors Grievance Committee is given below:

Name	Designation	No of Meetings Attended
Mr. Gopal M. Daptari	Chairman (up to 19.08.2019)	2
Mr. Rabi N. Sahoo	Chairman (w.e.f 20.08.2019)	1
Mr. Jagdish D. Shah*	Member	0
Mr. Jayesh P. Choksi	Member	3
Mr. Pranav J. Choksi	Member	3

* Jagdish D. Shah ceased to be the Director of the Company and Member of the Committee w.e.f September 26th, 2019,

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2019-2020

Complaints pending at beginning of the year	NIL
Complaints received during the year	1
Complaints resolved during the year	1
Complaints pending at the end of the year	NIL

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has a Corporate Social Responsibility Committee in lines with the provisions of the Companies Act, 2013. Mr. Gopal M. Daptari, Independent Director holds the Chairmanship of the Committee; Mr. Shreyas Patel, Independent Director, Mr. Jayesh Choksi, Managing Director and Mr. Pranav Choksi, Executive Director are the Members of the Committee.

The terms of reference of the Corporate Social Responsibility Committee inter alia include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy,
- Monitor the Corporate Social Responsibility Policy of the company from time to time,
- Recommend the amount of expenditure to be incurred on the activities,
- Monitor the amount spent on the CSR initiatives of the Company as per the CSR policy,
- Discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

The Company Secretary acts as Secretary of the Committee.

During the financial year 2019-2020 the Committee met 2 (Two) times. The dates on which Meetings were held are as follows: August 13, 2019 & February 13, 2020.

The attendance record of the members at the meeting were as follows:

Name	Designation	No of Meetings Attended
Mr. Gopal M. Daptari	Chairman	2
Mr. Jagdish D. Shah*	Member	NIL
Mr. Shreyas K. Patel	Member	1
Mr. Jayesh P. Choksi	Member	2
Mr. Pranav J. Choksi	Member	2

*Due to completion of tenure of Mr. Jagdish D. Shah w.e.f September 26th, 2019, as a Independent Director of the Company was relieved as a member of the Committee.

INDEPENDENT DIRECTORS MEETING:

As stipulated by the Code of Independent Directors under Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 15, 2020 without the presence of the Non-Independent Directors and members of management, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

4. SHAREHOLDERS

A. GENERAL BODY MEETINGS

Details of Venue, Date and Time of the Last Three Annual General Meetings are as Follows:

Year	Venue	Date and Time	Special Resolution passed
2016-2017	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	5 th September, 2017 2.30 P M	1. Adoption of new set of Articles of Association 2. Approval of Re-classification of Promoters of the Company 3. Approval for keeping and maintaining registers and documents as required under Section 94 of the Companies Act, 2013 to place other than the registered office of the Company.
2017-2018	VITS - Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	28 th September, 2018 2.30 P.M.	No resolution was passed through Special Resolution.
2018-2019	VITS - Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	30 th September, 2019 2.30 P.M	1. Regularization of appointment of Mr. Rabi N. Sahoo as Non-Executive Independent Director of the Company for a term of three consecutive years effective from June 29, 2019. 2. Re-appointment of Mr. Jayesh P. Choksi as Chairman and Managing Director for a period of five years effective from April 01, 2020. 3. Re-appointment of Mr. Pranav J. Choksi as a Whole Time Director of the Company for a period of five years effective from April 01, 2020. 4. Re-appointment of Mr. Shreyas K. Patel as an Independent Director of the Company for a term of five years effective from September 26, 2019. 5. Re-appointment of Mr. Gopal M. Daptari as an Independent Director of the Company for a term of five consecutive years effective from November 24, 2019.

POSTAL BALLOT

During the year under review, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website at the following link : <http://gufic.com/media/investors/postalballot/>

None of the businesses proposed to be transacted in the ensuing AGM require passing of Special Resolution through Postal Ballot.

(i) Passing of Proposed Resolution through Postal Ballot

The meeting of the shareholders of the Company for approval of Scheme of Amalgamation of Gufic Lifesciences Private Limited with Gufic Biosciences Limited and their respective shareholders and creditors (“Scheme”) is scheduled to be held on September 15, 2020 through Video Conferencing / Other Audio Visual Means vide the directions of the Hon'ble National Company Law Tribunal, Mumbai bench and the resolution for approval of the Scheme is proposed to be passed through postal ballot, remote e-voting (prior to the Meeting) and e-voting during the Meeting.

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Mr. Gajanan D. Athavale (having Membership No. FCS- 9177 and COP No. 10121) Practising Company Secretary has been appointed as the Scrutinizer by the NCLT for the said Meeting.

(ii) Procedure for postal ballot

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The said notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting. The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman. The results are also displayed on the Company website, www.gufic.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

B. MEANS OF COMMUNICATION:

The Company regularly intimates quarterly unaudited as well as annually audited financial results to the stock exchanges, within thirty minutes after the same are taken on record by the Board of Directors at its Board Meeting. These results are published normally in the Business Standard (English Edition) and Mumbai Lakshadweep (Marathi Edition) within 48 hours of the conclusion of the Board Meeting in which such results are approved. These are not sent individually to the shareholders.

The Company's results, annual reports and other relevant details are also displayed on the Company's website www.gufic.com. The Company's website also contains basic information about the Company including information about the company's business, financial information, shareholding pattern, compliance with corporate governance, company's director, registrar & transfer agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. Official news releases and presentations, if any made to Institutional investors/analysts are also posted on the website of the company.

During the year under review, the Company has not made any presentations/press release to Institutional Investors or to the Analysts.

Annual Report containing inter alia Audited Annual Accounts, Board's Report, Auditor's Report, and other important information is sent to the shareholders whose e-mail IDs are registered with the Company and physical copy to the rest of the shareholders and others entitled thereto every year. However pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and MCA General Circular No. 20/2020 dated May 5, 2020 of Ministry of Corporate Affairs, due to COVID, no physical copies of the Annual Report for FY20 will be sent.

Trading window is closed in accordance with the Code of Conduct for prevention of insider trading and the same is intimated to all the Directors and Designated Persons by e-mail.

The Management Discussion and Analysis Report forms part of this Annual Report.

All price sensitive information and announcements are communicated immediately after the Board decides at their duly convened Board Meeting to the Stock Exchanges, where the Company's shares are listed, for dissemination to the shareholders.

C. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	Date : November 11, 2020 Day : Wednesday Time : 11.00 a.m. Mode : Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial year	1 st April 2019 to 31 st March, 2020
Date of Book Closures	As mentioned in the Notice to the Annual General Meeting
Financial Calendar: Results for quarter ended 30 th June, 2019 Results for quarter ended 30 th September, 2019 Results for quarter ended 31 st December, 2019 Results for quarter ended 31 st March, 2020	Third Week of August, 2019 First Week of December, 2019 Second Week of February, 2020 Fifth Week of July, 2020
Dividend Payment Date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.
The Company is Listed at	BSE Limited 25 th floor, P. J. Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code	BSE - 509079 NSE - GUFICBIO
Name Address Telephone No Fax Email of Registrar & Share Transfer Agents	Link Intime India Private Limited C- 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No: (022) 4918 6000, Fax No: (022) 4918 6060 Email: rnt.helpdesk@linkintime.co.in
CIN	L24100MH1984PLC033519
STATUS	Active

The annual listing fees for the financial year 2020-21 has been duly paid by the Company to the Stock Exchanges on which the shares of the Company are listed with in the stipulated time frame

D. Market Highs and Lows for the period April 2019 to March 2020

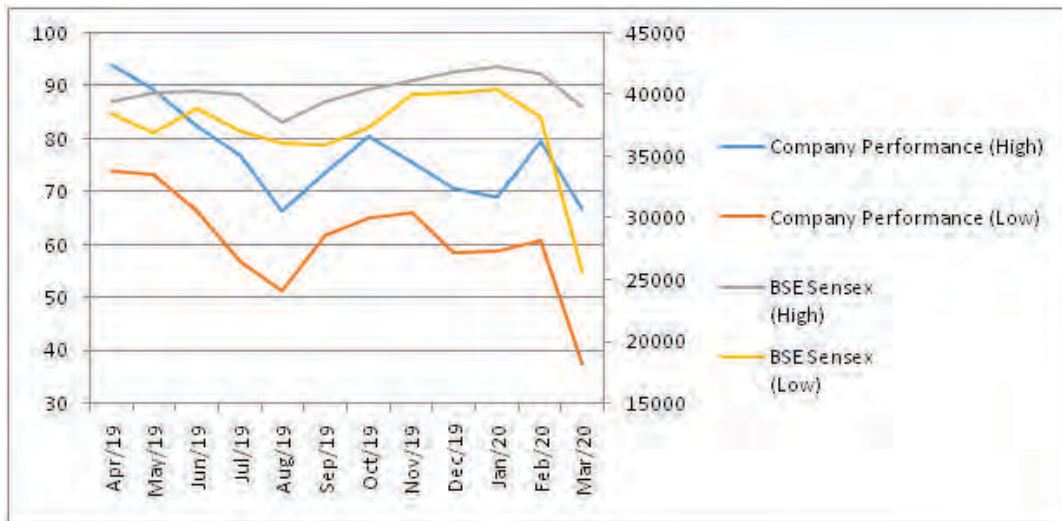
Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2019	93.90	74.00	2,97,937	93.95	73.25	20,47,892
May, 2019	89.30	73.25	1,82,201	89.90	73.50	10,82,113
June, 2019	82.50	66.25	2,80,352	83.90	66.15	11,65,359
July, 2019	76.90	56.85	2,11,003	77.45	57.40	8,21,342
August, 2019	66.40	51.10	3,94,290	66.50	51.05	16,72,323
September, 2019	73.65	61.70	1,36,844	74.00	61.60	7,55,759
October, 2019	80.45	65.00	1,41,435	81.00	65.10	6,28,779
November, 2019	75.75	66.00	96,367	75.60	65.00	6,32,396
December, 2019	70.60	58.50	1,06,402	70.80	58.25	7,82,455
January, 2020	69.00	58.75	94,893	68.50	58.70	9,43,612
February, 2020	79.45	60.75	1,95,593	79.80	61.15	24,13,069
March, 2020	66.60	37.45	79,675	68.95	37.00	8,55,808

On March 31, 2020, the closing price of the shares of the Company on BSE was ₹. 47.15/- and NSE was ₹ 47.85/-

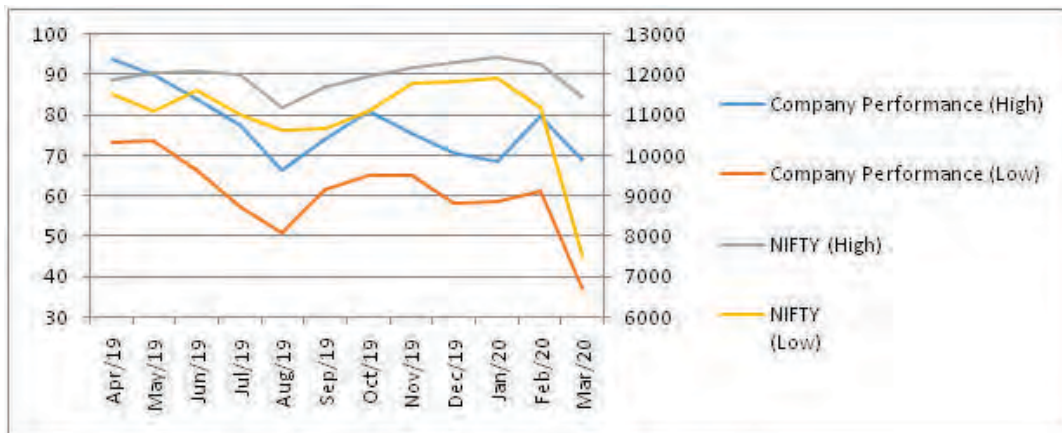
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E.PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX :

The performance of the Company's Equity Shares relative to the BSE sensitive index (BSE Sensex) is given in the chart below:



The performance of the Company's Equity Shares relative to NSE Nifty is given in the chart below:



F. SHARE TRANSFER SYSTEM:

Shares in the physical form are sent to the Registrar & Transfer Agent M/s. Link Time India Private Limited, for registering transfer and the transfer is normally processed within the stipulated period of time, if the documents are complete in all respects. Shares under objection, if any are returned within the prescribed time limit. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days.

Transfer of shares in electronic mode are done through the depositories with no involvement of the Company.

The Company obtains, from a Practicing Company Secretary, a half-yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations entered into with Stock Exchanges and files a copy of the said certificate with the concerned Stock Exchanges.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the

dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

E. DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2020

CATEGORY	DEMATERIALIZED		PHYSICAL		TOTAL		% ISSUED CAPITAL
	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	
Corporate Bodies (Promoter Co)	25897487	2	0	0	25897487	2	33.2744
Clearing Member	30296	40	0	0	30296	10	0.0389
Other Bodies Corporate	2153480	188	0	0	2153480	188	2.7669
Directors	25278885	3	0	0	25278885	3	32.4796
Hindu Undivided Family	501883	377	0	0	501883	377	0.6448
Market Maker	100	1	0	0	100	1	0.0001
Non Resident Indian	167334	167	0	0	167334	167	0.2150
Non Resident (Non Repatriable)	191169	77	0	0	191169	77	0.2456
Financial Institutions	61814	1	0	0	61814	1	0.0794
Foreign Portfolio Investors (Corporate)	462586	2	0	0	462586	2	0.5944
Non Nationalized Bank	0	0	0	0	0	0	0
Alternate Investment Fund	811856	1	0	0	811856	1	1.0431
NBFCs registered with RBI	0	0	0	0	0	0	0
Mutual Funds	6069462	3	0	0	6069462	3	7.7984
Foreign Nationals	6996	1	0	0	6996	1	0.0090
Public	15886257	14945	114996	25	16001253	14970	20.5592
Investor Education & Protection Fund	195399	2	0	0	195399	2	195399
Total	77715004	15810	114996	25	77830000	15835	100

H. Distribution of Shareholding (As on 31st March 2020)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	12576	79.414	1997044	2.5659
501 – 1000	1673	10.5645	1431260	1.839
1001 – 2000	783	4.9444	1220757	1.5685
2001 - 3000	278	1.7555	731501	0.9399
3001 – 4000	110	0.6946	397821	0.5111
4001-5000	116	0.7325	551112	0.7081
5001-10000	158	0.9977	1142109	1.4674
10001 & above	142	0.8967	70358396	90.4001

I. DEMATERIALIZATION OF SHARES AND LIQUIDITY

99.85 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2020. All shares of the Company are liquid and traded in normal volume on BSE & NSE. Shares held by Promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE742B01025.

None of the securities of the Company are suspended from trading.

J. OUTSTANDING GDRS / ADRS / WARRANTS / ANY OTHER CONVERTIBLE INSTRUMENTS

The Company have not issued GDRS/ADRS/WARRANTS or other convertible instruments, as on date

K. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw

GUFIC BIOSCIENCES LIMITED

materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

Further with respect to foreign exchange risk, the Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company's foreign exchange risk arises from foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

L. PLANT LOCATION

The Company has a manufacturing plant located at Navsari, Gujarat. The full address of which can be stated as below: National Highway No. 8, Near Grid, Kabilpore Navsari, Gujarat 396 424. Tel.: 91-02637-239946/3294254

M. ADDRESS FOR CORRESPONDENCE

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend (if any) or any other query relating to shares, the investor can write to Registrar and Share Transfer Agent

i. Registrar & Share Transfer Agent

M/s Link Intime India Private Limited,
C- 101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai – 400 083
Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 • Email: rnt.helpdesk@linkintime.co.in

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

ii Company

M/s. Ami Shah (Company Secretary & compliance officer)
M/s. Gufic Biosciences Limited
S M House, 11 Sahakar road, Vile Parle East), Mumbai – 400 057, Maharashtra, India.
• Tel No : 022 67261000 • Email : corporaterelations@guficbio.com

N. CREDIT RATING

During the year under review, the Company has been assigned with BBB- rating by CARE Ratings Limited. There has been no revision in credit rating during the financial year 2019-20.

The company does not have any fixed deposit programme or any proposal involving mobilisation of funds in India or abroad.

O. OTHER DISCLOSURES:

- (i) No transaction of a material nature has been entered into by the Company with its related parties that may have a potential conflict with the interests of the Company. Register of contracts containing transactions, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties as per Ind AS-24, are disclosed in the Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020.
- (ii) During the last three years, there were no material non-compliance by the Company and no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority for non-compliance of any matter related to capital markets.
- (iii) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of vigil mechanism / whistle blower policy has been provided on the website of the Company www.gufic.com and have also been provided in the Directors' Report.
- (iv) The Company has no subsidiary, associate or joint venture company, hence policy on material subsidiary is not applicable to the Company and hence not adopted.
- (v) Details of Related Party Transactions and policy are provided in the Directors' Report. The policy is made available on the Company's website at the given link : <http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>
- (vi) Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.

- (vii) The Company had not raised any funds through preferential allotment of qualified institutional placement.
- (viii) Certificate has been received from a Company Secretary in Practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- (ix) There were no instances where the Board had not accepted any recommendation of any committee during the financial year 2019-20.
- (x) There are no Non- Compliance of any requirement of Corporate Governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required, except as stated in the Secretarial Audit Report.
- (xi) Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and Regulation 46(2) under SEBI Listing Regulations, except the one stated in the above para.
- (xii) Disclosures have also been received from the senior management that there were no such transactions during the Financial Year 2019 - 2020 having potential conflict with the interests of the Company at large either by them or their relatives.
- (xiii) The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the Listing Regulations
- (xiv) Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part is mentioned herein below :

Payment to Auditors (excluding GST)

Rs. in lakhs

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
As Auditors		
a) For audit	13.50	13.20
b) Tax Audit	4.00	-
c) Limited Review	2.50	2.50
In other Capacity		
a) Certification Work & Other Capacity	2.25	0.26
b) Representation before Statutory Authority	2.00	4.85
Reimbursement of Expenses & Goods and Service Tax	0.79	1.26
Total	25.04	22.08

- (xv) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the financial year	Nil
2	Number of complaints disposed of during the financial year	Nil
3	Number of complaints pending as on end of the financial year	Nil

P. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i) The Company has an Executive Chairman.
- ii) The quarterly/half yearly results are not individually sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- iii) The Chairperson & Managing Director and the Chief Executive Officer of the Company are separate individuals
- iv) The internal auditor reports to the Audit Committee.
- v) The financial statements are with unmodified opinion

GUFIC BIOSCIENCES LIMITED

Q. UNCLAIMED SHARES & DIVIDEND:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/unpaid dividend are available on the website of the Company www.gufic.com

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Members can claim their dividends and shares which got transferred to IEPF by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

R. INDEPENDENT DIRECTORS:

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its Promoters, its Directors, its senior management and/or associates companies.

S. RECONCILIATION OF SHARE CAPITAL AUDIT:

A Company Secretary in practice carried out audit in respect of each of the quarters in the financial year 2019–2020, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirmed that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

T. CEO/CFO CERTIFICATION:

The Chief Executive Officer and Chief Financial Officer have certified to the Board with regard to the compliance made by them in Regulation 17(8) of the SEBI Listing Regulations read with Part B of Schedule II and the certificate forms part of the Annual Report. The Chief Executive Officer and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 05th September, 2020

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Declaration on code of conduct pursuant to schedule v of the SEBI listing regulations

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company www.gufic.com. In accordance with Schedule V of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 31st July, 2020

Pranav J. Choksi
Chief Executive Officer & Whole Time Director
DIN 00001731

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members,
Gufic Biosciences Limited
Shop - 37, First Floor, Kamala Bhavan II,
S Nityanand Road, Andheri East, Mumbai - 400069

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gufic Biosciences Limited (CIN L24100MH1984PLC033519) and having registered office at Shop - 37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri East, Mumbai - 400069 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications, as considered necessary and explanations furnished to me by the Company & its officers including Directors Identification Number (DIN) status at the official website of the Ministry of Corporate Affairs www.mca.gov.in, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN	Date of appointment in company at the current designation
1.	Jayesh Pannalal Choksi	Managing Director	00001729	01/04/2015
2.	Pranav Jayesh Choksi	Whole-time Director	00001731	01/04/2015
3.	Pankaj Jayakumar Gandhi	Whole-time Director	00001858	07/09/2016
4.	Hemal Milan Desai	Whole-time Director	07014744	30/09/2015
5.	Bal Ram Singh	Non-executive, Non-independent Director	06918085	28/09/2018
6.	Gopal Madhavbhai Daptari	Independent Director	07660662	24/11/2019
7.	Shreyas Kantilal Patel	Independent Director	01638788	26/09/2019
8.	Shrirang Vishwanath Vaidya	Independent Director	03618800	28/09/2018
9.	Rabi Narayan Sahoo	Independent Director	01237464	30/09/2019
10.	AnuSanjiv Aurora	Independent Director (Additional Director)	05120192	23/12/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification of relevant records.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gajanan D. Athavale

Company Secretaries

Gajanan D. Athavale

Proprietor

Membership No.: F-9177
Certificate of Practice No.: 10121

UDIN: F009177B000668847
Unique Code No.: I2011MH843800
Peer Review Certificate No. 558/2018

Place: Thane
Date: 05th September, 2020

GUFIC BIOSCIENCES LIMITED

BUSINESS RESPONSIBILITY REPORT

Our Business Responsibility Report (BRR) is aligned with National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, issued by Ministry of Corporate Affairs, and is in accordance with clause (f) of sub regulation (2) of regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L24100MH1984PLC033519
2.	Name of the Company	Gufic Biosciences Limited
3.	Registered Address	Shop – 37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri (East), Mumbai 400 069
4.	Website	www.gufic.com
5.	E-mail	mgr_legal@guficbio.com
6.	Financial Year Reported	April 01, 2019- March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Pharmaceutical Formulation Products (Industrial Activity Code – 210*) *As per National Industrial Classification (NIC) 2008.
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Boswella Serrata 2. Colistimethate 3. Vancomycin
9.	Total no. of locations where business activity is undertaken by the Company: (a) Number of International Locations: (b) Number of National Locations:	i) Registered Office at Andheri (East) ii) Corporate Office at Vile Parle (East) iii) Manufacturing facility at a. Navsari, Gujarat b. Baroda, Gujarat c. Belgaum, Karnataka iv) 21 C & F agents and 2 central warehouses at various locations throughout the country
10.	Markets served by the Company- Local/State/National/International	In addition to serving the Indian market, the Company exports to more than 20 countries worldwide.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR in Lakhs):	778.30
2.	Total Turn Over (INR in Lakhs):	35775.13
3.	Total profit after taxes (INR in Lakhs):	2285.67
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The total CSR spend for the financial year 2019-20 is Rs. 56.15 lakhs which is more than 2% of the average net profit of the Company for the last three years calculated in accordance with the provisions of Section 198 of the Companies Act, 2013
5.	List of activities in which expenditure in 4 above has been incurred	Gufic Biosciences Limited has focussed its CSR initiatives in the field of Promoting education, healthcare and social welfare. Please refer the Annual Report on Corporate Social Responsibility which forms part of this Annual Reports for details.

SECTION C: OTHER DETAILS

1.	Does the Company has any Subsidiary Company/ Companies	The Company does not have any subsidiary company.
2.	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30%-60%, More than 60%]	No

SECTION D: BR INFORMATION

I. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN	Name of Director	Designation
00001731	Mr. Pranav Jayesh Choksi	CEO and Whole-time Director

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (If applicable)	NA
2	Name	Mr. Y. Nagesh
3	Designation	Chief Operating Officer
4	Telephone no.	022 – 67261000
5	E-mail id	nageshy@guficbio.com

PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES

(a) Details of Compliance (Reply in Y/N)

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policy is broadly based on principles of National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business as issued by Ministry of Corporate Affairs, Government of India, in July 2011.								
4	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/ CEO/appropriate Board Director?	The policy have been approved by the Board and have been signed by Mr. Pranav Choksi, CEO & Director of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board has appointed Mr.Y. Nagesh, COO to oversee the policy implementation.								
6	Indicate the link for the policy to be viewed online?	http://gufic.com/media/investors/company-policy/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to employees through the Intranet. The external stakeholders will be communicated in due course.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by internal or external agency?	The same would be done in due course of time								

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2 (b) if answer to the question at serial number 1 against any principle is 'No' , Please explain why:

Sr. No.	Questions	PI	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds it self in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (Please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

This report is the Company's first Business Responsibility Report and it intends to review the progress of business responsibility performance on an annual basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the business responsibility report is a part of the Annual Report, which is also available at the website of the Company at <http://gufic.com/media/investors/company-policy/>

The Company does not publish its Sustainability Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes, Company has put in place code of conduct for Directors and Senior Management personnel, employees and Directors. Company has also put in place, Whistleblower Policy in order to enable employees and others to bring to the notice of Board & management, any wrongdoing or unethical practices observed in the Company. Further, it extends to the Suppliers & Contractors of the Company & the Anti-Bribery clause is a part of the Agreement executed with them.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	No Complaints have been received from any stakeholder during FY 2019 - 20

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1. Pantaprazole 2. Veccuronium 3. Omeprazole
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): a. Reduction during sourcing/production/ distribution achieved since the previous year	a. Company manufactures and distributes wide range of branded and generic formulations at its world-class manufacturing

	throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	facilities. There are no specific standards to ascertain reduction achieved at product level, as consumption per unit depends on the product mix. b. Company has taken several effective measures to reduce the overall consumption of energy and water.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Company places thrust on sustainability, be it in doing business or procuring inputs. As such, all the inputs are sourced sustainably in accordance with Company's business plan. Company has well-defined and documented standard operating procedures for vendor approval. Materials are procured from approved vendors both local and international. Vendor audit are conducted by the Quality Assurance Team periodically. The Company has longstanding business relations with regular vendors. Annual freight contracts are entered into with leading transporters for smooth and timely movement of materials.
4.	Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company try to gives preference for procurement of goods and services to the local and small producer which are listed with the Company. The Company provides platforms to local and small vendors to improve their business by connecting them with the customers.
5.	Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details there of, in about 50 words or so.	Company promotes reuse and recycling of water. Waste water is recycled via Effluent Treatment Plant followed by Reverse Osmosis (RO) and then finally by Multi Effect Evaporator and this water which is generated is used for boilers, etc. Further, waste water/ effluents are not emitted. The Company's unit is Zero Liquid discharge (ZLD unit).

Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the Total number of employees (Permanent).	1044
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	380
3.	Please indicate the Number of permanent women employees.	118
4.	Please indicate the Number of permanent employees with disabilities	0
5.	Do you have an employee association that is recognized by management.	No
6.	What percentage of your permanent employees is members of this recognized employee association?	NA
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.- NIL	
8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	
	(a) Permanent EmployeesApprox.	90 %
	(b) Permanent Women EmployeesApprox.	90%
	(c) Casual/ Temporary/ Contractual EmployeesApprox.	90%
	(d) Employees with Disabilities	NA

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Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those are disadvantaged, vulnerable and marginalized.		
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders.	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	In accordance with the CSR policy of the Company, the Company takes various CSR initiatives in the areas of education, healthcare & community development especially for the disadvantaged, vulnerable and marginalised stakeholders.

Principle 5: Businesses should respect and promote human rights		
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company's policy on human rights covers the entire Gufic Group. It does not extend to the Suppliers or Contractors associated with the Company.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any complaint in respect of human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.	The policy covers the entire Gufic Group. However, it does not extend to the Suppliers or Contractors associated with the Company.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company is a responsible corporate, committed towards managing climate change, both within and beyond our sphere of influence. As such, we have internal commitments to address climate change and global warming.
3	Does the company identify and assess potential environmental risks? Y/N	Yes, we identify and assess potential environmental risks and mitigate them to eliminate such risks through necessary steps & implementations.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, the Company have Effluent Treatment Plant (ETP) and Multi Effect Evaporator (MEE) to treat the effluent water as per norms & our unit is zero liquid discharge hence no water pollution. The Company also use briquette as fuel for boiler which is eco- friendly fuel and have APCM and stack of adequate height to avoid emission in air hence maintaining pollution free environment. The Company has filed half yearly environment clearance report is to the M0EF & CC authority time to time.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	The Company has taken various initiatives on conservation of energy and technology absorption, the details are mentioned in the Board's Report.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company complies with all the applicable environmental laws and regulations and Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits.
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	The Company have received no legal notices during the financial year 2019-20.

Principle 7: Businesses when engaged in influencing public & regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	No
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	NA

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details there of.	The Company has the following thrust areas which is enumerated in its CSR Policy as well: a. Community Health Care, Sanitation & Hygiene b. Education, Knowledge & Research c. Social care and concern Further, the Company has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?	The Company carried out its CSR activities through NGOs/ other organisations.
3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Rs. 56.15Lakhs Details of projects undertaken by the Company has been mentioned in Annexure-B of Director's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	The Company's CSR initiatives are rolled out in partnership with non-profit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Company's Representatives track the reach and take necessary steps to make it successful. Further, the Company takes Utilisation Report from the NGO's in which it has contributed, to keep a track on it.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	There are no pending customer/complaints consumer cases pending as on the end of the financial year.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws?	Being pharmaceutical products, Company displays only statutory information as required with respect to product labelling and product information.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There is no case against the Company during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Consumer surveys are regularly carried out by the Company at doctor level.

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENTS

Our Company operates in single segment i.e., Pharmaceutical. The pharmaceutical industry is one of the world's fastest growing industries and among the biggest contributors to the world economy. It plays a unique role in improving the lives of patients. Its role has become far more critical amidst the fight against COVID - 19 pandemic.

GLOBAL PHARMACEUTICAL INDUSTRY

According to the IMF, global economic growth slowed down from 3.6% in 2018 to 2.9% in 2019 (Source: IMF). Post the pandemic breakout globally in the first quarter of 2020, world economies were forced to lockdown. Consequently, global economic output is likely to decline by 3% in 2020. Pursuant to outbreak of coronavirus disease (Covid - 19) worldwide and its declaration as global pandemic, it has caused unprecedented disruption in global economic activity, reflected in severely weakened macro-economic indicators.

Global pharmaceutical market is expected to grow in the upcoming years despite recent slowdown due to pandemic in key markets across the globe. The reasons are simple: aging and growing population, rising income levels, and emerging medical conditions and emergence of new diseases. The global market for pharmaceuticals reached \$1.2 trillion in 2018, up \$100 billion from 2017, according to the Global Use of Medicines report from the IQVIA Institute for Human Data Science. Going forward, the global market will grow by 4-5% CAGR, reaching \$1.5 trillion (based on invoice pricing). IQVIA further sees spending in China (now the world's second largest market) at \$137 billion in 2018, and projects growth at 3-6% CAGR through 2023.

As per IMS Institute for Healthcare Informatics, global spending on medicines will reach \$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior 5 years and spending growth will be driven by brands in developed markets and increased usage in pharmerging markets, while being offset by patent expiries. Most developed markets are expected to continue investments in specialty medicine and new branded product spending at a lower growth rate of 1-4%, given that price and volume growth will slow down owing to pricing pressures and loss of exclusivity on patented medicines. In volume-driven emerging markets, medicine spending is expected to grow 5-8%.

As per IQVIA March 2020 on "Global Medicine Spending and Usage Trends", global medicine spending is projected to increase at 2-5% annually and exceed \$1.1 trillion in 2024 and Most developed and pharmerging markets will see slowing rates of growth in the next five years compared to the last five, with rates between 1-4% and 5-8%, respectively. Further, as per the Report, developed markets are expected to see slowing brand growth despite increases in specialty medicine spending, as greater brand losses of exclusivity (LOE) offset higher new brand product spending, and price and volume growth both slow.

The growth in this market is predicted on the basis of various factors like market drivers, current and upcoming trends, current growth pattern, and market challenges. This growth is fuelled by the growing and ageing population in key markets. As per World Population Prospects by United Nations, the worldwide population is likely to cross 9.3 billion by 2050 and around 21% of this population is expected to be aged 60 and above. Apart from ageing and rising population the improvements in purchasing power and access to quality healthcare and pharmaceuticals to poor and middle-class families worldwide also is driving the growth of global pharmaceutical industry. Another aspect which is leading this growth is rising focus of pharmaceuticals companies to tap the rare and specialty diseases market. Innovations in advanced biologics, nucleic acid therapeutics, cell therapies and bio electronics & implantable has attracted investments in the industry by even non-pharma companies like Facebook, Qualcomm etc. which is also driving the global pharmaceuticals industry growth.

On the other hand, adoption of cost control policies along with tightening of rules by governments in key markets are expected to impact the growth prospect of the global pharmaceuticals industry. Pharmaceuticals companies are forced to reduce their research and development (R&D) spending due to slowdown of growth in last few years which is also expected to hamper growth of the global pharmaceutical market as new drugs revenue form large part of pharmaceutical firm's revenue due to exclusivity of the drug. Apart from this generics pharmaceutical market is facing decreasing return on investment due to price erosion in key markets which is forcing many firms to look for other avenues and markets to sustain growth.

The global pharma companies played a very important role in the area of development of new drugs which are very effective and safe. In spite of challenges from regulatory agencies, ethical committees for clinical trials, long gestation periods, one out of thousand success rates, billions of dollars investment for each molecules, companies continue to invest in research to bring new molecules for challenging diseases. As per IMS, global pharma industry is classified into developed markets and emerging markets. Developed markets like North America, Europe, Australia and Japan contribute to the major share in terms of value due to strong economy, universal healthcare coverage, and focus on the health as it is part of key policies in these countries.

As an increasing number of processes and tools become digitized and more patient-centric, patient expectations grow. In order

to gain a better understanding of the customer experience, life sciences companies should keep patients at the core, and start thinking “outside in” when designing value chains. They should create coherent and meaningful experiences through the entire chain of patient interactions—from R&D to product launch and commercialization phases. When patient-centricity is engrained into a company’s culture, a lot of new creative ideas may be uncovered to create value. Digital technologies are being leveraged significantly for patient-to-doctor connect currently since a face-to-face consultation may not be possible due to COVID-19. It remains to be seen if this trend will continue in the post COVID-19 period also.

By end of 2020 the Global pharmaceutical market is anticipated to be around US \$1.3 trillion, with the countries like - Brazil, China, India, Indonesia, Mexico, Russia and Turkey - accounting around for one fifth of global pharmaceutical sales

Some notable trends include-

- incidence of chronic conditions in the developing world will increasingly resemble those of the developed world.
- Due to pandemic crisis –self-reliance and investment in research of antimicrobials, vaccines and preventive measure likely to rise.
- Health care will shift in focus from treatment to prevention.
- In developed markets, there will be newer treatment options available for rare diseases and cancer, though they may come at a higher cost to patients in some countries.
- Looming pricing reforms will lead to cost pressure and expanding out-sourcing
- Biologicals/peptides will increase its share in the overall pharma market space
- Lyophilisation as a concept will continue to grow globally as the process has benefits to improve quality and shelf life of injectable drugs

INDIAN PHARMA INDUSTRY – AN OVERVIEW

India is a prominent and rapidly growing presence in global pharmaceuticals. It is the largest provider of generic medicines globally, occupying a 20% share in global supply by volume, and also supplies 62% of global demand for vaccines. India ranks 3rd worldwide for production by volume and 14th by value. India is the only country with largest number of US-FDA compliant Pharma plants (more than 262 including APIs) outside of USA. India has more than 2000 WHO-GMP approved Pharma Plants, 253 European Directorate of Quality Medicines (EDQM) approved plants with modern state of the art Technology. India is the source of 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different Active Pharmaceutical Ingredients (APIs). The API industry is ranked third largest in the world contributing 57% of APIs to prequalified list of the WHO. The country is home to more than 3000 pharma companies with a strong network of over 10,500 manufacturing facilities. The domestic pharmaceuticals market turnover reached \$20.03 billion in 2019, upto 9.3% from 2018, growing as penetration of health insurance and pharmacies rise.¹

India supplies affordable and low-cost generic drugs to millions of people around the globe and operates more than 250 US Food and Drug Administration (FDA) and UK Medicine and Healthcare products Regulatory Agency (MHRA) approved plants. Furthermore, its active pharmaceutical ingredients (APIs) market is forecasted to attain a revenue of \$6 billion by the end of 2020. According to a report on the Indian pharmaceutical industry, the source of APIs is a crucial part of the pharma industry’s strategic plan to combat the COVID-19 pandemic. The majority of APIs for generic drug manufacturing across the globe are sourced from India, which also supplies approximately 30 percent of the generic APIs used in the US. However, Indian manufacturers rely heavily on APIs from China for the production of their medicine formulations, procuring around 70 percent from China, the top global producer and exporter of APIs by volume. The impact of the SARS-CoV-2 corona virus outbreak, COVID-19, has exposed the dependency of the Indian pharma sector on China for its API procurement. Supply chain disruptions and product exportation restrictions from India resulted from manpower shortages in China’s manufacturing plants. This was caused by the quarantine policies adapted and adopted by different provincial governments in China in response to the virus. Supplies were further impacted by the disruption of logistic and transportation systems, restricting access and movement of products to and from ports.

Revenue from India in FY2020 was INR 28.9 billion, representing a growth of 11% compared to the previous year. According to the IQVIA in its report for the 12-month period ended 31 March 2020, our growth has been 11.4% versus a market growth of 10.8%. Our market rank as per MAT (March 2020) remains at 13, same as that of last year. Growth in this market has been on account of improvement in the base business performance led by an increase in volumes and price in certain products as well as launch of new products.

As per IQVIA, in the financial year 2018- 2019, the Indian Pharmaceutical Market (IPM) stood at about USD 19.5 billion, growing at 10.5%, growth being contributed almost equally by volume, price and new launches. The IPM hitherto considered immune to economic downturns, seems to be defying the trend and has slowed down in tandem with the broader economy. Analysis of

¹ <https://www.investindia.gov.in/sector/pharmaceuticals>

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IPM's growth drivers indicates slowdown from 13.5% to 10% over the past three years. There are various external forces impacting the IPM at present.

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 20.70 billion in FY20. Pharmaceutical export include bulk drugs, intermediates, drug formulations, biologicals, Ayush and herbal products and surgical. India's biotechnology industry comprising bio pharmaceuticals, bio-services, bio agriculture, bio-industry, and bio informatics is expected grow at an average growth rate of around 30 per cent a y-o-y to reach US\$ 100 billion by 2025. India's domestic pharmaceutical market turnover reached Rs 1.4 lakh crore (US\$ 20.03 billion) in 2019, up 9.8 per cent y-o-y from Rs 129,015 crore (US\$ 18.12 billion) in 2018.²

Also, The Indian Pharma Market ("IPM") is forecast to grow at a Compounded Annual Growth Rate (CAGR) of 10.2%* (+/- 3.0%) over the next four years to reach Rs. 2255.5 billion by 2023. However it continues to be a highly fragmented and a competitive market with a large number of players spread across therapeutic segments.

By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. Increase in the size of middle-class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.³

Indian pharma companies are capitalising on export opportunities in regulated and semi-regulated markets. The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.⁴

OPPORTUNITIES AND CHALLENGES

The Indian pharmaceuticals market has characteristics that make it unique. First, branded generics dominate, making up for 70 to 80 per cent of the retail market. Second, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. While India ranks tenth globally in terms of value, it is ranked third in volumes. These characteristics present their own opportunities and challenges.

The pandemic COVID-19 period have also brought with it, its own sets of opportunities and challenges for pharmaceutical industries.

Opportunities:

- Global efforts to reduce healthcare costs for pharma companies who have the ability to supply high-quality pharmaceutical products at affordable prices
- Rising global demand for generics
- Scope for increase in specific Anti-Viral drugs like Famcyclovir, Remdesivir and Thymosin Alpha for COVID-19 patients
- Scope for defined protocol drugs such as Azithromycin, Doxycycline, Hydroxychloroquin, Tocilizumab etc.
- Preventive medicines such as Nutraceuticals / Immunity booster drugs would be the major growth driver during and post pandemic period
- Tele-Medicines, Biological Medicines / Peptides would be the major drivers of growth
- Chronic / Sub-Chronic and Advanced Acute Care Drugs would contribute substantially to the future growth
- Significant export opportunities

Challenges:

- **Manufacturing and Supply Chain:** Disruption caused by Lock-down and non-availability of API and Manpower contributed to the overall impact on the slowdown in the short run. However, most companies geared up on this front gradually to improve the supply chain.
- **Healthcare Professional – Pharma Interaction:** The Pandemic significantly reduced the Pharma interaction with Healthcare professionals and the various engagement programs. This impact is not expected to fully recover even after the crises
- **Patients and Prescriptions:** The Pandemic dramatically reduced the number of patients seen by Healthcare professionals. Fewer patients seen by Healthcare professional (for non-COVID related conditions) resulted in decline in the number of Prescriptions. Although there was an increase seen in Tele-medicines and use of remote tools to consult the professionals, it did not offset the loss of in-person interaction.
- **Delayed New Launches:** Significant delays was seen in the number of new launches given the limited interaction between

2. IBEF India Brand Equity Foundation, September 2020 3. IBEF India Brand Equity Foundation, June 2018 4. FICCI – Trends & Opportunities for Indian Pharma

the Sales force and Healthcare professionals. Slower regulatory approvals and delayed Clinical Trials further added to the reduction in the new product launches.

- **Dependence on China for API:** India continues to rely on imports of key starting materials, intermediates and API's for, China with the share of dependence increasing over time. This potentially exposes us to raw material supply disruptions and pricing volatility.
- **Reluctance to Adopt New Processes:** According to McKinsey research, traditional pharmaceuticals companies have taken their time to fully capture the productivity and opportunity potential of new processes and digitization. Effective execution and management of digital processes can be challenging, but failure to invest in new processes may cause bigger risks. The products the industry makes (and needs coming down the pipeline) are requiring different manufacturing techniques than those of production years ago.

REGULATORY DEVELOPMENTS AND GOVERNMENT INITIATIVES IN INDIA:

During the year, India regulatory environment saw several initiatives announced by the government to expand access to medicines. These initiatives can have a significant impact on how companies operate in the market including pricing their products, detailing them to doctors and distributing them through various channels. The Government of India has also taken many steps for prevention of the effects caused by COVID-19 on the general public of the country.

Some of the recent initiatives taken by the Government are enumerated below:

- Government regulatory machinery has been working on COVID-19 related drugs leading to relatively slower approval process for drugs in other therapy areas
- Government has developed a new COVID-19 Cell for fast track approval of COVID-19 related new drugs
- Practically no recruitment in the Clinical Trials of New Drugs due to COVID scare, manpower and patient shortages have slowed down the entire development process for new products.
- Atmanirbhar Bharat – An Initiative to reduce the dependency on API imported from other countries has given a boost to API development and manufacture by Indian Companies. India plans to set up nearly Rs. 1,00,000 Crore fund to provide boost to Indian companies for the promotion of domestic manufacturing of critical key starting materials, drug intermediates, APIs and medical devices.
- National Health Protection scheme is the largest government funded healthcare program in the World, which is expected to benefit 100 Million poor families in the country by providing a cover of Rs. 5,00,000 per family per year for secondary and tertiary care hospitalization. This is likely to boost the healthcare spending amongst the masses.
- A major thrust in the rural healthcare program by the government will improve the access to medicines and is likely to boost the Indian Pharma growth

The Government of India has taken many initiatives to create opportunities for Indian Pharma Sector such as starting a single window facility to provide consents and approvals to give a push to the Make in India initiative, unveiling of "Pharma Vision 2020" that aims at making India a global leader in manufacturing of pharmaceutical products and introduced mechanism to deal with the issue of affordability and availability of medicines. Further, as per Economic Survey 2019-20, Government expenditure (as a percentage of GDP) increased to 1.6 per cent in FY20 from 1.2 per cent in FY15 on health.

RESEARCH & DEVELOPMENT (R&D)

Gufic continues to invest in the Research and development initiatives on the newer innovative molecules, advanced NDDS and drug delivery systems, biologicals/peptides and some select API's.

We at Gufic follow a thorough Need-Gap and market potential analysis to identify the new product categories and the future molecules for growth in the existing and potential new segments. The factors considered to identify and select in the new products for future includes several parameters like-Market potential, Therapy gap analysis, Patent expiry of potential molecules, strategic fitment in the existing and future business modules of Gufic and the R & D strength and wisdom.

New Molecules and innovative combinations: New Molecules initiatives at our R & D revolves around commercially potential projects which has substantial market opportunity in terms of new launches for domestic and international business.

The therapy areas include - Antibacterials, Hormones, Neurologicals, Antifungals, Nutraceuticals and Pain management products. The business strategy on the molecules is to launch the products under Gufic branded formulation business SBUs, offer the products to our CMO partners and also explore in the international markets through out-licensing the dossiers to existing and new partners. Innovative combinations of drugs to cater to the need gaps in the therapy areas is another area to develop new products.

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Advanced NDDS formulations & Drug delivery systems : Gufic has been working on NDDS formulations in the critical care and infertility segment to differentiate our presence in the segments .Our R & D team has successfully completed in-house trials on several innovative concepts on several molecules in Pre-filled syringes and dual chamber bags(a novel concept to deliver critical care products).We have also been working of several dosage formulations to enhance the patient compliance which includes sustain release formulations in the natural products segment.

Improved absorption and bioavailability of products through liposomal technology is another area that we have been working on segments like –Nutraceuticals and dermatologicals

Biologicals and Peptides : Looking at the global trend towards biological and peptides, Gufic has identified several peptides which has great market potential in segments like Immunity (Thymosin Alpha),Cosmetic dermatology (Botulinum toxin) Pain management(Botulinum Toxin) ,Fertility (Recombinant products) and several others products in the critical care segment. Several of these products would be first time launches and would be taken through proper clinicals trials to get a market authorization in India and other countries identified. We have developed a fairly good strength of in- licensing these products(Technology transfer or semi-finished formulations) from several countries across the Globe.

COMPANY OVERVIEW

Over the past many years, Gufic has been known and respected for innovative and high quality pharmaceutical and herbal products along with a wide range of Active Pharmaceutical Ingredients (APIs). Gufic is one of the largest manufacturers of Lyophilized injections in India and have a fully automated lyophilization plant. Its lyophilized product includes Antibiotic, Antifungal, Cardiac, Infertility, Antiviral and proton-pump inhibitor segments. Gufic is now augmenting its global focus by deepening its presence in the priority markets of India, Germany, Switzerland, South Africa, Russia, Europe and key countries within the emerging market territories. Gufic aims at providing lifesaving drugs to people at affordable prices with no compromise in its quality.

GUFIC offers a varied therapeutic basket in its Bulk drugs/API division. The categories of API's manufactured are anti-fungals, anti-bacterials, anesthetics and intermediates for anti-fungals.

Gufic's products are widely circulated across 1,500+ hospital chains and have leading medical facilities through an extensive network of 1000+ marketing representatives across India.

The growth of each division of the Company for the financial year 2019-20 as compared to the previous year 2018-19 is as follows :

Division	% Growth April to March 2020 Vs April to March 2019
Nutraceutical and Alternate medicine	5
Spark (Pediatric and Gynecology)	11
Criticare	10
Criticare Life	23
Ferticare	18
Ferticare Life	NA (launched in October 2018)
Per Man Productivity	26

BUSINESS STRATEGY :

Pandemic outbreak has changed the Pharma scenario substantially and companies across the globe are re-strategizing their focus areas and revamping their engagement modules to face the growth challenges

Accordingly, we at Gufic have also re-strategized our business to adapt to the pandemic crises We have 3 major areas of business

- Branded Domestic Business
- CMO –Domestic and International Business
- API Business

Branded Domestic Business:

The Branded India business of Gufic is strategically well defined into 3 categories with market interests in various segments. These three segments include:

- Gufic Super Speciality Business
- Gufic Mass Speciality Business
- Gufic Speciality Business

Gufic Super Speciality Business

Critical care and Infertility business of Gufic has seen a major impact in the COVID scenario. The main reason being significant decrease in the number of Non-COVID patients and dramatic decrease in the interaction with the customers. We are gradually observing a change in the scenario and foresee that the market will pick up in the coming months

Gufic Critical Care Business:

The focus would be to consolidate our critical care business with the following strategy

- Focus on building specific Acute Therapy brands in the Anti-Infective category
- Introduce COVID specific brands to cater to the existing needs of the market
- Focus on Anti-Fungal segment with a special task force. Gufic has the entire range of Anti-Fungal injections

Gufic Infertility Business:

As the unlock trend continues, we foresee that the Infertility business will gradually open-up, our major strategy in the Infertility business would be

- To build brands in Hormone category
- To build the NDDS offering in the infertility management with the PFS (Pre-Filled Syringe)

Gufic Mass Speciality Business

Gufic has 2 SBUs to focus on mass speciality segment like General Practitioners, Paediatricians, Gynaecologists and Physicians. The market interest of these SBUs are Nutraceuticals and Natural products, Pain /Arthritis, Immune Boosters, respiratory products and mass Anti-infectives.

Gufic Speciality Business

Gufic Stellar: A newly created specialty SBU with specific focus on Orthopaedic and Gynecological products in various segments like Pain, Infection, Pregnancy, Lactation and bone and muscle products.

This SBU will help us build specific specialty focus with differentiated brands that have a long-term prescription profile. Initial operations of this division would be restricted to select metro towns.

Gufic Aesthaderm: To balance the product portfolio, Gufic is set to venture into the potential sub-chronic segment of Aesthetic Dermatology segment towards the last quarter of 2020-21.

Aesthaderm would be launched with differentiated Aesthetic dermatology products in the Moisturizing agents, Anti-aging, Hyperpigmentation, Sunscreen and Pre/ post procedural products. The range of 8 differentiated products during the launch phase would be one of its kind in the Aesthetic Dermatology segment.

Gufic would be the first company to launch an indigenously manufactured Botulinum Toxin (for wrinkles and sagging skin) in collaboration with Prime-Bio, USA.

Most of the other differentiated products are also developed in technical collaboration with Lucas Meyer, Canada & France - a company that specializes in Aesthetic dermatology.

The major target audience for Aesthaderm would be - Cosmetologists, Plastic Surgeons, Aesthetic Dermatologists and Beauticians.

CMO –Domestic and International Business

With the enhanced lyophilisation capacities and multiple approvals from the regulatory bodies like EU-GMP, TGA - Australia, ANVISA - Brazil, PICS-GMP – Ukraine, MCC – South Africa, BFAD – Philippines, FMHACA – Ethiopia, NAFDAC – Nigeria, MOH – Cambodia, PPB – Kenya and WHO GMP. Gufic is geared up to explore the CMO and Out-Licensing business

We expect that the healthcare market in Africa (Kenya, Nigeria, Tanzania, Egypt and Francophone), South East Asia, CIS, South Africa, Australia, Canada and Middle East will also mature a lot. Not only Generics, a market of for high-end lifesaving products will also be on a rise which would open a great opportunity that needs to be targeted. Gufic via its innovative portfolio would like to cater products to these markets at a price which would make the treatment more affordable to the population

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Our export growth is expected to be led by our increasing penetration in the generic business in the regulated markets like Europe, UK, Canada, Australia, Brazil, Russia and South Africa. We would focus on niche and complex product segments where patents are expiring or enabling licensing agreements with innovator pharmaceutical companies

API Business

Gufic manufactures a varied therapeutic basket in our API facility, which are mostly utilized for our captive consumption. The categories of API manufactured by us include -Anti-Fungals along with their Intermediates, Anti-bacterials and Anesthetic agents. We intend to explore and expand our API portfolio and increase our focus on API business to cater to the market apart from the captive consumption. With the Government promoting At manirbhar Bharat (A government initiative to manufacture API in India) to reduce the dependency on import of material from various countries-we have already initiated our plan to develop potential API as per the market needs.

Financial performance with respect to operational performance :

During the year under review, the total revenue increased to Rs. 36,456.63 lakhs in comparison to previous year 2018-19 i.e., Rs. 35,494.18 Lakhs, thus registering a growth of about 2.71% and net profit after tax increased to Rs. 2285.67 lakhs from Rs. 2194.07 lakhs, in previous year, a percentage increase of 4.17%.

The total revenue of the company for the financial year 2019-20 constituted to around 88.22% of its business consisting of domestic branded business sales, contract manufacturing and the sale of Active Pharmaceutical Ingredients and the balance 11.78% to exports business.

Gufic's total sales from international business for financial year 2019-20 stood at Rs. 4213.85 lakhs as compared to Rs. 3042.43 lakhs in the previous year 2018-19, thus registering a growth of 38.50%.

Gufic continues to strengthen product portfolio through new launches, many of them being first-to market products, offering significant patient benefits. Apart from new launches, many of the Gufic's existing products continue to grow their market share.

The Company from April 01, 2019 till the date of this report have launched about 9 new products in the market, which also boosted the sales of the Company. Due to launch of new products, improvisation made to the existing products and providing medicine at affordable prices to the consumer without compromising on the quality of the product.

Gufic has reached a MAT rank of 94 for the MAT sales as per March, 2020(as per IQVIA). Growth in the Indian pharmaceutical market continues to happen in the range of 18 % plus year over year.

On the domestic front, we have an extensive range of branded and generic formulations which enjoy extensive market share. Currently, we have well-established brands under therapies like Anti-bacterials , Anti-fungals , Proton pump inhibitors , Cardiovascular , Muscle Relaxants ,Proton Pump Inhibitors, Cardiovascular, Anti-fungals etc.

On international front, the Company is well positioned in the international space by having GMP approvals from FDA-Philippines, MOH Cambodia, MOH-Thailand, MOH-Vietnam, NMRA- Srilanka, DDA Nepal, PPB-Kenya and NAFDAC -Nigeria. the Company is having approximately 63 Marketing Authorizations and awaiting around 86 more approvals in various countries covering South East Asia, Africa, Latin, Syria America and Central America. In order to mark its global presence, the Company expanded its wings to Sterile Injections Products by submitting dossiers to countries like Germany, Austria, Ethiopia, Columbia and Ukraine.

Key Financial Indicators

PARTICULARS	Unit	2019-20	2018-19	Variance (%)	Reasons if variance is more than 25%
Operating profit margin (%)	%	12.03	12.97	(7.26)	NA
Net profit margin (%)	%	5.84	6.25	(6.61)	NA
Debtors turnover ratio	Times	3.50	3.81	8.21	NA
Current ratio	Times	1.17	1.25	(5.97)	NA
Return on Net Worth	%	21.78	29.09	(25.13)	Variance in Return on Networkth is due to following reasons : <ul style="list-style-type: none"> • Increase in Employee benefit expenses & Gratuity due to revision in salary • Increase in depreciation and amortization due to change in Accounting Standard on Lease (IND-AS 19)
Inventory turnover ratio	Times	3.52	3.72	(5.53)	NA
Interest coverage ratio	Times	4.04	4.94	(18.13)	NA
Debt equity ratio	Times	1.16	1.30	10.99	NA



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HUMAN RESOURCES DEVELOPMENT



“In order to build a rewarding employee experience, you need to understand what matters most to your people.”

-Julie Bevacqua

The backbone of any successful company is its Human Resource (HR). Employees as rightly said are the Company's most important and valuable assets. HR of Gufic has its complete focus on organizational development and employee engagement. Gufic is built on the strong foundation of its people. The performance of the Company has a direct relationship with that of the performance of its employees.

Gufic strives to make better workplace for its employees by taking various initiatives mentioned as hereunder:

a. Employee engagement

Gufic has a “Together Team” consisting of Guficians from various departments, that changes on half yearly basis, for organizing different events for Guficians, by coming up with innovative and unique ideas.

Every year, the HR organises one week of fun activities for Guficians followed by the Annual day. This year, Gufician celebrated its Annual day at Kolad (Two days trip) where the motive of the trip was team building.

b. Marathon

Gufic contributes in Corporate Marathon to encourage its employees towards physical fitness and distress and their social well being. Symbolising the zeal and spirit of Gufic, 25 Guficians participated in the Tata Mumbai Marathon 2020, covering a distance of

6 kms, during the year under review.

C. Awards & Recognitions

At Gufic, we appreciate and admire the contribution of the employees towards the success and growth of the organization. There are various categories and parameters set up for recognizing and rewarding the efforts of its employees viz. Employee of the month, Long years of service awards (those employees who have Completed 5, 10, 15, 20 and 25 years of services.)

D. Other key HR initiatives

- Flexi Working Hours
- Medical Insurance
- Suggestion or Grievances box
- Training Programmes to update with the new opportunities and challenges
- Seminar programmes for enhancing their knowledge in their field
- Sponsorship to the deserving employees
- Internal Complaints Committee (The Committee has constituted under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013) to lodge complaints if such unfortunate incident took place

E. Gufic Covid Cell

During this Covid-19 pandemic, your Company initiated Gufic Covid Cell being the single window cell for assisting and addressing Covid related issues of all its employees and their relatives.

Gufic gives its employees a work culture that motivates people to give their best performance for the Company's growth and also enhance their skill sets. Gufic always believes in team spirit and focus on enhancing the same. The employees have helped the Company to scale new heights and success over the years. No material developments in Human Resources/ Industrial Relations front have occurred during the year under review.

During the year under review, the employees' strength of your Company was 1044.

Internal Control Framework

Gufic believes that internal control is a pre-requisite for governance and has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls Internal Controls safeguard Company's assets against loss from unauthorised use and ensures reliability of financial reporting. It is also designed for effectiveness and efficiency of operations, compliance or regulations backed by strong audit framework at all the locations. A well-defined system of internal audit is in place so as to independently review and strengthen these internal controls. The Audit Committee of the Company reviews the reports of the internal auditors quarterly and recommends steps for further improvement of the internal controls.

Outlook

Gufic believes a diversified product basket helps to grow the business consistently and continuously. Your Company has identified complex and differentiated products in multiple therapeutic areas from where it will launch the next phase of growth.

Gufic's strategy of developing the specialty business as an additional growth engine has started delivering, with a gradual ramp up in specialty revenues. We expect this momentum to continue over the next few years although the COVID-19 pandemic and lock downs may throw up some uncertainties in the near-term. Gufic will continue its investment in Research and Development inspite of the current economic scenario.

Gufic has initiated Trials for D-29 has for the novel second-generation lipoglycopeptide antibiotic that belongs to the same class as vancomycin, the most widely used and one of the few treatments available to patients infected with methicillin-resistant Staphylococcus aureus (MRSA) and the launch of the product is expected in the year 2021.

Gufic drug candidate O-26 for the treatment of community-acquired bacterial pneumonia and acute skin and skin structure infections will be ready for filing in DCGI and other countries by November 2020 and aim for commercialization by last quarter 2021 or early 2022.

Gufic's drug candidate IS-6, an antifungal to treat invasive aspergillosis and mucormycosis will be applied for registration by Jan 2021 and a commercialization launch target of second or third quarter 2021

Apart from new first to launch molecules, Gufic also plans to launch new drug delivery systems in the field of Antibacterial and also Biological peptides by 2021 and DCGI process will be initiated by December 2020 with infrastructure tie ups from Spain and Italy.

Threats, Risks & Concerns

As on the date of this Report, we are in the midst of COVID-19 pandemic.. Even though the Government of India has been announcing stage wise unlock decision, however there is high level of uncertainty about the time required for things to get normal as

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before. The extent to which COVID-19 pandemic will impact the operations and financial results is dependent on the future developments, which are highly uncertain. This is a major risk in the immediate future and its long term impact needs to be assessed.

Gufic has its comprehensive risk management policy, which is periodically reviewed and amended by the Board of Directors of the Company. However, the risks associated with the business cannot be wholly eliminated, it can be mitigated with the precautionary measures.

During the year under review, the Management had identified the risks and measures to mitigate or minimize them. Other than as stated in Note no. 42 of the Financial Statement, being part of this Annual Report, the following are the identified risks mentioned hereunder:

Sr. No.	Risks	Measures to mitigate/minimize risks
1	Competitive Risk	Gufic strives to meet the challenges by delighting our customers with product quality, timely supplies, best industrial practices in providing better services.
2	Legal/Regulatory Risk	Gufic has a strong quality assurance mechanism and compliance monitoring checklist that ensures strict compliance at every level. Also, regular training for its employees to update them on new developments is an integral part of this process.
3	Economical and Political Risk	Gufic focuses on Due diligence, ongoing research and political risk analysis to predict such events and plans accordingly.
4	Concentration Risk	Gufic derives revenues from multiple products, multiple customers across geographic regions. Thus, the Company will endeavor to remain diversified and mitigate concentration risk.
5	Price Risk	Gufic produces and sales some products competing with numbers of players in India & abroad. Increasing competition puts pressure on our realizations. Gufic regularly works on cost control, improved yields etc., to maintain our margins.

CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts business and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law.

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2020

We, Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director and Mr. Devkinandan B. Roonghta, Chief Financial Officer of Gufic Biosciences Limited, certify that:

- a) We have reviewed financial statements and cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed the auditors and the audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii. During the year there were no instances of any significant fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Pranav J. Choksi
Chief Executive Officer & Director
DIN 00001731

Devkinandan B. Roonghta
Chief Financial Officer

Place : Mumbai
Date : 31st July, 2020

AUDITORS' REPORT ON CORPORATE GOVERNANCE

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Gufic Biosciences Limited

1. The Corporate Governance Report prepared by Gufic Biosciences Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Managements' Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Corporate Social Responsibility Committee.
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020 referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S H R & CO.
Chartered Accountants
FRN: 120491W

Deep N Shroff
Partner
Membership Number: 122592
UDIN: 20122592AAAEX2501
Mumbai, Dated September 05, 2020

INDEPENDENT AUDITORS' REPORT

To

The Members of Gufic Biosciences Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Gufic Biosciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit including its other comprehensive income, its cashflows and the changes in equity for the year ended on that date

Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter:

4. Attention is invited to note no. 50, of the standalone financial statements, on the assessment of the management in respect of impact of Covid - 19, pandemic on the financial statements and operation of the company. Our opinion is not modified in respect of the above matters.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Revenue Recognition (Refer to Note No. 2.11 of the Significant Accounting Policies & Note 27)	
	<ul style="list-style-type: none"> ➤ Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable after adjusting variable components like sales returns. ➤ The actual point in time when revenue is recognised varies depending on the specific terms and conditions with the customers. ➤ There is a risk of revenue being overstated by recognizing the revenue earlier than the transfer of control. ➤ The Company provides a right of return to its customers as a common business practice. The initial revenue recognition is reduced taking into consideration the anticipated sales returns. There are key estimates and significant judgements which are involved in assessing the anticipated sales return. ➤ Hence the revenue recognition has been considered as a key audit matter. 	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ➤ assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. ➤ assessed and tested the design, implementation and operating effectiveness of management's key controls over revenue recognition including those relating to sales return. ➤ Performed substantive testing of selected samples of revenue transactions recorded during the year end. Verified contractual terms of sales invoices / contracts, shipping documents and confirmation / communication with the customers to ascertain a point of time when control was transferred to the customers; ➤ Relied on the management estimates of the deductions made to the gross sales for anticipated sales returns. Tested the sales return data and key consideration used to determine the provisions made, considering the past and future anticipated returns. ➤ considered the adequacy of the disclosures in respect of revenue in terms of relevant accounting standard.

(ii) Inventory, its valuation and provisions thereof (Refer Note 2.7 of the Significant Accounting Policies)	
<ul style="list-style-type: none"> ➤ The Company holds inventory at various locations including factory, various depots and third-party locations. Hence existence of inventory is of significant importance. ➤ Inventory valuation involves significant assumptions and estimations made by the Management. Management also makes an estimate for near expiry and slow-moving inventory based on the age of the inventory. ➤ We have identified inventory as a key audit matter because of the number of locations that inventory is held and the judgment applied in the valuation of inventory and provision for inventory. 	<p>Our audit procedures amongst other included the following:</p> <ul style="list-style-type: none"> ➤ assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. ➤ evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to physical verification of inventory, valuation of inventory and provision for inventory. ➤ year-end inventory count could not be performed on account of Covid- 19 situation by the management. The physical count of inventory was carried out by an Independent Chartered Accountants subsequently at selected locations, as per our instructions. Alternative procedures have been performed and the inventory balances have been rolled back to year-end. ➤ tested, on a sample basis, the valuation of inventories as at the year end and the Management's assessment of provision required for near expiry and slow-moving inventories held as at the balance sheet date.
iii) Trade Receivable Provisioning	
<p>Balance of trade receivables is material and considering company's business there is inherent risk that the company's receivable may not be realized. There are key estimates and significant judgements which are involved in assessing provisioning based on the Expected Credit Loss Method and hence considered as Key Audit Matters.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> ➤ assessed the classification of the balances in the receivables ageing by performing an independent recomputation of the aged receivables ➤ for a sample of customer balances, verified the subsequent receipts against the outstanding year end balances. ➤ understood the methodology used to calculate the provision towards the trade receivable and determined it was consistent with that applied in the prior year. ➤ tested the calculations of the provision made by the company which takes into account historical credit loss experience for the previous three year and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

Information Other than the Financial Statements and Auditor's Report Thereon

- 6 The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report (the report), but does not include the standalone financial statements and our auditor's report thereon. The report is expected to be made available to us after the date of this auditor's report.
- 7 In Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 8 In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Financial Statements

- 9 The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the

GUFIC BIOSCIENCES LIMITED

preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 10 In preparing the standalone financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 11 Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

- 12 Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
- 13 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Board of Directors.
 - Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 14 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
- 15 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 16 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 17 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 18 As required by Section 143(3) of the Act, based on our audit, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as on March 31, 2020 on its financial position in its standalone financial statements refer Note 43 & 44 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S H R & Co.
Chartered Accountants
FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 20122592AAAADT1538
Mumbai, dated July 31, 2020

ANNEXURE A TO THE AUDITOR'S REPORT

Annexure A referred to in Paragraph I Of Our Report of Even Date on The Standalone Financial Statements For The Year Ended March 31, 2020 Of Gufic Biosciences Limited:

i. In respect of Fixed Assets:

- (a) According to the information and explanations given to us, the company has maintained its fixed assets register showing full particulars in respect of its description, original cost, year of purchase, useful life, residual value and is in a process of updating its records showing quantitative details and situation of the fixed assets.
- (b) The company has a phased wise programme designed to cover all items of fixed assets over a period of five years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, none of the fixed assets were physically verified by management during the year, due to Covid – 19, situation. Hence no comment is required on material discrepancies noticed at the time of verification, as the physical verification was not conducted during the year.
- (c) According to information and explanations provided to us, the company has acquired during the year immovable properties under construction, disclosed as Capital Work in Progress in the Note 7 to the standalone financial statements, in respect of which title deeds are in the name of the company. There are no other immovable properties in the name of the company. As regards the building shown in the Note 5 “Property, Plant and Equipment” to the standalone financial statements, represents capital expenditure on construction/extension of a building on a leasehold land, which will revert to the lessor on completion of lease period. Hence question of title deeds in respect of building represented by such capital expenditure does not arise. In respect of immovable properties that have been taken on lease and disclosed as right of use assets in Note 8 to the standalone financial statements, the lease agreements are in the name of the Company.

- ii. As explained to us, inventory have been physically verified by the management during the year. The discrepancies if any between physical verification of inventory as compared to book records have been adjusted in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans to parties covered in the register-maintained u/s. 189 of the Companies Act, 2013 (“The Act”). (other than interest free security deposits or advances given for its business purpose. (Refer Note No. 49)

Thus, the clause relating to terms and conditions of grant of loan, schedule repayment of principal and interest and amount overdue are not applicable to the company.

- iv. In our opinion and according to information and explanations provided to us, the company has not granted any loan, made any investment or provided any securities covered under section 185 and 186 of the Act during the year under review, except loans to employees as part of condition of services.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Companies Act and the rule framed there under during the year. No order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vi. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.

vii. In respect of Statutory dues:

- (a) According to the information and explanations given to us and according to the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues in respect of custom duty with appropriate authorities. However, we have observed certain delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax and Profession tax applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except certain outstanding demand of Rs. 50.33 lakhs in respect of Income Tax including Tax Deducted at Source, as appearing on the website of the Income Tax Department.
- (b) According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax, Customs Duty or Cess, Goods & Service Tax outstanding on account of any dispute except the following dues which have not been deposited with appropriate authorities on

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961	Income Tax	215.99	2011 - 2012	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		12.52	2012 - 2013	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		6.59	2013 - 2014	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		Demand raised 451.65 less: Credit not Given (202.96) Net demand 248.69	2018 - 2019	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Central Excise Duty	14.04	01/02/2008 to 31/07/2008	Appeal preferred by the company before the Commissioner Appeal
Gujarat Value Added Tax Act, 2003	Sales Tax	29.15	2010 - 2011	Appeal preferred by the company to the Commissioner Appeal
Madhya Pradesh Vat Act 2002	Sales Tax	2.51	2015 - 2016	Appeal preferred by the company to the Commissioner Appeal

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks.
- ix. According to the information and explanations given to us, the company has obtained term loans during the year under review which has been utilized for the purpose of which it was raised. The company has not raised any moneys by way of further public offer (including debt instruments).
- x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees or by the Company have been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us by the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

For S H R & Co.
Chartered Accountants
FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 20122592AAAADT1538
Mumbai, dated July 31, 2020

ANNEXURE: B TO THE INDEPENDENT AUDITOR'S REPORT

Referred in paragraph 2(f) under “Report on Legal and Regulatory Requirement” section of our report of even date on the Standalone Ind AS Financial Statement of Gufic Biosciences Limited

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

1. We have audited the internal financial controls over financial reporting of **Gufic Biosciences Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements for company for the year ended on that date.

2. Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors 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 Companies Act, 2013.

3. Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls, 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 over financial reporting.

4. Meaning of Internal Financial Controls over Financial Reporting

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

5. 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.

6. Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S H R & Co.
Chartered Accountants
FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 20122592AAAADT1538
Mumbai, dated July 31, 2020

GUFIC BIOSCIENCES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note	As at March 31,2020	As at March 31,2019
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	5	3,178.49	2,408.18
(b) Intangible assets	6	55.70	36.64
(c) Capital work-in-progress	7	3,061.03	962.62
(d) Right-of-use assets	8	930.11	-
(e) Financial assets			
(i) Investments			
a) Other investments	9	0.50	0.50
(ii) Loans	10	1,005.57	783.13
(g) Deferred Tax Assets (net)	11	43.56	68.96
(h) Other non-current assets	12	1,001.05	442.59
Total Non-current Assets		9,276.01	4,702.62
Current Assets			
(a) Inventories	13	10,919.77	9,428.46
(b) Financial assets			
(i) Trade receivables	14	10,123.94	10,318.04
(ii) Cash and cash equivalents	15	418.39	366.15
(iii) Other Bank Balances	16	663.32	393.32
(iv) Loans & Advances	10	18.89	3.02
(c) Other Current assets	12	4,203.75	2,742.36
Total Current Assets		26,348.06	23,251.35
Total Assets		35,624.07	27,953.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	778.30	778.30
(b) Other Equity	18	8,807.09	6,756.49
Total Equity		9,585.39	7,534.79
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,792.35	1,131.17
(ii) Other financial liabilities	20	474.75	468.09
(iii) Lease liability	21	620.13	-
(b) Provisions	22	694.73	185.59
Total Non-current Liabilities		3,581.96	1,784.85
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	8,943.27	8,469.00
(ii) Trade and other payables			
Total outstanding dues of micro enterprises and small enterprises	24	575.36	281.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	10,286.92	7,498.86
(iii) Other financial liabilities	20	925.04	1,108.70
(iv) Lease liability	21	343.16	-
(b) Provisions	22	926.89	336.89
(c) Other current liabilities	25	376.75	519.16
(d) Current tax liabilities (Net)	26	79.33	420.07
Total Current Liabilities		22,456.72	18,634.33
Total Liabilities		26,038.68	20,419.18
Total Equity and Liabilities		35,624.07	27,953.97

Notes to Accounts

I to 4

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report of even date attached

For S H R & Co

Chartered Accountants

FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592
Mumbai - 31st July, 2020

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing Director

D. B. Roonghta
Chief Financial Officer

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer & Whole Time Director

Ami Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	Year Ended 31.3.2020 ₹. in Lakhs	Year Ended 31.3.2019 ₹. in Lakhs
Revenue from Operations	27	35,775.13	35,076.96
Other income	28	681.50	417.22
Total Income (I)		36,456.63	35,494.18
Expenses			
Cost of Material Consumed	29	15,298.25	12,715.73
Purchase of Stock in Trade	30	3,722.41	3,984.34
Changes in inventories of Work-in-Progress and Stock-in-Trade	31	(1,272.93)	1,377.25
Employee benefits expense	32	5,157.07	4,684.90
Finance costs	33	1,271.83	1,016.12
Depreciation and amortisation expense	34	835.00	464.66
Other expenses	35	8,411.98	7,716.27
Total expenses(II)		33,423.62	31,959.27
Profit before exceptional items and tax		3,033.01	3,534.91
Exceptional Items		-	-
Profit before tax		3,033.01	3,534.91
Less: Tax expense	36		
(1) Current tax		831.00	1,152.82
(2) Deferred tax		91.98	182.07
(3) Tax Adjustment For earlier Year		(175.64)	5.94
		747.34	1,340.84
Profit for the period (III)		2,285.67	2,194.07
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(264.54)	(2.24)
Tax expenses on the above		66.58	-
Total other comprehensive income (IV)		(197.96)	(2.24)
Total comprehensive income for the period (III+IV)		2,087.71	2,191.83
Earnings per equity share (for continuing operation):	41		
(1) Basic (in Rs.)		2.94	2.82
(2) Diluted (in Rs.)		2.94	2.82

Notes of Accounts

I to 4

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing
Director

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer
& Whole Time Director

Mumbai - 31st July, 2020

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For Year Ended 31.03.2020		For Year Ended 31.03.2019	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash flows from operating activities				
Profit for the year		2,285.67		2,194.07
Adjustments for:				
Income tax expense recognised in profit or loss		747.34		1,340.84
Depreciation		835.00		464.66
Dividend		(0.04)		(0.04)
Interest income on fixed deposits with banks		(36.76)		(26.09)
Interest income on financial assets carried at amortised cost		(65.78)		(55.89)
Interest costs on financial liabilities measured at amortised cost		1,271.83		1,016.12
Non Current Security Deposits at amortised cost		58.11		54.26
Sundry credit balances written back		(236.28)		(117.77)
		4,859.09		4,870.16
Movements in working capital:				
(Increase)/decrease in trade and other receivables		(1,481.04)		(3,508.12)
(Increase)/decrease in inventories		(1,491.31)		(8.36)
Increase/ (Decrease) in trade and other payables		3,678.79		164.74
		706.44		(3,351.74)
Cash generated from operations		5,565.52		1,518.42
Income taxes paid		(996.09)		(997.69)
Net cash generated by operating activities (A)		4,569.43		520.74
B. Cash flows from investing activities				
Purchase of property, plant and equipments including capital advances and intangibles		(4,011.72)		(1,308.39)
Sale of property, plant and equipments		0.49		0.50
Other dividends received		0.04		0.04
Balance in earmarked accounts		(258.20)		(29.45)
Interest income on fixed deposits with banks		24.96		37.86
Net cash (used in)/generated by investing activities (B)		(4,244.42)		(1,299.44)
C. Cash flows from financing activities				
Proceeds from current borrowings (net)		474.27		1,552.21
Proceeds of non-current borrowings		820.19		254.39
Processing Fees Paid		(2.38)		(22.35)
Payment for Lease Liabilities		(262.24)		-
Payment for interest if Lease liability		(105.77)		-
Dividends paid on equity shares		(48.75)		(38.75)
Interest paid		(1,148.08)		(974.57)
Net cash used in financing activities (C)		(272.76)		770.94
Net increase in cash and cash equivalents (A + B + C)		52.23		(7.76)
Cash and cash equivalents at the beginning of the year (Note 16)		366.15		373.92
Cash and cash equivalents at the end of the year		418.38		366.16

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N Shroff

Partner

Membership No. 122592

Mumbai - 31st July, 2020

Jayesh P. Choksi (DIN 00001729)

Chairman & Managing Director

D. B. Roonghta

Chief Financial Officer

Pranav J. Choksi (DIN 00001731)

Chief Executive Officer & Whole Time Director

Ami Shah

Company Secretary

Note:

a) The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows

b) Cash and cash equivalents comprises of:

Components of Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash and bank balances includes :		
(a) Balances with Banks In Current Accounts	198.40	67.80
(b) Cheques on hand	166.81	266.02
(c) Cash on hand	53.17	32.32
Total cash and cash equivalents (refer note 15)	418.38	366.15

c) Change in financial liability arising from financing activities

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings		
Opening Balance	9,778.59	7,969.45
Changes from financing cashflow	1,290.34	1,800.48
Effect of changes in foreign exchange rates	-	-
Other changes	4.11	8.66
Total cash and cash equivalents (refer note 15)	11,073.04	9,778.59

Notes to Accounts 1 to 4

The accompanying notes including other explanatory information form an integral part of the financial statements.

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing
Director

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer
& Whole Time Director

Mumbai - 31st July, 2020

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

GUFIC BIOSCIENCES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

All amounts are in Rs. Lakhs unless otherwise stated

a. Equity share capital (Refer Note 18)

(Rs. in Lakhs)

	No. of Shares	Amount
Balance at April 1, 2018	77,830,000	778.30
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	77,830,000	778.30
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	77,830,000	778.30

b. Other equity (Refer Note 18)

Particulars	Reserves and surplus					Total
	Capital reserve	General reserve	Retained earnings	Others (Note 19)	Other comprehensive Income	
Balance at April 1, 2019	12.50	134.71	6,598.19	16.45	(5.36)	6,756.49
Profit for the year			2,285.68			2,285.68
Transaction during the year				9.79	(197.96)	(188.17)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-
Dividend on equity shares	-	-	(38.92)	-	-	(38.92)
Corporate tax on dividend paid	-	-	(8.00)	-	-	(8.00)
Balance at March 31, 2020	12.50	134.71	8,836.96	26.24	(203.32)	8,807.09

As per our Report of even date attached

For S H R & Co
Chartered Accountants
FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing
Director

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer
& Whole Time Director

Mumbai - 31st July, 2020

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 -Continued..
All amounts are in Rs. lakhs unless otherwise stated

1 Corporate Information

The Standalone financial statements comprise financial statements of Gufic Biosciences Limited (the company) for the year ended March 31, 2020. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 37, 1st Floor, Kamala Bhavan II, Swami Nityanand Road, Andheri (East), Mumbai - 400 069 and the corporate office is located at 1st to 4th Floor, S.M. House, 11 Sahakar Road, Vile Parle (East), Mumbai – 400 057.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. These financial statements were authorized for issue in accordance with the resolution of the Directors on July 31, 2020 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Significant Accounting Policies

2.1 Statement of Compliance

The Standalone financial statements of the company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Accounting policies have been constantly applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

2.2 Basis of preparation and presentation

2.2.1 Historical cost convention

These standalone financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. The Standalone financial statements have been prepared on accrual basis and under the historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company's Board of Directors approves the financial statements for issue on July 31, 2020.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs.

2.2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or 'Re') which is the functional currency for the Company.

2.2.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2.4 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS I Presentation of financial statements.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

2.3 Property, plant and equipment

Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

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

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest, if any.

Capital expenditure on Property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

Building constructed on leasehold land are amortised over a period of five years (5 years).

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

2.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows; Brands and Technical Know-how are amortised on a straight line basis over a period of ten years. Software cost is amortised on Straight line basis over a period of three years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit or loss when the asset is derecognised.

2.5 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.6 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.6.1 Financial Assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement:

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- Equity instruments measured at fair value through other comprehensive income FVTOCI

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the conditions are met:

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

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 14.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, &
- (b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity, on such sale. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company standalone balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial assets that are debt instruments and are measured as at FVTOCI
- (c) Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables and

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

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

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

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

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

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

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

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The company does not have any purchased or originated credit-impaired (POCI)

financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.6.2 Financial liabilities and equity instruments

Initial recognition and measurement:

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

Loans and borrowings

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

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

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Reclassification of financial assets

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

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

Offsetting of financial instruments

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

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

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

- (i) Raw materials and Packing Material : purchase cost on a first in, first out basis
- (ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- (iii) Traded goods are valued on First in First Out basis.
- (iv) Consumable stores are charged to the profit and loss account in the year of its purchases.

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

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

2.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.10 Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

2.11 Revenue recognition

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company disaggregates revenue from contracts with customers by geography.

(i) Sale of Goods

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer or as per the terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales Return

Sales return is variable consideration that is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology & assumptions used to estimate returns are monitored & adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Rendering of Services

Revenue from sale of dossiers/licenses/services, includes in certain instances, certain performance obligations and based on evaluation of whether or not these obligations are in consequential or perfunctory, revenue is recognised in accordance with the terms of the contracts with the customers when the related performance obligation is completed at point in time or spread over a period of time, as applicable.

(iii) Other Operating Revenue

Export benefits available under prevalent schemes are accrued as revenue in the year in which the goods are exported and / or services are rendered only when there reasonable assurance that the conditions attached to them will be complied with, and the amounts will be received.

(iv) Interest and dividend income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.12 Employee benefits

2.12.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

2.12.2 Post-Employment Benefits:

I. Defined Contribution plans:

Employee benefits in the form of contribution to Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined Benefit plans:

Gratuity scheme:

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

Recognition and measurement of Defined Benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available

refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

III. Other Long Term Employee Benefits:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.14 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

(i) Right-of-Use Asset

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase

option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective approach. There is no impact on retained earnings as on April 1, 2019 resulting in no restatement in results of comparative period. Consequently, the Company has recognising right of use asset and a corresponding lease liability of Rs. 925.55 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The interest rate applied to lease liabilities as at April 1, 2019 is 10 %.

Income Tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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Minimum Alternative Tax (“MAT”) credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT Credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the company will pay normal income tax during the specified period.

2.16 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.18 Segment Reporting:

The Company's Performance are not separately evaluated by the the Board of Directors, which are considered as the Chief Operating Decision Maker (CODM) and hence the total business needs to be treated as one operating segment only.

2.19 Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions (legal and constructive) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimates is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not recognised but disclosed in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3 Application of new Revised Ind AS

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

4 Critical estimates and judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

4.1 Key sources of estimation uncertainty

I. Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment and intangible assets at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the management.

ii. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iii. Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

iv. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

v. Income Taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by the management based on the specific facts and circumstances.

vi. Defined Benefit Obligations

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in **Note 40**, 'Employee benefits'.

vii. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

viii. Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

ix. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

x. Sales Return

For Information about judgements made in applying the accounting policies for sales return that have the most significant effects on the amounts recognised in the standalone financial statements is included in notes 2.11 above.

₹ in Lakhs

NOTE 5. Property, plant and equipment

Description of assets	Factory Building	Plant & Equipment	Plant & Equipment (R&D)	Furniture & Fixture	Vehicles	Office Equipment	Electrical Installation	Computer	Total
Gross Block (Cost or Deemed Cost)									
As at April 1, 2018	121.90	1,784.80	459.72	19.54	302.02	186.53	75.09	89.55	3,039.15
Additions	2.70	46.75	179.96	12.61		246.39		136.50	624.90
Disposals / reclassifications								(5.98)	(5.98)
As at March 31, 2019	124.60	1,831.55	639.68	32.15	302.02	432.92	75.09	220.07	3,658.08
Additions	85.08	725.81	38.36	5.82	87.53	338.30	-	18.43	1,299.33
Disposals / reclassifications								(2.47)	(2.47)
As at March 31, 2020	209.67	2,557.36	1,678.05	37.98	389.55	771.21	75.09	236.03	4,954.94
Accumulated Depreciation									-
As at April 1, 2018	73.53	459.57	28.25	7.60	87.52	64.37	28.18	51.59	800.62
Depreciation expense for the year	23.58	233.72	36.06	3.11	36.90	70.46	9.16	41.77	454.77
Eliminated on disposal of assets / reclassification								(5.48)	(5.48)
As at March 31, 2019	97.11	693.29	64.31	10.71	124.42	134.83	37.34	87.88	1,249.90
Depreciation expense for the year	21.63	249.38	42.96	3.89	35.80	112.51	8.65	53.87	528.67
Eliminated on disposal of assets / reclassification								(2.13)	(2.13)
As at March 31, 2020	118.74	942.67	107.27	14.60	160.22	247.34	45.99	139.62	1,776.44
As at March 31, 2020	90.94	1,614.69	570.78	23.38	229.33	523.87	29.10	96.42	3,178.49
As at March 31, 2019	27.49	1,138.25	575.38	21.44	177.60	298.08	37.75	132.19	2,408.18

(*) - Represent Building constructed on leasehold land which will revert to the lessor on completion of lease period.

5.1 Impairment losses recognised in the year

There are no impairment losses recognised during the year.

5.2 Assets pledged as security

5.2.1: Plant and Equipments, Plant & Equipments (R & D), Furniture and Fixture, office equipments, Electrical Installations and Computers having carrying value of ₹. 2858.23 lakhs (as at March 31, 2019: ₹. 2203.10 lakhs) have been pledged to secure borrowings of the Company (Refer note 19). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity, except items specifically pledged to others.

5.2.2: Vehicles having carrying value of ₹. 229.33 lakhs (as at March 31, 2019: ₹. 177.60 lakhs) have been hypothecated by way of first charge on the vehicles acquired under the specific facility granted.

5.2.3: Computers having carrying value of ₹. Nil (as at March 31, 2019: ₹. 0.83 lakhs) have been obtained on Finance Lease and hypothecated accordingly.

5.3 The Opening balance as on April 1, 2019 includes Fixed Asset acquired as part of business combination of ₹. 26.68 lakhs.

NOTE 6. Other intangible assets

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Gross Block (Cost or Deemed Cost)					
As at April 1, 2018	13.68	2.13	42.62	2.80	61.23
Additions	-	-	-	-	-
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2019	13.68	2.13	42.62	2.80	61.23
Additions	-	29.98	-	-	29.98
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2020	13.68	32.11	42.62	2.80	91.21
Accumulated Amortisation					
As at April 1, 2018	2.90	2.11	9.69	-	14.70
Depreciation expense for the year	4.33	0.02	4.98	0.56	9.90
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2019	7.23	2.13	14.67	0.56	24.59
Depreciation expense for the period eliminated on disposal of assets/ reclassifications	4.33	1.71	4.74	0.14	10.92
	-	-	-	-	-
As at March 31, 2020	11.56	3.84	19.40	0.70	35.51
As at March 31, 2020	2.12	28.27	23.22	2.10	55.70
As at March 31, 2019	6.45	0.00	27.95	2.24	36.64

6.1 The Opening balance as on April 1, 2019 includes Fixed Asset acquired as part of business combination of ₹. 39.19 lakhs.

NOTE 7. Capital Workin Progress

Description of assets	As at March 31, 2020	As at March 31, 2019
Deemed cost		
Opening	962.62	205.03
Additions	3,374.56	757.59
Reclassifications	1,276.15	-
TOTAL	3,061.03	962.62

Capital Work in Progress includes Plant & Equipment, having carrying value of ₹. 1893.77 lakhs and Flat having a carrying value of ₹. 963.21 lakhs (as at March 31, 2019: ₹. Nil lakhs) which has been pledged to secure borrowings of the Company (Refer note 19).

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NOTE 8. Right-of-use assets

Particulars	Leasehold Properties	Total
I. Carrying Amount		
Balance as at April 1, 2019		
Transition to Ind AS 116	925.55	925.55
Additions	2 99.98	299.98
Deletion	-	-
Balance as on March 31, 2020	1,225.53	1,225.53
II. Accumulated Depreciation / Amortization loss		
Balance as at April 1, 2019		
Transition to Ind AS 116	-	-
Additions	295.41	295.41
Deletion	-	-
Balance as on March 31, 2020	295.41	295.41
Net Block as on March 31, 2020	930.11	930.11
Net Block as on March 31, 2019	-	-

8.1 The aggregate depreciation expense amounting to Rs 295.41 Lakhs on ROU assets is included under Depreciation and Amortisation Expense (Refer Note 34) in the Statement of Profit and Loss.

NOTE 9. Other investments

Non-current

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty	Amount	Qty	Amount
Non Trade				
Unquoted (at FVTOCI)				
(i) Equity Instruments	4,990	0.50	4,990	0.50
- Saraswat Co-op Bank Ltd				
TOTAL AGGREGATE UNQUOTED INVESTMENTS		0.50		0.50
TOTAL NON-CURRENT INVESTMENTS		0.50		0.50
Aggregate carrying amount of unquoted investments		0.50		0.50

NOTE 10. Loans (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
(a) Deposit		
with Related Parties (Refer Note 49)	576.09	422.11
with Others (Amortised Cost)	419.09	359.71
(b) Loan to staff	10.39	1.31
Total	1,005.57	783.13
Current		
Loans to Staff	18.89	3.02
Total	18.89	3.02

Note: These financial assets are carried at amortised cost. No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer Note No. 39 for dues from related parties.

NOTE 11. Deferred Tax : Deferred Tax Relates to the following :

Particulars	Balance Sheet		Profit & Loss	
	As at March 31, 2020	As at March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Property, plant and equipment	(202.85)	(290.28)	87.43	(1.53)
Borrowing Cost	(4.51)	(7.34)	2.83	(3.60)
Trade Receivables	73.36	123.27	(41.16)	(23.89)
Employee benefits (net of OCI)	74.04	89.44	(17.06)	(123.42)
Provision for Sales	-	93.01	(93.01)	(9.89)
MAT Credit	-	5.74	(5.74)	-
Other Comprehensive income	66.58	-	-	-
Other items	36.95	55.13	(25.27)	(19.74)
Deferred Tax Expense/(Income) in Statement of Profit and Loss				
Net Deferred Tax Assets/(Liabilities)	43.56	68.96	(91.98)	(182.07)

Reflected in the Balance Sheet as Follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	250.93	366.59
Deferred tax liabilities	(207.36)	(297.62)
Net	43.56	68.96

Reconciliation of Deferred Tax Assets/(Liabilities) (net):

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance	68.96	280.83
Tax Income during the Period recognised in Statement of Profit and Loss	(91.98)	(182.07)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	-	(29.80)
Add : Deferred Tax effect on Other Comprehensive Income	66.58	-
Closing Balance	43.56	68.96

NOTE 12. Other Assets (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
(i) Capital Advances	-	-
Considered Good	775.78	191.78
Considered credit impaired	11.57	24.82
	787.35	216.61
Less : Provision for credit impaired	(11.57)	(24.82)
	775.78	191.78
(ii) Others		
(a) Balances with Statutory like value added tax etc.	41.32	41.32
(b) Prepaid Expenses		
- For Leave & Lisence Agreement (Factory Building & office premises)	159.99	176.88
- Finance Charges	20.18	28.82
(c) Others		
- Others	3.78	3.78
Total	1,001.05	442.59
Current		
(i) Advances other than Capital Advances		
- Employees Imprest Advance	242.16	289.01
- to Related Parties (Refer Note 39)	1,421.01	691.24
TOTAL	1,663.17	980.25

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(ii) Others		
Advance to Vendors		
Considered Good	866.21	370.56
Credit Impaired	22.78	14.17
	888.99	384.74
Less : Provision for Credit Impaired	(22.78)	(14.17)
	866.21	370.56
Balances with Statutory Authorities like Goods and service tax, value added tax etc.	1,321.10	1,281.80
Right To Recover Return Goods	283.09	49.79
Cenvat Recoverable	0.21	20.82
Prepaid Expenses	58.93	32.36
Others	11.05	6.77
TOTAL	4,203.75	2,742.36

NOTE 13. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories (lower of cost and net realisable value)(As verified, valued and certified by the Management)		
a) Raw Materials	3,487.23	3,026.07
b) Work-in-Process	3,331.68	3,245.88
c) Finished Goods	2,827.19	1,687.76
d) Packing Materials	742.39	738.01
e) Stock-in-Trade	503.68	689.28
f) Consumables	27.60	41.46
Total	10,919.77	9,428.46
The cost of inventories recognised as an expense during the year was ₹. 17747.73 lakhs (2018 - 2019: ₹. 18077.31 lakhs). This is included as part of Cost of Materials Consumed and Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade in the Statement of Profit and Loss.		
The mode of valuation of inventories has been stated in note 2.7.		
Included above, Stock-in-Transit		
a) Raw Materials	99.85	383.19
b) Finished Goods	11.33	16.96
Total	111.18	400.15
14. Trade receivables (Unsecured, considered good unless stated otherwise)		
Current (Refer note 51)		
Considered good	7,593.35	7,947.85
Credit Impaired	2,898.09	2,816.98
Total	10,491.43	10,764.83
Allowance for doubtful debts (expected credit loss allowances)	(367.50)	(446.79)
	10,123.94	10,318.04
Total	10,123.94	10,318.04
14.1 Trade receivables		
The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.		
The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period as follows.		
Ageing	Expected credit loss(%)	
Within the credit period	1.28%	1.37%
1 - 180 days past due	1.87%	2.18%
181 - 360 days past due	8.57%	9.44%
361 - 720 days past due	25.00%	7.81%
721 - 1080 days past due	42.00%	93.03%
More than 1080 days past due	100.00%	100.00%

Age of receivable	As at March 31, 2020	As at March 31,2019
Within the credit period	7,460.30	7,834.01
91 - 180 days past due	2,207.66	829.15
181 - 360 days past due	416.96	1,075.75
361 - 720 days past due	39.01	573.98
721 - 1080 days past due	-	5.15
More than 1080 days past due	-	-
TOTAL	10,123.93	10,318.04

Movement in the expected credit loss allowance

	As at March 31,2020	As at March 31,2019
Balance at beginning of the year	446.78	672.82
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(79.29)	(226.04)
Balance at the year End	367.49	446.78

NOTE 15. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2020	As at March 31,2019
(a) Balances with Banks		
In Current Accounts	198.42	67.80
(b) Cheques in hand	166.81	266.02
(c) Cash on hand	53.17	32.32
Cash and cash equivalents as per balance sheet	418.39	366.14

NOTE 16. OTHER BANK BALANCES

Particulars	As at March 31, 2020	As at March 31,2019
Earmarked Balances with Banks		
- Unpaid dividend accounts	2.68	4.32
- Deposits against guarantees & other commitments	660.65	389.00
TOTAL	663.32	393.32

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹ 5.00 lakhs (2018 - 2019 : ₹38.29 lakhs) which have an original maturity of more than 12 months.

NOTE 17. Equity Share Capital

Authorised Share capital	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares of Re.1 Each	100,200,000	1,002.00	100,200,000	1,002.00
Issued & subscribed capital comprises:				
Equity Shares of Rs.1 Each, Fully Paid Up	77,830,000	778.30	77,830,000	778.30
	77,830,000	778.30	77,830,000	778.30

17.1 Fully paid equity shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares outstanding at the beginning of the year	77,830,000	778.30	77,830,000	778.30
Equity shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	77,830,000	778.30	77,830,000	778.30

17.2 : The Company has only one class of equity shares having a par value of Re. 1 per shares. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

17.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% holding in the class of shares	No. of Shares held	% holding in the class of shares
Fully paid equity shares				
a) Zircon Teconica Private Ltd. (Formerly known as Zircon Finance and Leasing Pvt. Ltd.)	20,523,330.00	26.37	20,523,330.00	26.37
b) Jayesh Pannalal Choksi	18,010,259.00	23.14	18,010,259.00	23.14
c) Pranav Jayesh Choksi	7,268,626.00	9.34	7,268,626.00	9.34
d) SBI trustee Co Ltd (SBI Healthcare Opp & SBI Active Select Fund)	3,750,000	4.82	4,523,902.00	5.49
e) Gufic Private Limited	5,374,157.00	6.90	5,374,157.00	6.90

NOTE 18. Other equity excluding non-controlling interests

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve (Refer Note 18.1)		
Balance at beginning of the year	134.71	134.71
Movements	-	-
Balance at end of the year	134.71	134.71
Capital Reserve (Refer Note 18.2)		
Balance at beginning of the year	12.50	12.50
Movements	-	-
Balance at end of the year	12.50	12.50
Retained earnings		
Balance at beginning of year	6,598.19	4,411.45
Add : Profit for the year	2,285.68	2,194.06
Add : Reversal of Notional Interest on Capital Contribution	-	86.02
Less : Final Dividend on Equity Shares (Refer Note 18.3)	(38.92)	(38.68)
Less : Corporate Tax on Dividend	(8.00)	(7.87)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	-	(29.80)
Less: Prior Period taxes Effect	-	(17.00)
Balance at end of the year	8,836.96	6,598.19
Others (Note 18.4)		
Contribution towards Capital	26.25	16.45
Balance at end of the year	26.25	16.45
Other items of other comprehensive income (Re - measurement gains (losses) on defined benefit plans)		
Balance at beginning of year	(5.36)	(3.12)
Add : amount transferred	(197.96)	(2.24)
Balance at end of the year	(203.32)	(5.36)
Total	8,807.09	6,756.49

Note 18.1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Note 18.2: The Capital reserve is created on receipts of government grants for setting up of tissue culture division in the earlier years.

Note 18.3: The company has paid dividend of ₹ 0.05 per share on September 29, 2019 totalling to ₹ 38.92 lakhs (Previous year: ₹ 0.05 per share totalling to ₹ 38.68 lakhs) was paid to the holders of fully paid equity shares.

Note 18.4: Others Includes the notional interest charged to the Statement of Profit & Loss account on account of interest free loan given by the directors of the company.

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NOTE 19. Non-current Borrowings

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
Secured – at amortised cost				
(A) From Banks				
(a) Term loans (Refer Note 19.1)	1,079.16	285.09	1,093.04	143.66
(b) Vehicle Loans (Refer Note 19.1)	65.90	20.40	9.40	14.34
(B) From Others				
(a) Vehicle Loans (Refer Note 19.1)	13.77	16.39	22.42	16.63
(b) Property Loans (Refer Note 19.1)	630.88	15.54	-	-
(C) Long term maturities of finance lease obligation {Refer Note 19.1 (III)}	-	-	-	3.79
TOTAL (I)	1,789.70	337.42	1,124.86	178.42
Unsecured – at amortised cost				
From Directors {Refer Note 19.1 (IV)}	2.65	-	6.30	-
TOTAL (II)	2.65	-	6.30	-
Total Non-current borrowings	1,792.35	337.42	1,131.17	178.42

19.1 : Summary of borrowing arrangements

The terms of repayment of term loans and other loans are stated below:

I. As at March 31, 2020

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and future plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 3825 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested).	1,364.25	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 15,00,000/- (excluding interest), over a period of 1 to 108 months.	The Rate of Interest is between 9.85 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (i) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 198.54 lakhs.	116.45	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,57,505/- (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.01 % p.a. and shall be payable on monthly basis.

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(b) Property Loan (i) Are Secured by first charge by way of hypothecation of property acquired under the specific facility granted. (ii) Legal Mortgage of Property of ₹. 963.21 Lakhs, shown under CWIP.	646.42	Amount disbursed under the term loan shall be repaid in monthly installements of ₹ 8,09,430 (including Interest), with in a period 180 months.	The Rate of Interest is 10.50 % p.a. and shall be payable on monthly basis.

II. As at March 31, 2019

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and future plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 2500 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested).	1,236.70	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 7,56,000/- (excluding interest), over a period of 1 to 24 months.	The Rate of Interest is between 9.70 % to 12.50 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (I) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 198.54 lakhs.	62.79	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,49,000 (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.01 % p.a. and shall be payable on monthly basis.

III. Obligations under finance leases

Interest rates underlying the lease obligations are fixed at respective contract dates at NIL (2018 - 2019 : 11.0688%)

Reconciliation between the total of future minimum lease payments and their present value.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
With One Year	-	-	3.95	3.95
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total minimum lease payments	-	-	3.95	3.95
Less: Amounts representing finance charges	-	-	0.16	0.16
Present Value of minimum lease payments	-	-	3.79	3.79

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IV. The company has received unsecured and interest free loan from the directors of the company. The loan are repayable after March 31, 2021 or any period thereafter as mutually decided between the directors and the company. The company has provided interest on the loan @ 11 % p.a. (2018 - 19 : 11% p.a.). Thus the company during the year has accounted for interest expense of ₹. 9.79 lakhs (2018 - 2019 : interest income of ₹. 63.28 lakhs) and shown the same under the head "Other equity excluding non-controlling interests" as owners contribution towards equity.

19.2 There are no breach of contractual terms of the borrowing during the year ended March 31, 2020 and March 31, 2019.

Particulars	Term loans from financial institutions
As at 31st March, 2018	8,190.19
Financing cash flows	1,784.26
Non-cash changes	
Interest accruals on account of amortisation	(17.44)
As at 31st March, 2019	9,957.01

NOTE 20. Other financial liabilities (At Amortised Cost)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured		
(a) Security and Trade Deposits from Agents and Stockists	474.75	468.09
Total	474.75	468.09
Current		
(a) Current maturities of long-term debt (Refer Note 19)	337.42	174.63
(b) Current Maturities of Finance lease of obligation (Refer Note 19)	-	3.79
(c) Interest accrued and not due on Borrowings	3.79	6.39
(d) Interest accrued and due on Borrowings	11.60	9.46
(e) Unpaid dividends (Refer Note 20.1)	2.22	4.07
(f) Others :-		
(i) Interest payable on Security Deposit	-	14.28
(ii) Employee Benefits Payable	570.01	896.09
Total	925.04	1,108.70
Note 20.1 : There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.		
NOTE 21. Lease Liabilities		
Non Current		
Lease Liabilities (Refer Note 38)	620.13	-
Total	620.13	-
Current		
Lease Liabilities (Refer Note 38)	343.16	-
Total	343.16	-
NOTE 22. Provisions		
Non Current		
(a) Provision for Employee Benefits (Refer Note 40)		
(i) for Gratuity	201.93	81.58
(ii) for Compensated Absences	141.03	104.01
Total	342.96	185.59
(b) Others		
(i) Provision for Sales Returns (Refer Note 53)	351.77	-
Total	351.77	-
TOTAL (a + b)	694.73	185.59

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
(a) Provision for Employee Benefits (Refer Note 40)		
(i) for Gratuity	199.42	55.57
(ii) for Compensated Absences	16.34	14.80
	215.76	70.37
(b) Others		
(i) Provision for Sales Returns (Refer Note 53)	711.12	266.52
	711.12	266.52
TOTAL (a + b)	926.89	336.89
Total	1,621.62	522.48
NOTE 23. Current Borrowings		
Loans repayable on demand		
Secured - at amortised cost		
(a) Loans from banks (Refer Note (23.1) below)	8,943.27	8,469.00
TOTAL	8,943.27	8,469.00

Note I: Secured loans comprise of Cash Credit, and are secured by hypothecation of all stocks and book debts. The facilities granted to the company are further secured by Equitable / Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹. 3825 lakhs each (Company in which directors are interested), situated at Navsari , against the credit facilities sanctioned to the company. The loans are secured by personal guarantee of Managing Director and Chief Executive Officer and the loan are secured by a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) of Gufic Private Limited.

Rate of Interest @ 9.85% and repayable on demand.

NOTE 24. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Total outstanding dues of micro enterprises and small enterprises	575.36	281.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,286.92	7498.86
Total	10,862.28	7,780.51

The average credit period on purchases is 45 to 90 days. No interest is charged by the trade payables.

Sundry Creditors - Dues to Micro and Small Enterprises

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers. Based on the information available with the company regarding the total amount due to supplier as covered under MSMED Act is given below. The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise. This has been relied upon by the auditors.

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Particulars	As at March 31, 2020	As at March 31, 2019
i. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
a. Principal amount due to micro and small enterprises	493.19	202.84
b. Interest due on above	84.39	83.83
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	63.00	68.58
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	84.39	83.83
v. The amount of 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, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		

NOTE 25. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	219.24	254.16
(b) Advances from customers	157.03	264.72
(c) Others	0.48	0.28
Total	376.75	519.16
NOTE 26. Current Tax Liabilities (Net)		
Current tax liabilities		
Provision for Income Tax (Net)	79.33	420.07
(Provision for tax ₹. 4266.48 Lakhs (2018-19: ₹. 3558.19 Lakhs) and Net of Advance tax of ₹. 4187.15 Lakhs(2018-19: ₹. 3138.13 Lakhs)		
	79.33	420.07

NOTE 27. Revenue from operations

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
a) Sale of Products (Net of Returns and GST) (Formulation and Active Pharma Ingredient)	34,681.43	34,244.90
b) Other Operating Revenue		
i) Processing Charges	949.57	751.54
ii) Other Operating Revenues	144.12	80.52
Total	35,775.13	35,076.96
Disaggregation Of Revenue		
Revenue based on Geography		
- India	31,561.28	32,034.53
-Africa	527.68	560.17
-Asia	2,930.66	1,719.44
-Europe	336.24	620.01
-North America	280.54	80.30
-Australia	28.61	24.19
-South America	110.13	38.32
Revenue from operations	35,775.13	35,076.96
The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.		
Reconciliation of Revenue from operations with contract price		
Contract Price	37,036.76	36,043.37
Less:		
Sales Returns	1,244.13	938.77
Discounts	17.50	27.64
Total Revenue from Operations	35,775.13	35,076.96
Contract Balances		
Trade receivables	10,123.94	10,318.04
Contract assets	-	-
Contract liabilities	157.03	264.72
Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed.		
Contract Liabilities		
Balances at the beginning of the year	264.72	136.77
Additional during the year	157.03	264.72
Reduction during the year	264.72	136.77
Balances at the close of the year	157.03	264.72

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NOTE 28. Other Income

₹ in Lakhs

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
a) Interest Income (at amortised Cost)		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	36.76	26.09
(ii) Other financial assets carried at amortised cost	65.78	55.89
(iii) Related party (at amortised cost)	189.25	18.13
Total (a)	291.80	100.11
b) Dividend Income		
Dividends from equity investments	0.04	0.04
Total(b)	0.04	0.04
c) Other Non-Operating Income (Net of expenses directly attributable to such income)		
Scrap Sales	26.34	17.11
Sundry Balance Written Back	236.28	117.77
Miscellaneous Income	44.67	91.39
Excess provision Written Back (including Expected Credit Loss)	80.24	52.75
Total (c)	387.54	279.02
d) Other gains and losses		
Net foreign exchange gains/(losses)	-	33.06
Profit/(Loss) on Sale of Assets	2.12	4.98
Total (d)	2.12	38.04
TOTAL (a+b+c+d)	681.50	417.22
NOTE 29. Cost of Material Consumed		
(A) Consumption of Raw Material		
Opening Stock	3,026.07	1,778.67
Add: Purchases	13,757.19	12,023.16
(Less) : Closing Stock	(3,487.23)	(3,026.07)
TOTAL (A)	13,296.03	10,775.76
(B) Consumption of Packing Material		
Opening Stock	738.01	588.97
Add: Purchases	2,006.60	2,089.01
Less : Closing Stock	(742.39)	(738.01)
TOTAL (B)	2,002.22	1,939.97
TOTAL (A + B + C)	15,298.25	12,715.73
NOTE 30. Purchases of Stock - in - Trade		
Purchase of Stock - In - Trade	3,722.41	3,984.34
Total	3,722.41	3,984.34
NOTE 31. Changes in Inventories of Construction Work-in-Progress & Stock-in-Trade		
Opening stock of		
i) Work-in-progress	3,245.88	1,829.43
ii) Finished goods	1,687.76	5,220.53
iii) Stock-in-trade	689.28	-
iv) Right to recover return goods	49.79	-
Total (A)	5,672.71	7,049.96
Less: Closing stock of		
i) Work-in-progress	3,331.68	3,245.88
ii) Finished goods	2,827.19	1,687.76
iii) Stock-in-trade	503.68	689.28
iv) Right to recover return goods	283.09	49.79
Total (B)	6,945.64	5,672.71
Net (A - B)	(1,272.93)	1,377.25

NOTE 32. Employee benefits expense

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
Salaries and Wages	4,563.27	4,303.08
Contribution to provident and other funds	218.44	135.82
Gratuity Expenses (Refer Note No. 40)	31.14	27.90
Staff Welfare Expenses	344.22	218.11
Total	5,157.07	4,684.90

NOTE 33. Finance costs

Interest on Financial Liabilities - borrowing carried at amortised cost	1000.71	886.75
Bank and other financial charges	71.04	13.48
Interest on Owners Contribution	9.79	22.75
Interest on Income Tax	0.13	9.31
Interest on Lease Liability (Refer Note 38)	105.77	-
Interest to MSME	84.39	83.83
Total	1,271.83	1,016.12

NOTE 34. Depreciation and amortisation expense

Depreciation of property, plant and equipment (Refer Note 5)	528.67	454.77
Amortisation of intangible assets (Refer Note 6)	10.92	9.90
Amortisation of Right to Use asset (Refer Note 8)	295.41	-
Total depreciation and amortisation	835.00	464.66

NOTE 35. Other expenses

Consumable Stores	105.60	48.19
Power and Fuel	450.32	342.88
Labour Charges	1,579.40	1,918.67
Factory Expenses	2.42	4.32
Rent	141.07	394.72
Rates and Taxes (Excluding Taxes on Income)	21.24	20.28
Repairs and Maintenance	-	-
- Building	91.41	23.14
- Machinery	158.16	30.98
- Others	97.90	90.10
Sales Tax Expenses	-	0.14
Printing and Stationery	165.18	145.94
Communication Expenses	44.89	69.58
Director Sitting Fees	1.00	0.30
Insurance Charges	95.12	48.08
Travelling, Conveyance and Vehicle Expenses	2,118.20	1,993.21
Legal & Professional Fees	464.94	560.22
Testing and Laboratory Expenses	197.51	52.41
Transport and Forwarding	647.36	467.90
Commission and Brokerage	589.25	495.31
Sales Promotion Expenses	363.43	167.36
Advertisement	6.83	5.76
Donation	18.41	1.04
Research & Development Expenses (Refer Note 46)	200.07	207.75
Corporate Social Responsibility Activity (Refer Note 47)	56.15	38.60
Allowance for doubtful receivables (net) and Write off	29.98	126.69
Miscellaneous Expenses	737.83	462.70
Exchange loss (Net)	28.78	-
Total	8,411.98	7,716.27

NOTE 36. Income Taxes

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Tax expense recognised in profit and loss:		
Current Tax Expense for the year	831.00	1,152.82
Tax expenses of prior years	(175.64)	5.94
Net Current Tax Expenses	655.36	1,158.77
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	91.98	182.07
TOTAL	747.34	1,340.84
b. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,033.01	3,534.91
Tax using the Company's domestic tax rate (March 31, 2020: 25.17%, March 31, 2019: 34.94%)	763.41	1,235.10
Effect of expenses that are not deductible in determining taxable profit	149.52	218.43
Incremental deduction allowed for Research and Development costs	-	(130.60)
Tax Expenses of Prior Year	(175.64)	5.94
Others	10.05	11.97
Current and Deferred Tax expense (excluding prior year taxes)	747.34	1,340.84

- i. During the year ended March 31, 2020 and March 31, 2019 the Company has paid dividend to share holders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.
- ii. There are no unrecognized deferred tax assets and liabilities as at March 31, 2020 and March 31, 2019. Further significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recover ability of deferred income tax assets.
- iii. For other related disclosure please refer note no. 46, 52 and 54

NOTE 37. Segment information

37.1 Basis for segmentation

Based on the "Management approach " as defined in IND AS 108, the Chief Operating Decision Maker (CODM) does not evaluate the Company's Performance", separately and hence the total business needs to be treated as one segment, " Pharmaceutical and related products". The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

The Chief Operating Decision Maker (CODM) monitors the geographic segment of its business separately for the purpose of making decisions about resource allocation and performance assessment.

Geographical segments

Revenue is segregated into two segments namely India (sales to customer within India) and other countries (sales to customer outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments. Segment asset are based on the geographical location of the asset.

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
(l) Segment Revenue		
- India	31,561.28	32,034.53
-Africa	527.68	560.17
-Asia	2,930.66	1,719.44
-Europe	336.24	620.01
-North America	280.54	80.30
-Australia	28.61	24.19
-South America	110.13	38.32
TOTAL	35,775.13	35,076.96

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
(ii) Carrying Amount of Segment Assets		
- India	9,232.45	4,633.66
- Other Countries	-	-
TOTAL of Non Current Assets	9,232.45	4,633.66

Information about major customers

Incase of sales to two customer accounted for more than 10% or more of the entities revenue from operation. The total revenue from sale of goods is ₹. 4324.37 lakhs (year ended March 31, 2019 : 4180.28 lakhs) to the said two customers.

NOTE 38. Lease

Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”, and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company has recognised a lease liability measured at the present value of the remaining lease payments, and right-of-use (ROU) asset at an amount equal to lease liability (adjusted for any related prepayments) of ₹ 925.55 lakhs as at April 1, 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the year ended March 31, 2020 is lower ₹. 33.18 lakhs. Consequent to adoption of Ind AS 116, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

Management has exercised judgement in determining whether extension and termination options are reasonably certain to be exercised. Expenses relating to short-term leases and low-value assets for year ended March 31, 2020 is 81.19 lakhs.

The interest rate applied to lease liabilities as at April 1, 2019 is 10.00%.

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38.1 : Disclosures pursuant to Ind AS 116 :

As a Lessee :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020 :

Particulars	As at March 31, 2020	As at March 31, 2019
Current lease liabilities	343.16	-
Non-current lease liabilities	620.13	-
Total	963.29	-

The following is the movement in lease liabilities during the year ended March 31, 2020 :

Balance as at April 1, 2019

Transition to Ind AS 116	-	-
Additions	299.98	-
Finance cost accrued	105.77	-
Deletions	-	-
Payment of lease liabilities	(368.00)	-
Balance as at March 31, 2020	37.75	-

The aggregate interest expense amounting to 105.77 Lakhs (2018 - 2019: Nil) on Lease Liabilities is disclosed separately under Note 33 Finance Costs.

The following is the movement of cash outflow on lease liabilities during the year ended March 31, 2020 :

Payment of lease liabilities	262.24	-
Interest on lease liabilities	105.77	-
Total cash outflow on leases	368.01	-

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Less than one year	343.16	-
One to five years	620.13	-
More than five years	-	-
	963.29	-

The Company does not face a liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following amounts are recognised in the Statement of Profit and Loss for the year ended March 31, 2020 :

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation charge on right-of-use assets	295.41	-
Interest expense on lease liabilities	105.77	-
Expense relating to short-term leases	81.19	-
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gain on termination of leases	-	-

Total cash outflow for leases from Financing Activities recognised in the Statement of Cash Flows for the year ended March 31, 2020 is 368 Lakhs.

Note 39. Related Party Disclosures

As required by Ind AS 24 are given below:

39.1 Names of the related parties and related party relationships

Particulars	Relationship as at	
	As at March 31, 2020	As at March 31, 2019
Category I - Directors & Key Management Personnel:		
Jayesh P Choksi	Chairman & Managing Director & Shareholder having substantial interest	Chairman & Managing Director & Shareholder having substantial interest
Pranav J Choksi	Chief Executive Officer & Whole-time Director	Chief Executive Officer & Whole-time Director
Pankaj Gandhi	Whole Time Director	Whole Time Director
Hemal Desai	Whole Time Director	Whole Time Director
Balram H. Singh	Non executive Non Independent Director	Non executive Non Independent Director
Shrirang V. Vaidya	Independent Director	Independent Director
Gopal M. Daptari	Independent Director	Independent Director
Shreyas K. Patel	Independent Director	Independent Director
Mr. Jagdish Shah	Ceased to be an Independent director from September 29, 2019	Independent Director
Mr. Rabi Narayan Sahoo	Independent Director w.e.f June 29, 2019	Not Applicable
Dr. Anu Aurora	Independent Director w.e.f December 23, 2019	Not Applicable
Devkinandan B. Roonghta (CFO)	Chief Financial Officer	Chief Financial Officer
Ami N. Shah (Company Secretary)	Company Secretary	Company Secretary
Category II - Relatives of Key Management Personnel:		
Khushboo Desai Pooja Choksi Rita N. Shah Seema D. Roonghta Milan Ramesh Desai Parth Gandhi		
Category III (Others) - Enterprise over which persons covered under Category I or II above are able to exercise significant control:		
Gufic Private Limited Gufic Chem Private Limited Gufic Lifesciences Private Limited Jal Private Limited Zire Realty Limited Zire Rushi Construction Manshi Gandhi Enterprise Parth Gandhi Enterprise Viraj Enterprise Shraddha Enterprise Tricon Enterprises Private Limited Prime Bio INC		

39.2.1 Details of related party transactions

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from Contract with Customers, net of Returns Others	196.48	652.03
(b) Interest Received Others	189.25	18.13
(c) Rendering of Service Others	10.79	9.40
(d) Purchase of Goods Others	1,114.44	1,303.86
(e) Receiving of Services Others	1,612.67	1,734.85
(f) Rental Expenses / Lease Liabilities Others	60.00	60.00
(g) Purchase of Property, Plant & Equipment (Stamp duty, registration charges & other charges) Others	952.03	-
(h) Purchase of Intangible Asset Others	16.80	46.77
(i) Reimbursement of Expenses Paid Key Management Personnel Others	15.57 47.64	- -
(j) Reimbursement of Expenses Received Others	48.85	-
(k) Purchased of License Others	27.66	-
(l) Deposit Given Others	130.00	-
(M) Loan Received Key Management Personnel	329.42	232.67
(n) Loan Repaid Key Management Personnel	333.08	615.47
(o) Interest Reimbursed Others	40.82	-
(p) Guarantee Received for Loan taken by the Company Others	7,465.00	6,140.00
(q) Remuneration Key Management Personnel Relatives of Key Management Personnel	172.20 2.83	106.42 3.20

39.2.2 Details of Balance outstanding as at the year end

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Receivable Others	10.41	732.87
(b) Payable Key Management Personnel Others	4.48 118.12	6.30 21.08
(c) Advance (supply of goods / Services) Others	1,420.52	688.78
(d) Security Deposit Given Others	720.00	590.00

Based on the external transfer pricing review and validation, the Company believes that all transactions with associated enterprises are undertaken on the basis of arm's length principle and are in normal course of business.

Disclosure has been made of only those related parties where there are transactions with the company during the year.

The amount outstanding are unsecured and will be settled in cash or receipt of goods or services. No guarantee have been given. No expense has been recognized in the current period or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

39.3 Loans from related parties

Particulars	As at March 31, 2020	As at March 31, 2019
JAYESH P. CHOKSI	-	-
PRANAV J. CHOKSI	2.65	6.30

39.4 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	Year ended March 31, 2020 ₹ in Lakhs	Year ended March 31, 2019 ₹ in Lakhs
Short Term Employee Benefits (#)		
Remuneration to Key Management Personnel	172.20	106.42
Remuneration to Relatives of Key Management Personnel	2.83	11.66

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

(#) Key Management Personnel (KMP) and Relatives of KMP who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation, for the company as a whole, hence the details in respect of long term benefits to KMP and their relatives are not disclosed. Further there is no Share-based payments to Key Management Personnel of Company.

NOTE 40. Employee benefit plans

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

40.1 Defined contribution plans

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) with the government, and certain state plans such as Employees' State Insurance (ESI). PF cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

The company has recognised the following amounts in the profit and loss accounts.

Particulars	For the year ended 31.03.2020 ₹ in Lakhs	For the year ended 31.03.2019 ₹ in Lakhs
Employer's contribution to provident fund & ESIC Fund	249.58	163.72

40.2 Defined benefit plans

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. However, the risk is partially mitigated by investment in LIC managed fund.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2020. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in profit or loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2020	As at March 31, 2019
Discount rate(s)	6.89%	7.79%
Expected return(s) on plan assets	6.89%	7.79%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee Turnover	3.00%	3.00%
Retirement Age (years)	58 & 75 Years	58 & 75 Years

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expense recognised in the statement of profit and loss (Refer Note 32)		
Current service cost	20.46	18.27
Past service cost and (gain)/loss from settlements -	-	
Net interest expense	10.68	9.63
Expenses charged to the statement of profit and loss	31.14	27.90
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial loss/(gain) on defined benefit obligation	264.54	2.24
Actuarial gain on plan assets	-	-
Expense / (income) charged to other comprehensive income	264.54	2.24

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(442.86)	(178.66)
Fair value of plan assets	41.51	41.51
Funded status	(401.35)	(137.15)
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	(401.35)	(137.15)

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Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of defined benefit obligations		
Obligation as at the beginning of the year	178.65	164.55
Interest cost	13.92	12.88
Current service cost	20.46	18.27
Benefits paid Directly by Employer	(31.48)	(16.04)
Actuarial (gains)/losses on obligations		
- due to changes in demographic assumptions	-	-
- due to changes in financial assumptions	32.99	0.46
- due to experience	228.31	(1.47)
Obligation as at the year end	442.85	178.65

Movements in the fair value of the plan assets are as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of plan assets		
Plan assets as at the beginning of the year	41.51	41.51
Expected return	3.23	2.99
Return on Plan Assets, Excluding Interest Income	(3.23)	(2.99)
Closing fair value of plan assets	41.51	41.51

The fair value of the plan assets at the end of the reporting period is not available.

Sensitivity Analysis

The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occurring at the end of the reporting period

Particulars	As at March 31, 2020	As at March 31, 2019
Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discounting	(36.39)	(10.88)
Delta Effect of -1% Change in Rate of Discounting	42.30	12.39
Delta Effect of +1% Change in Rate of Salary Increase	42.68	12.62
Delta Effect of -1% Change in Rate of Salary Increase	(37.33)	(11.26)
Delta Effect of +1% Change in Rate of Employee Turnover	3.99	1.80
Delta Effect of -1% Change in Rate of Employee Turnover	(4.76)	(2.09)

Particulars	As at March 31, 2020	As at March 31, 2019
Maturity Analysis of Projected benefit obligation for next		
1st Year	38.63	23.46
2nd Year	23.56	15.28
3rd Year	23.24	22.48
4th Year	20.53	10.61
5th Year	51.31	7.19
Thereafter	196.10	93.37

Asset information

Particulars	As at March 31, 2020	As at March 31, 2019
Insurer Managed Funds (100%)	100%	100%
(Fund is Managed by LIC as per IRDA guidelines category-wise composition of the plan assets is not available)		

Contribution in immediate next year

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Estimate of amount of contribution in immediate next year	107.77	31.14

40.3 Other long term benefit plan

Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹. 125.43 lakhs (Pr. Yr. ₹. 40.83 lakhs) being liability as at the year-end for compensated absences as per actuarial valuation has been provided in the accounts.

NOTE 41. Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic earnings per share	2.94	2.82
Diluted earnings per share	2.94	2.82
41.1 Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit / (loss) for the year attributable to owners of the Company	2,285.67	2,194.07
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	2,285.67	2,194.07
Weighted average number of equity shares	77,830,000	77,830,000
41.2. Diluted Earnings Per Share		
The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.		
Profit / (loss) for the year used in the calculation of basic earnings per share	2,285.67	2,194.07
Add: adjustments on account of dilutive potential equity shares	-	-
Earnings used in the calculation of diluted earnings per share	2,285.67	2,194.07
Weighted average number of equity shares	77,830,000	77,830,000
41.3. Reconciliation of weighted average number of equity shares		
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of Basic EPS	77,830,000	77,830,000
Add: adjustments on account of dilutive potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	77,830,000	77,830,000

NOTE 42. Financial instruments

42.1 Capital management

The company manages its capital to ensure that entities in the company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the company consists of net debt offset by cash and bank balances and total equity of the company. The company is not subject to any externally imposed capital requirements.

42.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

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Particulars	As at March 31, 2020	As at March 31, 2019
Debt (I)	11,073.04	9,778.59
Less: Cash and bank balances	418.39	366.15
Net debt	10,654.65	9,412.44
Total Equity (ii)	9,585.39	7,534.79
Net debt to equity ratio	111.16%	124.92%

42.2 Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
(a) Other investments	0.50	0.50
(b) Cash and bank balances	418.39	366.15
(c) Trade Receivable	10,123.94	10,318.04
(d) Loans	1,024.46	786.15
Financial liabilities		
Measured at Amortised cost		
(a) Borrowings	10,735.62	9,600.17
(b) Trade Payable	10,862.28	7,780.51
(C) Other Financial Liabilities	1,399.79	1,576.79

42.3 Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Currency Risk

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies, under the guidance of Audit Committee.

Company's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Company, through its training and procedures aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit committee.

42.3.1: Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Before accepting any new customer, the company evaluates the credit worthiness of the potential customers based on past history and other external inquiries as deemed appropriate. The company also obtains the necessary KYC documents from all the customer for assessing the credit quality and defines the credit limits accordingly. Limits and scoring attributed to customers are reviewed once a year.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables, which are non interest bearing, are mainly from stockists, distributors and customers and are generally on 30 days to 90 days credit. To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

As at March 31, 2020, Company had 7 customers, (March 31, 2019: 8 customers) that owed the company more than ₹. 4324.39 lakhs (March 31, 2019: ₹. 4711.71 Lakhs) and accounted for approximately 42.71 % and 45.66 % respectively of the total outstanding as at March 31, 2020 and March 31, 2019.

Particulars	March 31, 2020	March 31, 2019
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	10,123.94	10,318.04
Gross Carrying amount	10,491.43	10,764.83
Average Expected loss rate	3.50%	4.15%
Carrying amount of trade receivables (net of impairment)	10,123.94	10,318.04

42.3.2: Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

42.3.2.1: Exposure to liquidity risk

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

	upto 1 year	1 to 3 years	3 to 5 years	5 years & Above	Total
March 31, 2020					
Non Derivative					
Trade payable	10,862.28	-	-	-	10,862.28
Borrowings	7,367.59	1,556.95	894.48	1,254.02	11,073.04
Other Financial Liabilities	1,062.37	-	-	-	1,062.37
	19,292.24	1,556.95	894.48	1,254.02	22,997.69
March 31, 2019					
Non Derivative					
Trade payable	7,780.51	-	-	-	7,780.51
Borrowings	7,190.85	1,160.85	580.63	846.26	9,778.59
Other Financial Liabilities	1,398.37	-	-	-	1,398.37
	16,369.73	1,160.85	580.63	846.26	18,957.47

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42.3.2.2 Financing facilities

Particulars	As at March 31, 2020	As at March 31, 2019
Secured bank overdraft facility:		
i) amount used	9,000.00	8,000.00
ii) amount unused	-	-
	9,000.00	8,000.00
Secured bank loan facilities with various maturity dates through to March 31, 2020 and which may be extended by mutual agreement:		
i) amount used	1,272.80	1,288.91
ii) amount unused	3,486.92	1,253.75
	4,759.72	2,542.66

42.3 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currencies.

42.3.1: Interest rate risk management

The company is exposed to interest rate risk because it borrows funds from banks and institutions at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings. The companies exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings bearing fixed rate of interest	762.87	66.58
Borrowings bearing variable rate of interest	10,307.52	9,705.70
	11,070.39	9,772.28

42.3.1.1: Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the company's (Contracted Interest Rate on all the borrowing) profit for the year ended March 31, 2020 would decrease/increase by ₹. 98.76 lakhs (2018 - 2019: decrease/increase by ₹. 85.92 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

42.3.2: Currency Risk

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company's foreign exchange risk arises from foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

The following table analyses foreign currency risk as at the year end that have not been mitigated by a derivative instrument or otherwise are as below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivable	13.12	-	8.36	-
Other Receivable	0.87	2.54	0.40	0.15
	13.99	2.54	8.76	0.15
Financial Liabilities				
Trade Payable	50.00	0.56	25.61	-
Other Payable	1.63	0.35	0.26	-
	51.63	0.91	25.87	-
Net Assets / (liabilities)	(37.64)	1.63	(17.11)	0.15

42.3.2. I: Foreign Currency rate Sensitivity Analysis

The table below gives the effect of every 5% strengthening / weakening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities, which would increase / (decrease) the Company's profit and the Company's equity as at the years ended March 31, 2020 and March 31, 2019, .

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Particulars	Change in currency exchange rate	As at March 31, 2020	As at March 31, 2019
US Dollar (USD)	5% / (5%)	(143.49)/143.49	(60.52)/60.52
EURO	5% / (5%)	6.86/(6.86)	0.58/(0.58)

42.4: Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2020, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

42.5: Fair value measurements

The investment of the company are not readily marketable. Further the company has invested in the securities for the purpose of obtaining the credit facilities. The company has to returned the securities back to the lender in the event the credit facilities are repaid / closed by the company. Thus in the case the cost of the security represents the fair value.

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Except as stated above the carrying amount of all other financial assets approximate their fair values as indicated below

Particulars	As at March 31, 2020 Fair value	As at March 31, 2019 Fair value
Financial assets		
Financial assets at amortised cost:	12,230.11	11,863.66
(a) Trade receivables	10,123.94	10,318.04
(b) Cash and cash equivalent	418.39	366.15
(c) Other Bank Balances	663.32	393.32
(d) Loan and Advances -Non Current	1,005.57	783.13
(e) Loan and Advances - Current	18.89	3.02
Financial liabilities		
Financial liabilities held at amortised cost:	22,997.69	18,957.47
(a) Long Term Borrowings	1,792.35	1,131.17
(b) Short Term Borrowings	8,943.27	8,469.00
(c) Trade Payables	10,862.28	7,780.51
(e) Other Financial Liabilities- Non Current	474.75	468.09
(f) Other Financial Liabilities- Current	925.04	1,108.70

NOTE 43. Commitments for expenditure

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,052.33	447.52
Total	1,052.33	447.52

NOTE: 44. Contingent liabilities

44.1 Disputed Liabilities on account of Sales Tax, Excise Duty and Income Tax as at March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Excise Duty	29.72	108.86
(ii) Income tax	737.08	289.41
(iii) Sales Tax	31.66	31.66
44.2 Guarantees Executed		
(i) Letter of Credit	4,618.40	374.14
(ii) Bank Gurantee	185.23	136.12

44.3: Other money for which the Company is contingently liable

Though a review petition filed against the decision of the Hon'ble Supreme Court of India of February 2019 on Provident Fund (PF) on inclusion of allowances for the purpose of PF Contribution has been set aside, there are interpretative challenges, mainly for estimating the amount and applicability of the decision retrospectively. Pending any direction in this regard from the Employees Provident Fund Organisation, the impact for past periods, if any, is considered to the effect that it is only possible but not probable that outflow of economic resources will be required. The Company will continue to monitor and evaluate its position and act, as clarity emerges.

The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

Future cash outflows in respect of liability under clause 44.1 is dependent on decisions by relevant authorities of respective disputes, clause 44.2 is a financial guarantee.

NOTE 45. Payments to auditors (excluding GST)

₹ in Lakhs

Particulars	For the year ended March 31,2020	For the year ended March 31,2019
As Auditors		
a) For audit	13.50	13.20
b) Tax Audit	4.00	-
c) Limited Review	2.50	2.50
In other Capacity		
a) Certification Work & Other Capacity	2.25	0.26
b) Representation before Statutory Authority	2.00	4.85
Reimbursement of Expenses Goods and Service Tax	0.79	1.26
Total	25.04	22.08

NOTE 46.

The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research, which has been renewed in the FY 17 - 18. During the year it has incurred expenditure of ₹. 238.43. lakhs (including fixed assets of ₹. 38.36 lakhs) (Previous Year : ₹. 387.71 lakhs (including fixed assets of ₹. 179.96 lakhs)) and the same has been shown under the head other expenses..

NOTE 47. CSR Expenditure

(a)Gross amount required to be spent by the company during the Financial Year 19 - 20: ₹ 56.11 lakhs (2018-19: ₹ 38.60 Lakhs)

(b) Amount spent during the year

₹ in Lakhs

Particulars	In cash	Yet to be paid	Total
(i) On Construction / Acquisition of any assets	30.00	-	30.00
(ii) On purposes other than (i) above	26.15	-	26.15
Total	56.15	-	56.15

NOTE 48.

In the opinion of the management inventories of ₹. 10919.77 Lakhs (2018 - 2019: ₹. 9428.46) shown in Balance Sheet are good and do not include any slow moving, or dead stock. Due provision is made for the near expiry material and depletion in its value, if any. In the opinion of the management, all the current assets including inventories, loans and advances have a value on a realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

NOTE 49.

The company has given security deposit of ₹. 600 Lakhs (2018-19 : ₹. 470 Lakhs) to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹. 600 Lakhs has been shown under the head Long Term Loans to related parties.

Company has also given Security Deposit to Gufic Chem Private Limited of ₹. 120 Lakhs towards supply of products at concessional rate to the company and the same has been show under the head Long Term Loan to related parties.

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NOTE 50.

Pursuant to outbreak of coronavirus disease (Covid - 19) worldwide and its declaration as global pandemic, the government of India, declared lockdown on March 24, 2020, followed by several restrictions imposed by the governments across the globe on the travel, goods movement; and transportation considering public health and safety measures. Considering that the Company deals with pharmaceutical drugs that are classified as essentials, there has been minimal disruption with respect to operations including production and distribution activities. As of today, production facilities of the company remain operational. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement upto the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. The Company also has not experienced any difficulties with respect to market demand, collections or liquidity. Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the company has sufficient resources to continue as a going concern. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

NOTE 51.

The Board of Directors of the Company at its Board meeting held on March 25, 2019 approved the Scheme of Amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors ("Scheme"), subject to sanction of the regulatory authorities. The BSE Limited and National Stock Exchange of India Limited vide its letters dated April 15, 2020 issued "Observation Letter" approving the said Scheme, subject to compliance of the said letters. The Company has filed the application for approval of the Scheme before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and the Company shall hold its Shareholder Meeting on September 15, 2020 for approval of the Scheme and comply with other conditions as per the directions issued by NCLT.

NOTE 52.

The Government of Indian, on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. Accordingly, the Company has recognized Provision for Income Tax for the quarter and year ended March 31, 2020 and re-measured its opening balance of net Deferred Tax Assets based on the rate prescribed in the said section.

NOTE 53. Provision of anticipated Return of Goods subsequent to Sale:

Provision has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 37 estimated by management based on past trends.

Movement of Provisions (Current and Non current)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Provision for Right of Return		
Balances at the beginning of the year	266.52	297.30
Additional provision during the year	1,244.13	938.77
Reduction during the year	(447.76)	(969.55)
Balances at the close of the year	1,062.89	266.52

NOTE 54. Declaration of Dividend

The Board of Directors at its meeting held on July 31, 2020 has recommended a final dividend of ₹ 0.05 per equity share i.e., @ 5% on the face value of ₹ 1/- each, for the financial year 2019 - 20, subject to the approval of the shareholders at the ensuing Annual General Meeting.

NOTE 55. Authorisation of Financial Statements

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors on July 31, 2020 and are subject to approval of the shareholders at the Annual General Meeting.

NOTE 56.

Figures for the previous year have been rearranged/recompanied as and when necessary in terms of current year's companying.

As per our Report of even date attached

For S H R & Co

Chartered Accountants

FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi (DIN 00001729)
Chairman & Managing
Director

Pranav J. Choksi (DIN 00001731)
Chief Executive Officer
& Whole Time Director

Mumbai - 31st July, 2020

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

PHARMA DIVISION PRODUCTS



HEALTHCARE DIVISION PRODUCTS



Rx

IMUNOCiN

TABLET/SYRUP

Builds Immune Response

Also available
in 100ml



Tablets- 20 tab

Syrup- 200ml

Outbreak of viral infections has become a Global concern

Efficient Immunomodulation...
Is the need of the hour !

In Viral Infections

Immunocin α

Lyophilized Thymosin Alpha-1 (1.6 mg/ml)

Modulates Immunity perfectly



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CIN: L24100MH1984PLC033519

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