



DRIVING THRU INNOVATION

38th Annual Report 2021-2022

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
Mr. Dilip B. Ghosh	Whole Time Director
Mr. Gopal M. Daptari	Independent Director
Dr. Anu S. Aurora	Independent Director
Mr. Shreyas K. Patel	Independent Director
Mr. Shrirang V. Vaidya	Independent Director
Dr. Rabi N. Sahoo	Independent Director
Dr. Balram H. Singh	Non-Executive Non-Independent Director

CHIEF FINANCIAL OFFICER

Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

Mittal Agarwal & Co

COST AUDITOR

Kale & Associates

SECRETARIAL AUDITOR

Manish Ghia & Associates

REGISTERED OFFICE ADDRESS

37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.

• E-mail: corporaterelations@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

GUJARAT

Unit-1: Survey No. 195/3 and 171 Paiki, National Highway No. 48, Near Grid, Kabilpore Navsari - 396424, Gujarat

Unit-2: Survey No. 171, National Highway No. 48, Near Grid Kabilpore, Navsari – 396424, Gujarat

KARNATAKA

703, Belgaum Industrial Estate, Udhyambag, Belgaum – 590008

MADHYA PRADESH

Smart Industrial Park, Plot no.48, Near NATRIP, Pithampur, Dhar- 454775, Madhya Pradesh

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) 4918 6060

Email: rnt.helpdesk@linkintime.co.in

38th Annual General Meeting

DAY & DATE

Friday, 2nd September, 2022

TIME

03.30 P.M.

MODE

Video Conferencing/Other Audio Visual Means (VC/OAVM)

BANKERS

The Saraswat Co-operative Bank Limited

UCO Bank

State Bank of India

Axis Bank

ICICI Bank

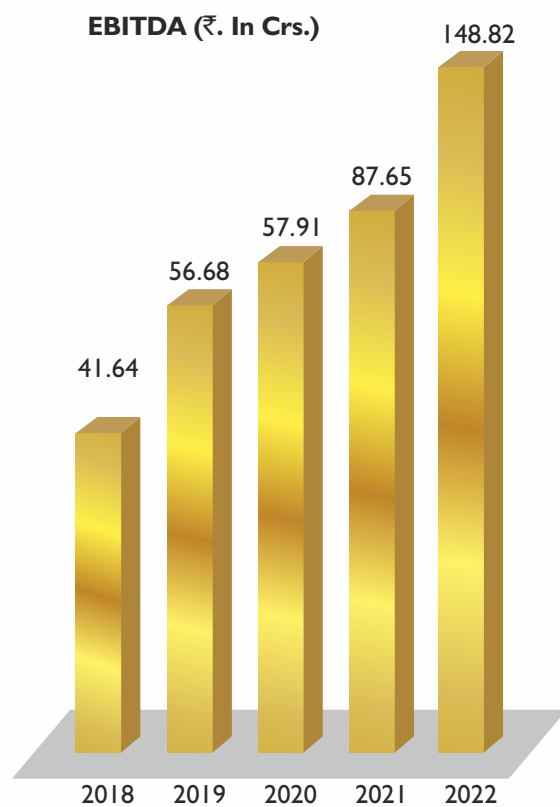
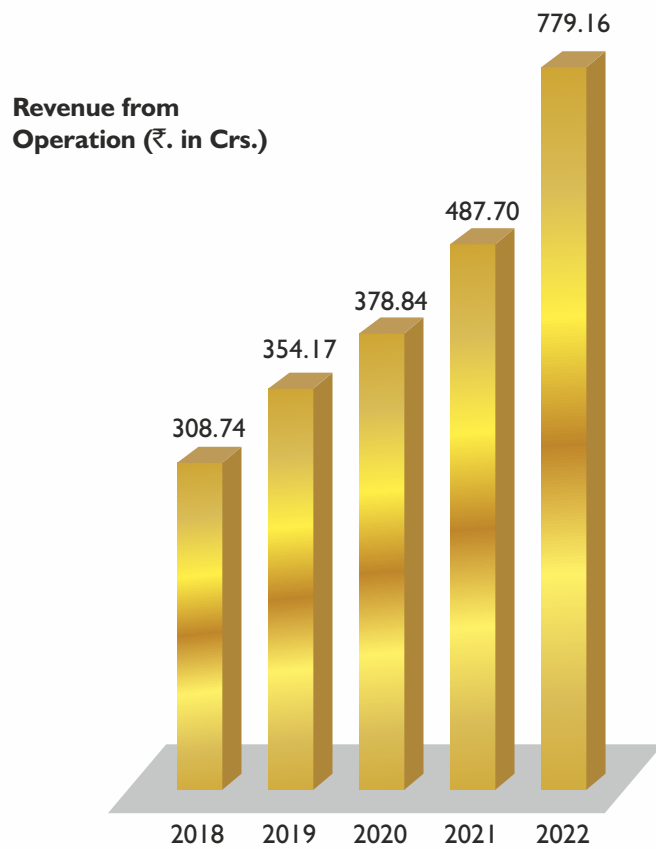
HDFC Bank

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FINANCIAL HIGHLIGHTS



CHAIRMAN'S MESSAGE

Dear Shareholder,

Gufic's journey in the field of pharmaceuticals thus far has an underlying theme of timely evolution and adaption to the evolving healthcare sector. The past year was a litmus test of all our learnings.

The pandemic has made people more concerned about their health. People have realised the importance of health and wellness, which has become an integral aspect of the modern-day lifestyle in the post pandemic world. The Covid-19 pandemic created 'the biggest seismic shift' taking health and immunity to the centre stage. I am certain that this is not a passing fad but a trend that will define the journey of the healthcare sector in the coming decade. This trend will have a far and wide ripple effect on areas such innovation of preventive and curative therapies, infrastructure of healthcare facilities and easy access to holistic & affordable healthcare services. I believe Gufic is well positioned to contribute and benefit from some of these decade defining trends.

The various government initiatives to the pharmaceutical and biotechnology industry will usher in a new era of research, development and innovation oriented towards creating new chemical entities and biosimilars. This will broaden India's positioning in the global healthcare market from a cost-effective manufacturer to a class leading innovator. Government of India's timely initiatives to promote the indigenisation of the Active Pharmaceutical Ingredient (API) and Key Starting Material (KSM) industry will ensure that we are not bound by the frailties of international markets for these critical inputs. I foresee that this is only the tip of the iceberg in terms of indigenisation and globalisation of the Indian Pharmaceutical and Biotechnology industry. These initiatives will encourage import substitution of medicines with more affordable made in India medicines and it will be Gufic's endeavour to take science to society affordably and effectively.

Our core strength of lyophilisation that is delivered to the market through our 3 strategic business channels - domestic branded unit, Contract Manufacturing Organizations unit and international market unit - constitute our near-term growth levers. We aim to fortify our position in the injectable segment through increasing our capacities (ongoing capex at Indore, Madhya Pradesh), introducing new molecules (some are first in India), ushering new technologies in drug delivery systems (dual chamber bags, dual chamber syringes, depot injections etc) and venturing into new regulated and rest of the world markets. We have the vision, strategy and team to effectively grind the near-term growth levers.

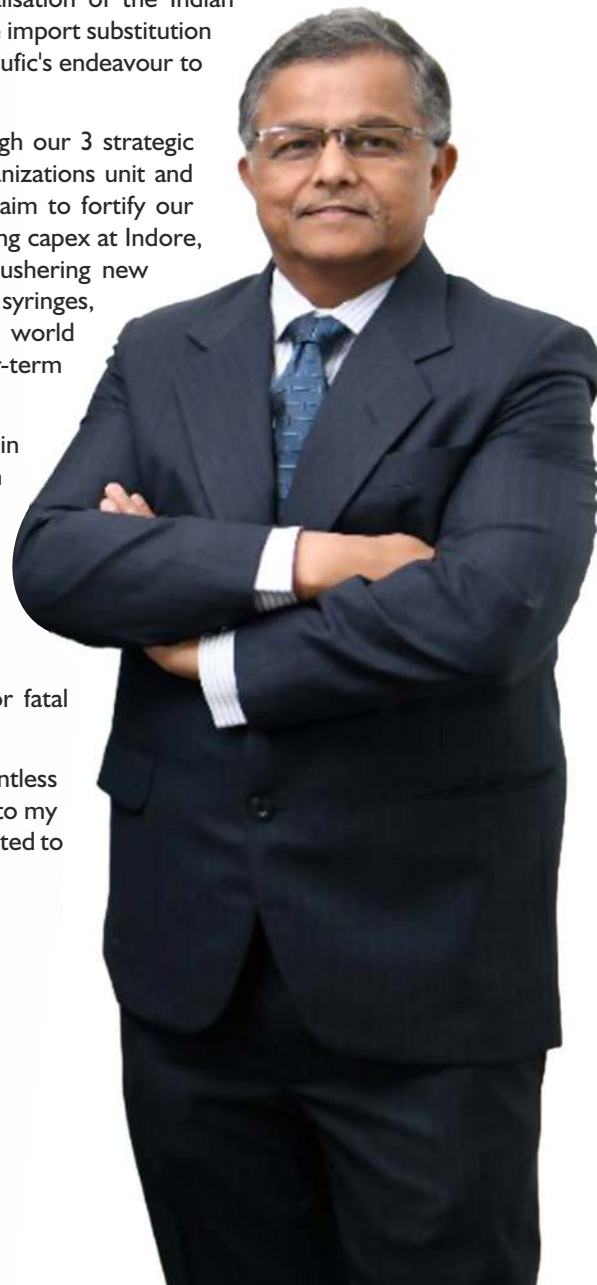
As the global pharmaceutical playbook unravels, we see competition in traditional molecules and markets. As a company with long lineage in branded products encapsulated by our DNA of scientific research has led to several industry firsts, we continue to plan ahead and invest in businesses of the future. These include deepening our presence in botulinum toxin market, with the help of M/s. Prime Bio Inc, US based Company and discovery and development of immuno-oncology therapy with our partner M/s. Selvax Pty Ltd, an Australian Company and leverage the new biological technology platform to develop preventive and curative medical care for fatal infections. Together, we see these to catalyse our next orbit of growth.

As I look back at the year; I am proud of our fellow Guficians for their relentless support and commitment to Gufic's vision. I express my deepest gratitude to my fellow Board Members for their guidance and support and I am deeply indebted to all our stakeholders and shareholders for the belief bestowed in Gufic.

Yours faithfully,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 38th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2022.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Financial Statements of the Company for the year ended March 31, 2022 have been prepared in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The financial performance of the Company, for the financial year ended March 31, 2022 is summarized as below:

₹ in Lakhs

Particulars	2021-22	2020-21
Total Revenue from Operations	77,915.56	48,769.87
Other Income	310.42	373.29
Total Income	78,225.98	49,143.16
Profit / (Loss) before Interest, Depreciation & Amortization, exceptional item and tax	14,881.89	8,765.24
(Less): Depreciation and Amortization expense	1,713.38	1,630.76
(Less): Finance Costs	484.68	1,363.33
Profit / (Loss) before Exceptional items and Tax	12,683.83	5,771.15
Add / (Less) Exceptional items	-	-
Profit / (Loss) before tax	12,683.83	5,771.16
(Less): Tax Expense (Current)	3215.00	1,719.82
Deferred Tax	(115.18)	201.14
(Excess)/Short Tax Provision of Earlier Years	-	(572.97)
Profit / Loss for the year (1)	9,584.01	4,423.16
Other Comprehensive Income / (Loss) (2)	(44.06)	27.10
Total Comprehensive Income (1+2)	9,539.95	4,450.26

PERFORMANCE REVIEW

The Company has achieved total revenue of ₹ 78,225.98 lakhs for the financial year under review as compared to ₹ 49,143.16 lakhs in the financial year 2020-21 thus making an increase of about 59.18%. The turnover of the Company for the financial year 2021-22 from the domestic market was around 90.74% and from exports was around 9.26%.

During the year under review, the Net Profit after tax of the Company also increased to ₹ 9,584.01 lakhs as against ₹ 4,423.16 lakhs in the previous year, thus registering a growth of about 116.68%.

A detailed analysis of performance for the year including the major developments, if any, has been included in the Management Discussion and Analysis Report, which forms part of the Annual Report.

CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY

There was no change in the nature of business during the year under review and it continues to operate only in one segment i.e., Pharmaceutical.

TRANSFER TO RESERVES

The Company has not proposed to transfer any amount to the general reserve for the year ended March 31, 2022.

DIVIDEND

Your Board of Directors have recommended a final dividend of ₹ 0.10/- (10%) per equity share having face value of ₹ 1/- each for the financial year ended March 31, 2022. The dividend, if approved by the Members at its ensuing 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 of the AGM.

The total dividend pay-out would amount to ₹ 96,94,450.60/-. In terms of the provisions of the Income Tax Act, 1961, such dividend will be taxable in the hands of the members. Accordingly, your Company shall make the payment of the Final Dividend after deduction of tax at source.

The recommended dividend for the year under review is in accordance with the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (“SEBI Listing Regulations”), the Board of Directors of the Company had formulated a Dividend Distribution Policy for bringing transparency in the matter of declaration of dividend and to protect the interest of investors. The Dividend Distribution Policy is available on the website of the Company at the link: <http://gufic.com/wp-content/uploads/2021/08/Dividend%20Distribution%20Policy.pdf>

SHARE CAPITAL

During the year under review, the Board of Directors had issued and allotted 1,91,14,506 equity shares of face value of ₹ 1/- each to the shareholders of M/s. Gufic Lifesciences Private Limited (“GLPL/Transferor Company”) pursuant to the sanction of the Scheme of Amalgamation of GLPL with the Company by all the concerned regulatory authorities. The Appointed date of the Scheme is January 01, 2019.

Upon allotment of the above equity shares, the Issued, Subscribed and Paid up share capital of the Company stands increased from ₹ 7,78,30,000/- divided into 7,78,30,000 Equity Shares of face value of ₹ 1/- each to ₹ 9,69,44,506/- divided into 9,69,44,506 Equity Shares of face value of ₹ 1/- each.

Apart from the above, the Company have neither 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, 2022.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your Company has one overseas subsidiary, as on March 31, 2022. Your Company does not have any Associate Company or Joint Venture. Further, no Company ceased to be Subsidiary or Associate or Joint Venture Company of the Company, during the financial year under review.

GUFIC UK LIMITED (“GUL”), a wholly owned subsidiary of the Company, was incorporated in United Kingdom on March 15, 2022 with the intent of expanding the Company's business in United Kingdom. The Company has not made any investment in GUL towards its shares subscription by March 31, 2022 and there was no business operations in GUL for FY 21-22. Hence, the Company has not prepared Consolidated Financial Statements of the Company and its subsidiary i.e. GUL for the financial year ending March 31, 2022.

Accordingly, the 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 also not applicable to the Company.

Further, the Company's “Policy on Material Subsidiaries” can be accessed at http://gufic.com/wp-content/uploads/2022/07/Policy_on_Material_Subsiary.pdf

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

KEY MANAGERIAL PERSONNEL (“KMP”)

Mr. Jayesh P. Choksi, Chairman & Managing Director, Mr. Pranav J. Choksi, Chief Executive Officer (CEO) and Whole Time Director, Mr. Dilip B. Ghosh, Whole Time Director, Mr. Devkinandan B. Roonghta, Chief Financial Officer and Ms. Ami N. Shah, Company Secretary are Key Managerial Personnel of the Company as on March 31, 2022 and the date of this Report.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152(6) of the Act read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Jayesh P. Choksi, Chairman & Managing Director and Mr. Dilip Ghosh, Whole Time Director of the Company will retire by rotation at the ensuing 38th AGM and being eligible, offers themselves for re-appointment. The Board recommends their re-appointment for the consideration of the Members of the Company at the ensuing AGM.

APPOINTMENT/RE-APPOINTMENT AND CESSATION

During the period under review, following appointments/ re-appointments of Directors took place:

- At the 36th AGM of the Company held on November 11, 2020, the shareholders approved the re-appointment of Dr. Balram Singh (DIN: 06918085) as a Non-Executive Non-Independent Director of the Company with effect from May 29, 2021.
- At the 37th AGM of the Company held on September 20, 2021, the shareholders approved regularisation of appointment of Mr. Dilip Ghosh (DIN: 00412406) as a Whole Time Director and designated as 'Executive Director' of the Company for a term of five years with effect from November 12, 2020.
- At the 37th AGM of the Company held on September 20, 2021, the shareholders approved the re-appointment of Dr. Anu S. Aurora (DIN: 05120192) as an Independent Director of the Company for the second term of five years with effect from December 23, 2021.
- Approval of the shareholders through Postal Ballot on January 19, 2022 for the re-appointment of Mr. Pankaj J. Gandhi (DIN: 00001858) as a Whole Time Director of the Company for the period of five years with effect from September 7, 2021.

The Board of Directors of the Company had based on the recommendation of Nomination and Remuneration Committee and subject to approval of the Members, approved:

- Re-appointment of Dr. Rabi N. Sahoo (DIN: 01237464) as an Independent Director of the Company, not liable to retire by rotation, for a further period of two years commencing from June 29, 2022 to June 28, 2024 (both days inclusive);
- Continuation of Directorship of Mr. Dilip B. Ghosh (DIN: 00412406) as a Whole Time Director upon attaining the age of 70 years i.e. on December 29, 2022, on the existing terms and conditions duly approved by the shareholders in the 37th AGM held on September 20, 2021.

Particulars in pursuance of Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard – 2 on General Meetings relating to the appointment/re-appointment of directors are given in the Notice of AGM.

During the period under review, there were no cessation of Directors. Apart from above, there were no changes in Directors or Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

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

All the Independent Directors of the Company had registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Further, as per the declarations received, only Mr. Shrirang Vaidya, Dr. Anu Aurora and Dr. Rabi Sahoo were required to pass the online proficiency test and all the above mentioned Independent Directors passed the proficiency test.

In the opinion of the Board, all the Independent Directors of the Company possesses highest standard of integrity, relevant expertise and experience required to best serve the interest of the Company.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

In compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Company has laid down "Policy on criteria for Appointment of Directors, KMPs and Senior Management Personnel and Evaluation of their performance" for selection and appointment of Directors, KMPs and Senior Management Personnel and for determining qualifications, positive attributes and formulating Remuneration Policy for Executive and Non-Executive Directors of the Company. The policy can be accessed on the following weblink: <http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf>

The details of the said policy is included in the Corporate Governance Report forming part of Board's Report.

Further, neither the Managing Director nor its Whole Time Director draws any remuneration or commission from its subsidiary company.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI 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. The framework together with the details of the Familiarisation Programme imparted during the financial year under review has been uploaded on the website of the Company and can be accessed at <http://gufic.com/wp-content/uploads/2021/08/Familiarisation%20Programme%202021-22.pdf>

Familiarization program for Independent Directors enables them to understand nature of industry in which the Company operates, Code of Conduct of the Company and other relevant policies as may be applicable to them, update them about newer opportunities, risks and challenges associated with the business and enables them to discharge their roles and responsibility effectively.

Every newly appointed Independent Director goes through familiarization programme including visits to the manufacturing plant of the Company, interactive sessions with functional heads through which they can understand the objective of the Company, its business, current progress, future prospects etc. Further, during the meeting of the Board, the Directors are provided with the performance updates of the Company, Industry Scenario, business strategy, relevant statutory amendments, Company's policies and procedures, etc.

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/wp-content/uploads/2022/05/Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf>

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, Regulation 17 and Part D of Schedule II of the SEBI Listing Regulations, the Board has carried out the Annual Performance evaluation of Individual Directors, Committees of the Board and the Board as a whole in accordance with the framework and criteria laid down by the Nomination and Remuneration Committee (“NRC”). A structured questionnaire was prepared after considering inputs received from 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 and all other factors. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by SEBI Listing Regulations.

Further, Independent Directors at their separate meeting had evaluated performance of Non-Independent Directors, Board as a whole, Chairman of the Board and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. The Independent Directors found their performance satisfactory.

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.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board met Seven (7) times. The details of which are given in the Corporate Governance Report which forms part of this Report. The details of the Board Meetings and the attendance of the Directors at the meetings are provided in the Report on Corporate Governance, forming part of this Report. The intervening gap between the two consecutive Board meetings did not exceed the period prescribed by the Act, SEBI Listing Regulations, Secretarial Standard on Board Meetings (SS-1) issued by the Institute of Company Secretaries of India (“ICSI”) and pursuant to the relaxations issued by SEBI Circular dated April 29, 2021, as amended from time to time.

COMMITTEES OF THE BOARD

In compliance with the requirements of the relevant provisions of applicable laws and statutes, as on March 31, 2022, the Company have 5 (five) committees of the Board viz.:

1. Audit Committee;
2. Corporate Social Responsibility Committee;
3. Nomination & Remuneration Committee;
4. Risk Management Committee and
5. Stakeholders' Relationship Committee.

All the recommendations made by the Committees of Board 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 Act and Regulation 18 of the SEBI 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.

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on February 09, 2022. The details of the meeting held are included in the Corporate Governance Report, which forms part of this report.

CODE OF CONDUCT

The Company has in place a Code of Conduct (“Code”) for the Board of Directors and Senior Management Personnel which was duly approved by the Board. The Code emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity and fairness.

The Board has formulated guidelines to prevent the Company from bribery, corruption and unethical business practices. The Code of Conduct has been hosted on the website of the Company at:

<http://gufic.com/wp-content/uploads/2020/10/Code%20of%20conduct%20for%20directors%20and%20Senior%20Management%20Personnel.pdf>

The Directors & Senior Management Personnel of your Company have made disclosures confirming that they have complied with the Code of Conduct of the Company during the Financial Year 2021-22, as required under the provisions of the SEBI Listing Regulations. A declaration to that effect signed by Mr. Pranav J. Choksi, CEO and Whole Time Director, pursuant to Regulation 17(5) read with Schedule V (D) of the SEBI Listing Regulations is annexed to this report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the annual accounts/financial statements for the year ended March 31, 2022, the applicable IND AS have been followed along with proper explanations relating to material departures, if any;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2022 and of the profit of your Company for that period;
- c. proper and sufficient care has been taken 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 annual accounts/ financial statements have been prepared on a going concern basis;
- e. proper internal financial controls were in place and that the said financial controls were 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 Company has in place adequate internal control system and structured internal audit process. The Board of Directors have adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable information as required under the Act. The Internal Financial Controls ("IFCs") are commensurate with the scale and complexity of its operations for the smooth conduct of business.

The Company has formulated Standard Operating Procedure (SOP), Procedures and Control apart from regular internal audit and roles and responsibilities have been laid down for each process. The Company has also set up Management Information System (MIS) which ensures the adequate and accurate information which is available for reporting and decision making.

The Company's Internal Control System process is reviewed by the Audit Committee periodically. The management duly considers and takes appropriate actions on the recommendations made by the Internal Auditors, Statutory Auditors and the Audit Committee.

REPORTING OF FRAUDS

During the year under review, none of the Auditors has reported to the Audit Committee any instances of fraud committed in the Company by its officers or employees, as required under Section 143 (12) of the Act.

DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 or Section 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly no amount on account of principal or interest on public deposits was outstanding as on March 31, 2022.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2022, are set out in Notes to the Financial Statements of the Company provided in this Annual Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after completion of the seven years. Accordingly, during the year under review, unpaid or unclaimed dividend amounting to ₹ 44,289/- (Rupees Forty Four Thousand Two Hundred and Eighty Nine Only) was transferred by the Company to the IEPF.

Further, according to the IEPF Rules, the shares on which the dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Accordingly, 15,299 unclaimed shares were transferred to IEPF, during the year under review.

The Company has issued individual notices to the members whose equity shares are liable to be transferred to IEPF within the stipulated time frame in the current financial year i.e. 2022-23 to claim their dividend on or before September 25, 2022. Details of unclaimed dividends and shareholders whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into during financial year 2021-22 by the Company, were at arm's length basis and in compliance with the applicable provisions of the Act and the SEBI Listing Regulations and are in conformity with the Company's Policy on Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee and prior omnibus approval is obtained for transactions which are repetitive in nature and/or entered in the ordinary course of business and are at arm's length. A statement of related party transactions are placed before the Audit Committee and the Board of Directors for their review on a quarterly basis. There are no materially significant related party transactions made by the Company, which may have potential conflict with the interest of the Company.

During the period under review, the Company has not entered into any contracts/ arrangements/ transactions with related parties which qualify as material in accordance with the Policy of the Company on materiality of related party transactions and hence there is no information to be provided in Form AOC-2 as required under Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Policy on Related Party Transactions as formulated/ amended from time to time, by the Board is available on the Company's website at : <http://gufic.com/wp-content/uploads/2016/08/Related%20Party%20Transactions%20Policy.pdf>

Attention of Members is also drawn to Note 40 of the Financial Statements for the year ended March 31, 2022 which sets out the related party disclosures as per the Ind AS 24.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendments thereof, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held during the financial year 2021-22 are mentioned in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company are available on the website of the Company and can be accessed through the web link: <http://gufic.com/wp-content/uploads/2021/08/Corporate%20Social%20Responsibility%20Policy.pdf>

Your Company has always recognized its Social Responsibility as an integral part of its value system. The Company is caring corporate citizen and lays significant emphasis on development of the communities around which it operates.

The annual report on CSR containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto on the website of the Company, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in 'Annexure- A' of this Report.

CONSERVATION OF ENERGY

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

- All new machines/equipment 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. Automation 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 analyze and reduce excess/additional uses of power.
- Replaced Conventional CFL lights with LED lights in phased manner. Primarily, for new lights requirement, LED lights are purchased for energy conservation.
- 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.
- Harmonization of best energy conservation practices.
- Energy audit undertaken by external agency at the factory premises situated at Navsari, Gujarat and requisite measures are taken based on the outcome of the said audit.

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.
- Used Generator for procuring electric power through open access power.
- Reduction in energy consumption and cost.
- Use of Express feeder for main RAW power source .
- In possession of three DG set.

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

- a) Updating and improving the processes and systems used for existing products.
- b) Developing and introducing new technologies for enhancing efficacy, bio-availability and the potency of the existing as well as new products.
- c) Developing and launching new drug delivery systems with a special focus on Lyophilized products.
- d) Development and launch of dermatological formulations for moisturisation, anti-pigmentation, anti-aging, sun protection etc.
- e) Strategic collaborations with other independent teams for introducing new products and technologies.
- f) Ensuring the quality of Research work by In-house Quality Assurance Team.
- g) Filed multiple Process Patents for many life - saving drug injections]Stability testing of the current as well as new products with a focus on quality and bio-availability.
- h) 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

- a) Launched 6 New products in the market in the financial year 2021-22
- b) About 15 products are ready to be commercialized.
- c) About 25 New products are in projection & development of many products is already started.
- d) Development of new drug delivery systems and devices to improve patient benefit.
- e) 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 thereof
Botulinum Neurotoxin A EP/BP	2018-19	Yes	Product under stability
Botulinum Neurotoxin A for Injection EP/ BP	2018-19	Yes	Product launched
Recombinant FSH	2019-20	No	Under development
Penem Product in dual chamber bag	2020-21	No	Under development

(IV) The expenditure incurred on Research and Development

Particulars	₹ in Lakhs	
	2021-22	2020-21
Capital Expenditure	264.49	104.57
Revenue Expenditure	442.86	209.89
Total	707.35	314.46

FOREIGN EXCHANGE EARNINGS AND OUT-GO

Earnings in foreign currency : ₹ 7,315.63 Lakhs

Out-go in foreign currency : ₹ 23,003.95 Lakhs

RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 of the SEBI Listing Regulations, the Board has constituted Risk Management Committee to frame, implement and monitor risk management plan of the Company. The Board has adopted the Risk Management Policy and guidelines to mitigate foreseeable risks, avoid events, situations or circumstances which may lead to negative consequences in the Company's business.

The risk management policy adopted by the Company can be accessed on the Company's website at link: <http://gufic.com/wp-content/uploads/2016/08/Risk-Management-Policy-2017-18.pdf>

The Company's well-established process of risk management includes identification of design gaps, analysis and assessment of various risks, formulation of risk mitigation strategies and implementation of the same to minimize the impact of such risks on the operations. The process ensures that new risks, which might arise, or the impact of existing risks which might have increased, are identified and a strategy is put in place for mitigating such risks.

The details of the membership of Risk Management Committee and its meeting held during the Financial Year 2021-22 are part of the Corporate Governance Report, which forms part of this report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in 'Annexure - B' to this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with Section 177 of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has in place a vigil mechanism policy i.e. Whistle Blower Policy for directors and employees to report concerns about unethical behavior, actual or suspected violation, malpractices, corruption, fraud or unethical conduct, leak of unpublished price sensitive information, etc.

The Audit Committee of the Company shall oversee the vigil mechanism, which provides for adequate safeguards against victimization of employees and Directors who avail of the vigil 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: https://gufic.com/wp-content/uploads/2016/08/WHISTLE_BLOWER_POLICY.pdf The policy is reviewed by the Audit Committee from time to time.

It is affirmed that during the financial year 2021-22, no employee or director was denied access to the Audit Committee. Further, 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, no significant or material orders were passed by the regulators or courts or tribunals which could impact the 'going concern' status and the future operations of the Company.

AUDITORS & AUDIT REPORT

a) STATUTORY AUDITOR

M/s. Mittal Agarwal & Co., Chartered Accountant (FRN: 131025W) were appointed as the Statutory Auditors of the Company by the Shareholders at the 36th AGM of the Company to hold office for a period of 5 (five) consecutive years commencing from the conclusion of the 36th AGM until the conclusion of 41st AGM. The Statutory Auditors have confirmed their independent status and eligibility to act as a Statutory Auditor of the Company, pursuant to applicable provisions of the Act. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, pursuant to SEBI Listing Regulations.

Auditor's Report for the year under review forms part of this 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 2021-22.

b) COST AUDITOR

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.

The Board has, on recommendation of the Audit Committee, appointed M/s. Kale & Associates, Cost Accountants, Mumbai (Firm Registration No. 001819) to audit the cost records of the Company for the financial year 2022-23 pursuant to Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014

and Companies (Cost Record and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force). The Cost Auditors have confirmed that their appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending March 31, 2023. As per the said provisions, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the ensuing AGM. Accordingly, a resolution seeking ratification by members for their remuneration, forms part of the Notice convening 38th AGM. The Board recommends the same for approval of Members.

In compliance with Section 148 of the Act and Rule 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, 2021, was filed by the Company with the Central Government on November 09, 2021. The Cost Auditor's Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark.

c) SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Board of Directors of the Company appointed M/s. Manish Ghia & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report in the prescribed Form No. MR - 3 is annexed to this Report as '**Annexure - C**'. The Secretarial Audit Report are self-explanatory and do not require any further explanation. The Secretarial Audit Report for the year does not contain any other qualification, reservation or adverse remark.

d) INTERNAL AUDITOR

The Company have in house Internal Audit team within the organization and Mr. Abhinay L. Yadav was appointed as a Chief Internal Auditor of the Company for the financial year 2021-22. Mrs. Saroj R. Kirdolia, Chartered Accountant has been appointed as the Chief Internal Auditor for the financial year 2022-23.

Significant audit observations and corrective actions by the Internal Auditor thereon are presented to the Audit Committee of the Board and reviewed on quarterly basis. Based on report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened.

ANNUAL SECRETARIAL COMPLIANCE REPORT

M/s. Manish Ghia & Associates, Practicing Company Secretaries, have issued Annual Secretarial Compliance Report for the financial year ended March 31, 2022, confirming compliance of SEBI Regulations / guidelines / circulars issued thereunder and applicable to the Company. There are no observations or adverse remarks in their report. The said report has been duly filed with the stock exchanges on which the shares of the Company are listed.

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.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at : <https://gufic.com/media/investors/annual-return/>

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives undertaken by the Company from an environment, social and governance perspective, is annexed to this Annual Report.

REPORT ON CORPORATE GOVERNANCE

Your Company believes in adopting best practices of corporate governance and complied with Corporate Governance provisions as stipulated under the Act and SEBI Listing Regulations. Corporate Governance Report along with certificate from M/s. Manish Ghia & Associates, Practicing Company Secretaries confirming compliance of conditions of Corporate Governance for the year ended March 31, 2022 forms part of this Annual Report.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

Your Company is committed to ensure that all its employees work in an environment which is free from discrimination, biasness, intimidations, harassment and abuse. The Company has zero tolerance towards sexual harassment at the workplace.

Your Company has adopted policy on prevention, prohibition and redressal of sexual harassment of women at workplaces in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH”) and Rules framed thereunder. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the Internal Complaints Committee (“ICC”), whilst dealing with issues related to sexual harassment at the work place. All employees (permanent, temporary, contractual and trainees) are covered under this policy.

The Company has set up ICC 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, as required under the above mentioned Act.

GREEN INITIATIVE

As a responsible Corporate Citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to the Shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Share Transfer Agent.

Shareholders who have not registered their e-mail addresses so far are requested to do the same and become a part of the initiative and contribute towards a Greener environment.

HUMAN RESOURCES

The Company believes that committed and determined employees are the ones that contribute towards the success of the organization. The Company take utmost care while recruiting quality resources.

The Company strives to provide safe working environment and path to develop career goals to build cohesive and value based approach towards work culture.

At this unprecedented year, your Company had put in place adequate safeguards to ensure health and safety of all the employees. The Company had arranged Covid - 19 Booster dose vaccination for all the employees free of cost.

Industrial relations were cordial throughout the year. The Company has strengthened its focus on overall well-being of the employees.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), as amended from time to time, the Company has formulated a Code of Conduct for Insiders (“Code of Conduct”) and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code of Fair Disclosure”) in lines with the provisions of PIT Regulations.

The aforementioned Codes can be accessed on the website of the Company at the following web link:
Code of Conduct: <http://gufic.com/wp-content/uploads/2020/06/Conduct-for%20Insider%20Trading.pdf>

Code of Fair Disclosure:

<http://gufic.com/wp-content/uploads/2016/08/Code%20of%20Fair%20Disclosure%20and%20determination%20of%20Legitimate%20Purpose.pdf>

These Codes includes the obligations and responsibilities of Designated Persons, maintenance of the structured digital database, procedure for pre clearance, mechanism for preventing insider trading and handling of Unpublished Price Sensitive Information (UPSI), disclosure of UPSI for legitimate purposes, consequences of violation etc.

In lines with the PIT regulations, Directors and Designated Persons are not permitted to deal in shares of the Company while in possession of UPSI in relation to the Company and during the period when the Trading Window is closed. The Company has also formulated a policy on inquiry in case of leak of UPSI.

Further, the Compliance Officer has received requisite disclosure from the Directors and Designated Persons in compliance with the Code from all the designated persons.

CREDIT RATING:

The details of the Credit Rating received by the Company have been provided in the Corporate Governance Report, forming part of this Annual Report

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

No application have been made and no such proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

No such valuation has been done during the financial year 2021-22.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their deep appreciation to every member of Gufic family for their hard work, dedication and commitment towards achieving the goals of the Company in this unprecedented year. The Directors would further like to express their gratitude to investors for the confidence and faith that they continued to repose in the Company.

The Directors would also like to express their gratitude to the Stakeholders, medical professionals, statutory authorities, Banks, financial institutions, Bankers, distributors, suppliers, business associates and customers for their continuous co-operation and support.

We regret the loss of lives of every person who risked their life to combat the Covid-19 pandemic.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

**Sd/-
Jayesh P. Choksi
Chairman & Managing Director
DIN: 0001729**

**Place: Mumbai
Date: July 14, 2022**

ANNEXURE 'A' 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]

1. A brief outline on CSR policy of the Company

The CSR policy of the Company is in compliance with the provisions of Companies Act, 2013 ("Act") and rules made thereunder and intends to strive for economic development that positively impacts the society at large with minimal resource footprint and encourage a positive impact through its activities on various social causes and the society at large.

Our CSR initiatives lays emphasis on enhancing the lives of underprivileged groups in society by contributing in the fields of promoting healthcare including preventive healthcare, promoting education including special education to differently abled people, addressing social concerns, environmental sustainability and any other activities listed in Schedule VII of the Act, which are carried out for the benefit of the society and the greater good of the communities.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gopal M. Daptari	Chairman of CSR Committee / Independent Director	4	4
2	Mr. Shreyas K. Patel	Member of CSR Committee / Independent Director	4	4
3	Mr. Jayesh P. Choksi	Member of CSR Committee / Chairman & Managing Director	4	4
4	Mr. Pranav J. Choksi	Member of CSR Committee / Chief Executive Officer and Whole Time Director	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

Sr. No.	Particulars	Weblink
1	CSR Committee	http://gufic.com/media/investors/composition-of-board/
2	CSR Policy	http://gufic.com/wp-content/uploads/2016/09/CorporateSocialResponsibilityPolicy.pdf
3	CSR Project	http://gufic.com/media/investors/updates/csrproject/

4 Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact assessment report was not applicable in FY 2021-22 for the CSR projects undertaken by the Company.

5 Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2021-22	3,26,000/-	3,26,000/-

6. Average net profit of the company as per section 135(5) : ₹ 4,263.69 Lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹ 85.27 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

(c) Amount required to be set off for the financial year, if any : ₹3.26 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹82.01 Lakhs

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 85.67 lakhs (including ₹ 3.26 Lakhs available for set off of the FY 2020-21)	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

There were no ongoing projects for the financial year 2021-22 and hence this is not applicable.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project/ Activity	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (Amount in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1	Donation of High Pressure Cylinders and Medical Oxygen Cylinders	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	4.95	Yes	NA	NA
2	Tree Plantation	Ensuring environmental sustainability, protection of flora	Yes	Gujarat	Navsari	0.70	Yes	N.A	N.A
3	Contribution for purchasing Ambulance	Promoting health care	No	Maharashtra	Karjat	5.00	No	Sri Kamakshi Trust	CSR00012915
4	Free education and food to girls from Standard I to 12	Promoting Education	Yes	Gujarat	Navsari	0.50	No	Gandhighar Kacholi	CSR00020514
5	Inaugurated Gufic Charitable Clinic for providing medical and healthcare facility to underprivileged	Promoting health care including preventive health care	Yes	Gujarat	Navsari	1.26	Yes	NA	NA
6	Higher Education and Medical Facility	Promoting health care and education	No	Gujarat	Ahmedabad	35.00	No	Raginiben Bipinchandra Sevakarya Trust	CSR00012645
7	Upliftment of Socio-economic Backward Society by providing Health, Education and Self employment	Promoting healthcare, education and employment	Yes	Maharashtra	Mumbai	35.00	No	Omkar Andh Apang Samajik Sanstha	CSR00003196
	Total					82.41			

Note: Apart from the above, the Company had made contribution towards CSR activities through an implementing agency, during the year under review. However, the said amount was not utilized in the FY 2021-22 by the said implementing agency and hence, as per the applicable provision of the Act read with the rules framed thereunder, the same was not included in the total CSR contribution spent during the said financial year. The said unutilized amount shall be considered by the Company as CSR contribution as and when utilized by the said implementing agency.

- (d) **Amount spent in Administrative Overheads:** Nil
 (e) **Amount spent on Impact Assessment, if applicable:** N.A.
 (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹82.41 lakhs
 (g) **Excess amount for set off, if any:**

Sr. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	85.27
(ii)	Total amount spent for the Financial Year	85.67 (including ₹ 3.26 Lakhs available for set off of the FY 2020-21)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.40

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount in ₹	Date of transfer	
NIL							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** None

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013: Not Applicable

For and on behalf of the Board of Directors
of Gufic Biosciences Limited

Sd/-
Jayesh P. Choksi
Chairman & Managing Director
DIN: 00001729

For and on behalf of the CSR Committee
of Gufic Biosciences Limited

Sd/-
Gopal M. Daptari
Chairman of CSR Committee
DIN: 07660662

Place : Mumbai
Date : July 14, 2022

ANNEXURE 'B' TO BOARD'S REPORT

Remuneration details pursuant to Section 197 (12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. Information as per Rule 5(1) of Chapter XIII, 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 2021-22 and the percentage increase/(decrease) in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2021-22:

Sr. No.	Name	Designation	% increase remuneration in the year ended March 31, 2022	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mr. Jayesh P. Choksi *	Chairman & Managing Director	(105.94)	10.27
2.	Mr. Pranav J. Choksi *	Chief Executive Officer & Whole Time Director	(190.86)	5.14
3.	Mr. Pankaj J. Gandhi	Whole Time Director	34.30	3.68
4.	Mr. Dilip B. Ghosh	Whole Time Director	NA [#]	4.91
5.	Mr. Devkinandan Roonghta	Chief Financial Officer	14.29	-
6.	Ms. Ami N. Shah	Company Secretary	32.99	-

* The residence of Mr. Jayesh P. Choksi and Mr. Pranav J. Choksi was under renovation, hence both were allotted residential flats for a temporary period upto March 31, 2021 and the rent incurred by the Company towards the license of the said two flats were added in the aforesaid perquisites of the respective directors. The decrease in remuneration of both the directors is due to the reduction in perquisites. There is no difference in the gross salary of both the directors in the financial year 2021-22 as compared to the financial year 2020-21.

[#] Mr. Dilip B. Ghosh was appointed as an Additional Whole Time Director of the Company w.e.f. November 12, 2020. As remuneration to Mr. Ghosh was paid for part of the financial year 2020-21, hence not comparable.

The remuneration paid to Independent Directors consist 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 2021-22 was 12.84%.
- The Company has 1382 permanent Employees on the rolls of Company as on March 31, 2022
- 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 14.49%, while the average increase in the managerial remuneration was -50.44%. The employees were awarded increment in the financial year 2021-22 keeping in view company's progress, service performance, future prospects etc. With respect to the decrease in the managerial remuneration, the same was mainly due to the reduction in the perquisites given to Mr. Jayesh P. Choksi, Chairman & Managing Director and Mr. Pranav J. Choksi, Chief Executive Officer and Whole Time Director, as explained in the notes above.

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.

II. Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. Remuneration of top ten employees of the Company

A statement showing the names and other particulars of top ten employees in terms of remuneration drawn forms part

of this Report. In terms of first proviso to Section 136(1) of the Act, the Annual Report and Annual Financial Statements are being sent by email to the Members and others entitled thereto, excluding the aforesaid information. However, said information is available for inspection by the Members at the Corporate office of the Company during its working hours up to the date of ensuing Annual General Meeting. In case any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary of the Company.

2. No employees who were employed throughout the financial year 2021-22 were in receipt of remuneration exceeding Rupees One Crore and Two Lakhs.
3. No employees who were employed for a part of the financial year 2021-22 were in receipt of remuneration for any part of that year, at a rate which, in the aggregate, exceeding Rupees Eight Lakhs and Fifty Thousand per month.
4. No other employees who were employed throughout the financial year 2021-22 or part thereof were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

**Place: Mumbai
Date: July 14, 2022**

**Sd/-
Jayesh Choksi
Chairman & Managing Director
DIN 00001729**

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended on March 31, 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Gufic Biosciences Limited
Mumbai

We 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) and having its registered office at Shop - 37, First Floor, Kamala Bhavan II, S Nityanand Road, Andheri East, Mumbai – 400069 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the company during the audit period)**
- (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;
 - (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;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (effective up to August 12, 2021); and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (effective from August 13, 2021) **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (applicable up to August 8, 2021); and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (applicable w.e.f August 9, 2021) **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);** and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The following laws are specifically applicable to the Company based on their sector/industry.
 - (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.
 - (e) The Narcotic Drugs and Psychotropic Substances Act, 1985.
 - (f) The Poisons Act, 1919

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

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

We further report that

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. However, in the minutes of the meetings of Board and its Committees, for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

We 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, standards, guidelines and directions.

We further report that during the audit period the Company has incorporated a wholly owned subsidiary "Gufic UK Ltd" (incorporated in the United Kingdom) on March 15, 2022 for the purpose of expanding of its pharmaceutical business in United Kingdom.

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

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Sd/-
CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: July 14, 2022
UDIN: F006252D000613991

**Annexure 'A' to Form No. MR-3 - SECRETARIAL AUDIT REPORT
for the Financial Year ended on March 31, 2022**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gufic Biosciences Limited
Mumbai

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 Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report 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.
7. On account various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Sd/-
CS Mannish L. Ghia
Partner

M. No. FCS 6252, C.P. No. 3531
PR 822/2020

Place: Mumbai
Date: July 14, 2022
UDIN: F006252D000613991

REPORT ON CORPORATE GOVERNANCE

I. GUFIC'S PHILOSOPHY ON CODE OF GOVERNANCE

At Gufic, Corporate Governance is about commitment to values and ethical business conduct. The Company strongly believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Your Company's philosophy envisages reaching people touching lives globally by following the core values of the Company such as never compromising on Quality, Trust, Fairness, Accountability, Transparency, Professionalism, Integrity, Passion and Innovation. Your Company ensures to work by these principles in all its interactions with stakeholders, including shareholders, employees, consumers, suppliers and statutory authorities.

Your Company believes that good governance brings sustained corporate growth and long term benefits for all its stakeholders. Hence, your Company is committed to meeting the expectations of stakeholders as a responsible corporate citizen.

In compliance with Regulation 34 read with the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, detailed Report on Corporate Governance is set below:

2. BOARD OF DIRECTORS

The Board of Directors of the Company is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. It conducts overall strategic supervision and control by setting the goals and targets, policies, governance standards, reporting mechanism and accountability and decision making process to be followed. The Board has a fiduciary relationship in ensuring that the rights of all the stakeholders are protected. The Board action and decision are aligned with the Company's best interest.

(A) Composition and size of the Board

The Board of Directors ("Board") of the Company is a balanced Board having an optimum combination of Executive, Non-executive and Independent Directors including Woman Director, as mandated by the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations.

As on March 31, 2022 and on the date of this Report, the Company has 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 including one Woman Independent Director. The composition of the Board of the Company is in compliance with the provisions of the Act and Regulation 17 of the SEBI Listing Regulations. As the Company does not have any outstanding Special Rights equity shares, the Company is not required to have the separate composition of the Board and Committees of the Board, which is required to be maintained for listed entities having such class of shares.

The Board of the Company is composed of eminent individuals from diverse fields. It represents an optimal mix of professionalism, competence, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. Your directors have rich and diverse experience in the 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.

During the year under review, following appointments of Directors took place:

- At the 36th Annual General Meeting of the Company, the shareholders approved the re-appointment of Dr. Bal Ram Singh (DIN: 06918085) as a Non-Executive Non-Independent Director of the Company with effect from May 29, 2021.
- The Board of Directors at their meeting held on August 11, 2021 and shareholders at the 37th Annual General Meeting of the Company approved regularisation of appointment of Mr. Dilip Ghosh (DIN: 00412406) as a Whole-time Director and designated as 'Executive Director' of the Company for a term of five years with effect from November 12, 2020.
- The Board of Directors at their meeting held on August 11, 2021 and shareholders at the 37th Annual General Meeting of the Company approved the re-appointment of Dr. Anu S. Aurora (DIN: 05120192) as an Independent Director of the Company for the second term of five years with effect from December 23, 2021.
- The Board of Directors at their meeting held on August 11, 2021 and shareholders through Postal Ballot on January 19, 2022 approved the re-appointment of Mr. Pankaj J. Gandhi (DIN: 00001858) as a Whole-Time Director of the Company for the period of five years with effect from September 7, 2021.

No Director including the Independent Director of the Company resigned during the financial year 2021-22 and as on the date

of this report.

(B) Non-Executive Directors' compensation and disclosures

Except Dr. 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. The Independent Directors are paid only 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) Details of Directors, their Attendance and other Directorships/Committee Memberships

During the year under review, the Board of Directors met Seven (7) times and the gap between the two Board Meetings was within the period prescribed under Section 173 of the Act and Regulation 17 of the SEBI Listing Regulations. The necessary quorum was present in all the meetings of the Board. The said Board meetings were held on June 04, 2021, August 11, 2021, October 04, 2021, November 03, 2021, December 10, 2021, February 09, 2022 and March 21, 2022. In case of business exigency or urgency of matters, resolutions are passed by circulation in accordance with the provisions of the Act. During the year under review, two circular resolutions were passed which were approved by majority of the Board members.

The attendance of the Directors at the Board Meetings and Annual General Meeting (AGM), shareholding details, names and categories of the Directors on the Board and the number of Directorship and Committee Chairmanship/ Membership held by them in public companies as on March 31, 2022 are given herein below:

Name of the Director	Category	Attendance			No. of equity shares held in the Company as on 31.03.2022	No. of Directorship in other Companies ^	No. of Chairmanship / Membership in Committees ^ ^		Directorship in other Listed Entity (Category of Directorship)
		Number of Board Meetings		AGM held on September 20, 2021			Chairman-ship	Member-ship	
		Entitled to attend	Attended						
Executive Director									
Mr. Jayesh P. Choksi	Promoter, Chairman & Managing Director	7	7	Yes	2,51,58,829	1	Nil	2	Nil
Mr. Pranav J. Choksi	Promoter, Whole Time Director & Chief Executive Officer (CEO)	7	7	Yes	72,68,626	Nil	Nil	2	Nil
Mr. Pankaj J. Gandhi	Non-Promoter, Whole Time Director	7	7	Yes	0	Nil	Nil	Nil	Nil
Mr. Dilip B. Ghosh	Non-Promoter, Whole Time Director	7	7	Yes	72,000	Nil	Nil	Nil	Nil
Non-Executive Director									
Mr. Shreyas K. Patel	Non-Promoter, Independent Director	7	7	Yes	2,600	Nil	Nil	1	Nil
Mr. Gopal M. Daptari	Non-Promoter, Independent Director	7	7	Yes	0	Nil	Nil	1	Nil
Mr. Shrirang V. Vaidya	Non-Promoter, Independent Director	7	7	Yes	0	Nil	1	1	Nil
Dr. Balram H. Singh	Non-Promoter, Non-Executive Non-Independent Director	7	2	Yes	0	Nil	Nil	Nil	Nil
Dr. Rabi N. Sahoo	Non-Promoter, Independent Director	7	5	Yes	0	Nil	1	1	Nil
Dr. Anu S. Aurora	Non-Promoter, Independent Director	7	7	Yes	0	Nil	Nil	1	Nil

^ Excludes Directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Act.

^ ^ For the purpose of the Chairmanship and Membership of Committees, only the Audit Committee and Stakeholders Relationship Committee of Public Limited Companies are considered as per Regulation 26(1) (b) of the SEBI Listing Regulations, including this Company.

Note:

The Company uses the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources and cost to the Company as well as the valued time of the Directors and shareholders. Due to the exceptional circumstances caused by the COVID-19 Pandemic and consequent relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, the AGM held in FY 2021-22 was held through Video Conferencing ('VC').

(D) Disclosure of Relationship between Directors inter-se

Mr. Pranav J. Choksi, CEO & Whole Time Director is the son of Mr. Jayesh P. Choksi, Chairman & Managing Director of the Company. Except the aforementioned Directors, none of the Directors are related to each other and there are no inter se relationships between the Directors.

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

The details of the shareholding of the Directors are as stated in the above table. Further, the Company has not issued any convertible instruments and hence, the disclosure pertaining to holding of convertible instruments in the Company by the Non-Executive Directors does not arise.

(F) Appointment / Re-appointment of Directors

Brief profile of Directors seeking appointment/re-appointment at the forthcoming AGM as required under Regulation 36 of the SEBI Listing Regulations is annexed to the Notice convening the 38th Annual General Meeting and forming part of this Annual Report.

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

The Board emphasizes that a member of the Board of the Company should have prior work experience and background in areas like leadership and management, healthcare, lifesciences, medicine, research & development, engineering & technology, marketing, banking, finance & accounting, human resources, legal, public affairs and risk management.

The Board comprises of qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The Board has identified the following skills /expertise / competencies fundamental for its effective functioning and below table demonstrates skill & competencies possessed by Directors:

Areas of Skills /Expertise	Directors who possess the said skills									
	Jayesh Choksi	Pranav Choksi	Pankaj Gandhi	Dilip Ghosh	Shreyas Patel	Gopal Daptari	Shrirang Vaidya	Balram Singh	Rabi Sahoo	Anu Aurora
Visioning and Strategic Planning	√	√	√	√	√	√	√	√		
Industry Knowledge	√	√	√	√	√	√	√	√	√	√
Financial Management and Accounting	√	√		√		√	√			
Corporate Governance and Regulatory Requirements	√	√	√	√	√	√	√			
Sales & Marketing	√	√	√					√	√	√
Leadership Skills	√	√		√	√			√		
International Business Knowledge	√	√		√	√			√		
Networking Skills	√	√	√		√		√	√	√	√
Risk Management	√	√	√	√			√		√	

In the table above, the specific areas of focus or expertise of individual Board members has been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies.

(H) Confirmation as regards to independence of Independent Directors

All Independent Directors have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act and the rules framed thereunder. The Independent Directors have further stated that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions of Independence as specified in the Act as well as the SEBI Listing Regulations and they are independent of the Management.

(I) Compliance as to applicable laws

All the Directors have made necessary disclosures confirming that they comply with the provisions relating to maximum number of directorship as specified in Regulation 17A of the SEBI Listing Regulations and Section 165 of the Act and the provisions relating to committee positions as specified in Regulation 26 of the SEBI Listing Regulations, as on March 31, 2022.

As per the requirements of Regulation 17 of the SEBI Listing Regulations, the Board of Directors of the Company has met at least four times a year and maximum time gap between any two meetings were not more than one hundred and twenty days. The meeting of the Board of Directors and the AGM are always held in Mumbai, where the registered office of the Company is situated. The Board Meetings of the Company are governed by a structured agenda and notes which are circulated to the Directors at least seven days before the meeting except few meetings on shorter notice for urgent matters and notes related to Unpublished Price Sensitive Information with the consent of majority of the Directors including at least one Independent Director, if any. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. The Board Members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information and supporting documents to enable the Board to take informed decision. Apart from the Board members, the Chief Financial Officer ("CFO") and the Company Secretary ("CS") attend all the Board Meetings. The CS is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. The CS acts as interface and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

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 provisions of the Act and the SEBI Listing Regulations. Pursuant to Section 152 of the Act & Rules made thereunder, Mr. Jayesh Choksi, Chairman & Managing Director and Mr. Dilip Ghosh, Whole Time Director of the Company retires by rotation at the forthcoming AGM and being eligible, seek re-appointment. Further on recommendation of Nomination & Remuneration Committee and subject to approval of members at the ensuing Annual General Meeting, the Board of Directors of the Company on June 28, 2022 vide resolution by circulation, have approved re-appointment of Dr. Rabi Sahoo (DIN: 01237464) as an Independent Director of the Company, whose current term expired on June 28, 2022, for the second term of two years commencing from June 29, 2022 to June 28, 2024 (Inclusive of both days).

(J) Independent Director familiarisation programme

At the time of appointment of an Independent 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 an Independent Director of the Company along with the copies of the Code of Business Conduct, Insider Trading Code and other policies as may be applicable to them. The terms and conditions of their appointment are disclosed on the Company's website: <http://gufic.com/wp-content/uploads/2022/05/Terms%20and%20Conditions%20of%20Appointment%20of%20Independent%20Directors.pdf>

The Director is also apprised of the compliance required from him under the Act, the SEBI Listing Regulations and other various statutes. The CEO and CFO also have a one to one discussion with the newly appointed Directors to familiarize them with the Company's operations and also introduce them with other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal & regulatory responsibilities as a Director.

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/2021/08/Familiarisation%20Programme%202021-22.pdf>

3. COMMITTEE OF THE BOARD

The Board has, in order to make a focused attention on business and for better governance and accountability have in place Five mandatory committees' viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee as at March 31, 2022. These Board Committees play a crucial role in the governance structure of the Company as it make full use of members' expertise, time and commitment and ensures diversity of opinions on the Board. The Chairperson of each Committee briefs the Board on significant discussions at its meetings. During the year under review, the Board has accepted all recommendations made by the various Committees. The minutes of the Committee Meetings are placed before the Board in the subsequent Board meetings for their information and noting.

A. Audit Committee

The terms of reference of the Audit Committee covers all matters prescribed under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act. The Audit Committee of the Company assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. It also provides reassurance to the Board on the existence of an effective internal control environment and is entrusted with the responsibility to supervise the Company's internal controls and *inter alia* performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with the management the quarterly / half-yearly / annual, unaudited / audited financial results / statements and Limited Review Reports / Audit Reports of the Statutory Auditors before recommending for approval by the Board with particular reference to matters required to be included in the director's responsibility statement to be included in board's report in terms of Section 134(3)(c) of the Act;
- Review changes in the accounting policies, major accounting estimates based on exercise of judgment by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements, disclosure of any related party transactions, modified opinion, if any, in the draft audit report;
- Reviewing management discussion and analysis of financial condition and results of operations;
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- Review of internal audit reports relating to internal control weaknesses;
- Review of the appointment, removal and terms of remuneration of the chief internal auditor;
- Review of statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
- Scrutiny of inter-corporate loans and investments made by the Company;
- Review with the management the performance of statutory and internal auditors;
- Review the adequacy and effectiveness of internal financial controls and systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- Overseeing and review the functioning of vigil mechanism (implemented by the Company as Whistle Blower Policy);
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Review, discuss and monitor the observations reported by Statutory / Internal Auditors and their compliance;
- Review and recommend to the Board the appointment / reappointment, remuneration and terms of appointment of Auditors of the Company after due consideration of their independence and effectiveness;
- Approving the payment towards additional services rendered by the Statutory Auditors except those enumerated in Section 144 of the Act;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approve and / or subsequent modification of transactions of the Company with related parties;
- Review of utilization of loans and / or advances from/ investment by the holding company in the subsidiary in excess of ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To supervise implementation of Insider Trading Code and policies relating thereto;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as stated in SEBI Listing Regulations.

Composition of Audit Committee

As on March 31, 2022, the Audit Committee comprises of Six Directors, which includes four Independent Directors viz., Mr. Shirang V. Vaidya, Mr. Shreyas K. Patel, Mr. Gopal M. Daptari and Dr. Anu S. Aurora and two Executive Directors viz. Mr. Jayesh P. Choksi, Chairman & Managing Director and Mr. Pranav J. Choksi, Chief Executive Officer & Whole-time Director of the Company. Mr. Shirang V. Vaidya holds the Chairmanship of the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statements. The composition of Audit Committee is in accordance with Regulation 18 of the SEBI Listing Regulations.

The invitees in the Audit Committee Meetings include CFO, Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and recorded in the next meeting of the Audit Committee and Board. During the year under review, there were no changes in the composition of Audit Committee.

During the Financial Year 2021-2022, 6 (Six) meetings of the Audit Committee were held i.e. on June 04, 2021, August 11, 2021, October 04, 2021, November 03, 2021, February 09, 2022 and March 21, 2022.

The details of meetings attended by the Members during the year under review, are as below

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shirang V. Vaidya	Chairman	6	6
Mr. Shreyas K. Patel	Member	6	6
Mr. Gopal M. Daptari	Member	6	6
Dr. Anu S. Aurora	Member	6	6
Mr. Jayesh P. Choksi	Member	6	6
Mr. Pranav J. Choksi	Member	6	6

The maximum gap between two meetings was within the period prescribed under Regulation 18 of the SEBI Listing Regulations

and the Act. The necessary quorum were present at every Audit Committee Meeting.

During the year under review, the Audit Committee has not passed any resolution by way of circulation. The Chairperson of the Audit Committee attended the Annual General Meeting of the Company held on September 20, 2021 to respond to the shareholder's queries.

B. Nomination & Remuneration Committee (“NRC”)

In compliance with the provisions of section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, the Board has in place a NRC.

The terms of reference of the NRC, *inter alia*, include the following :

- Formulation of the 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;
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- Devising policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance;
- 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;
- Recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition of NRC

The NRC of the Board is headed by Mr. Shrirang V. Vaidya. The other members of the Committee are Mr. Shreyas K. Patel and Mr. Gopal M. Daptari. The Chairperson of the NRC attended the last AGM of the Company held on September 20, 2021. During the Financial Year 2021-2022, the Committee met once on August 11, 2021.

The details of meetings attended by the Members during FY 2021-22 are as below:

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Shrirang V. Vaidya	Chairman	1	1
Mr. Shreyas K. Patel	Member	1	1
Mr. Gopal M. Daptari	Member	1	1

During the year under review, the NRC has not passed any resolution by way of circulation.

Performance Evaluation of Board, Committees and Directors

The NRC determines the performance evaluation criteria for independent directors. The NRC 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 performance of the individual directors including Independent Directors.

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the SEBI Listing Regulations. The Board evaluated its performance after seeking inputs from

all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The Board evaluated the performance of the Committees after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness and structure of committee meetings, independence of the committee etc.

The Board and the NRC reviewed the performance of individual Directors based on criteria such as knowledge, competency, fulfilment of functions, availability and attendance, initiative, integrity, contribution, independence and independent views and judgment.

The Independent Directors in their separate Meeting evaluated the performance of Non-Independent Directors, Chairman and Board as a whole. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors

Based on the recommendation of the NRC, 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. NRC recommends to the Board, periodic revision in remuneration of Executive Directors based on remuneration policy of the Company and the 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 Act. While deciding the remuneration, NRC 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 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 Act 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 meetings of the Board/Committees and other Company's affairs.

The details of remuneration for the year ended March 31, 2022 to the Executive and Non-executive Directors are as follows:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹	Perquisites / Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options	Sitting Fees	TOTAL
1.	Mr. Jayesh P. Choksi	40,01,700	39,600	0	0	0	40,41,300
2.	Mr. Pranav J. Choksi	20,01,300	39,600	0	0	0	20,40,900
3.	Mr. Pankaj J. Gandhi	14,33,466	0	0	0	0	14,33,466
4.	Mr. Dilip B. Ghosh	20,97,754	0	0	0	0	20,97,754
5.	Mr. Shreyas Patel	0	0	0	0	70,000	70,000
6.	Mr. Gopal Daptari	0	0	0	0	70,000	70,000
7.	Mr. Shirang Vaidya	0	0	0	0	70,000	70,000
8.	Dr. Balram Singh	0	0	0	0	0	0
9.	Dr. Rabi Sahoo	0	0	0	0	50,000	50,000
10.	Dr. Anu Aurora	0	0	0	0	70,000	70,000

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 employments with the Executive Directors are contractual. Each of the Executive Directors is appointed for a term of

5 years, subject to the approval of the shareholders, wherever required, and they are entitled to terminate the service contracts by giving not less than three months prior notice in writing. Moreover, there is no separate provision for payment of severance fees to the Directors.

The Independent Directors were paid sitting fees of ₹ 10,000/- for attending of each Board meeting of the financial 2021-22.

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-a-vis the Company during the year under review. Further no stock options were granted to any Directors.

C. Stakeholders Relationship Committee

The Company has duly constituted Stakeholders Relationship Committee (“SRC”) as per the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations.

The terms of reference of the SRC, *inter alia*, includes the following:

- Resolving the grievances of the security holders of the Company 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Composition of SRC

As on March 31, 2022, the SRC comprises of three directors viz. Dr. Rabi N. Sahoo, Independent Director, Mr. Jayesh P. Choksi, Chairman & Managing Director and Mr. Pranav J. Choksi, Chief Executive Officer and Whole Time Director of the Company. Dr. Rabi Sahoo acts as the Chairman of the Committee.

Ms. Ami Shah, Company Secretary acts as the Compliance Officer of the Company. Dr. Rabi Sahoo, Chairman attended the last AGM of the Company held on September 20, 2021.

During the Financial Year 2021-22, the Committee met once on February 09, 2022.

The details of meetings attended by the Members during FY 2021-22 are as below:

Name	Designation	No. of Meetings entitled to attend	No of Meetings Attended
Dr. Rabi N. Sahoo	Chairman	1	1
Mr. Jayesh P. Choksi	Member	1	1
Mr. Pranav J. Choksi	Member	1	1

During the year under review, the Stakeholders Relationship Committee has not passed any resolution by way of circulation.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the Financial Year 2021-2022.

Complaints pending at beginning of the year	NIL
Complaints received during the year	NIL
Complaints not resolved to the satisfaction of shareholders during the year	NIL
Complaints pending at the end of the year	NIL

D. Corporate Social Responsibility (CSR) Committee

The Company has a Corporate Social Responsibility (CSR) Committee constituted in accordance with the provisions of the Act. The terms of reference of the CSR Committee, *inter alia*, include the following:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act,
- Review the CSR Policy of the Company from time to time,

- Recommend the amount of expenditure to be incurred on the CSR 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.

Composition of CSR Committee

As on March 31, 2022, the CSR Committee comprises of four members out of which two are independent. Mr. Gopal M. Daptari, Independent Director holds the Chairmanship of the Committee. Mr. Shreyas K. Patel, Independent Director, Mr. Jayesh P. Choksi, Chairman & Managing Director and Mr. Pranav J. Choksi, CEO and Whole Time Director are the Members of the Committee. During the Financial Year under review, the Committee met four times i.e. on June 04, 2021, August 11, 2021, November 03, 2021 and March 21, 2022.

The details of meetings attended by the Members during FY 2021 -22 are given below:

Name	Designation	No. of Meetings entitled to attend	No of Meetings Attended
Mr. Gopal M. Daptari	Chairman	4	4
Mr. Shreyas K. Patel	Member	4	4
Mr. Jayesh P. Choksi	Member	4	4
Mr. Pranav J. Choksi	Member	4	4

E. RISK MANAGEMENT COMMITTEE

As SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 notified with effect from May 05, 2021, constitution of Risk Management Committee ("RMC") has become mandatory for the top 1000 listed entities on the basis of market capitalization as at the end of immediate previous financial year and our Company being in the list of top 1000 listed companies as per market capitalisation, the same is applicable to our Company. Accordingly, the Board of Directors has constituted RMC at its Board Meeting held on June 04, 2021 and the composition of RMC is as under:

Name	Designation	Category
Mr. Jayesh P. Choksi	Chairman & Managing Director	Chairman
Mr. Pranav J. Choksi	CEO & Whole Time Director	Member
Mr. Shrirang V. Vaidya	Independent Director	Member
Mr. Gopal M. Daptari	Independent Director	Member
Mr. D. B. Roonghta	CFO	Member
Mr. Nagesh Yarrabathina	Chief Operating Officer	Member
Mr. Ashok Dev	Vice President of Operations	Member

The terms of reference of the RMC, *inter alia*, include the following:

- To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.

RMC meetings and attendance of the members:

During the Financial Year 2021-22, the RMC met twice i.e. on November 03, 2021 and December 10, 2021.

The details of meetings attended by the Members during FY 2021-22 are as below:

Name	Designation	No. of Meetings entitled to attend	No of Meetings Attended
Mr. Jayesh P. Choksi	Chairman	2	2
Mr. Pranav J. Choksi	Member	2	2
Mr. Shrirang V. Vaidya	Member	2	2
Mr. Gopal M. Daptari	Member	2	2
Mr. D. B. Roonghta	Member	2	2
Mr. Nagesh Yarrabathina	Member	2	2
Mr. Ashok Dev	Member	2	2

During the year under review, the RMC has not passed any resolution by way of circulation.

INDEPENDENT DIRECTORS MEETING

As stipulated in the Code of Independent Directors under Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 09, 2022 without the presence of the Non-Independent Directors or members of management. At the meeting, the Independent Directors, *inter alia*, discussed the following matters:

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

All the Independent Directors were present at the meeting.

4. SUBSIDIARY COMPANIES

The Company has one foreign Wholly Owned Subsidiary namely Gufic UK Limited ("GUL") which was incorporated on March 15, 2022 in United Kingdom with the object to expand the Company's pharmaceutical business in United Kingdom. As on March 31, 2022, GUL has not commenced any business operations hence, it is not a material subsidiary of the Company as defined under Regulation 16(1)(c) of the SEBI Listing Regulations.

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the SEBI Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at: http://gufic.com/wp-content/uploads/2022/07/Policy_on_Material_Subsiidiary.pdf

5. SHAREHOLDERS

A. General Body Meetings

- i) **Details of Annual General Meetings during last three financial years and Summary of Special Resolutions passed therein are as follows:**

AGM	Financial Year	Venue	Date & Time	Special Resolution passed
35 th	2018-19	VITS - Luxury Business Hotels, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai-400059.	September 30, 2019 at 2.30 P.M. (IST)	1. Regularization of appointment of Dr. Rabi N. Sahoo (DIN:01237464) as a Non-Executive Independent Director of the Company for a term of three consecutive years with effect from June 29, 2019. 2. Re-appointment of Mr. Jayesh P. Choksi (DIN: 00001729) as Chairman and Managing Director for a period of five years with effect from April 01, 2020. 3. Re-appointment of Mr. Pranav J. Choksi (DIN: 00001731) as a Whole Time Director of the Company for a period of five years with effect from April 01, 2020. 4. Re-appointment of Mr. Shreyas K. Patel (DIN: 01638788) as an Independent Director of the Company for a term of five years with effect from September 26, 2019. 5. Re-appointment of Mr. Gopal M. Daptari (DIN: 07660662) as an Independent Director of the Company for a term of five consecutive years with effect from November 24, 2019.
36 th	2019-20	AGM held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	November 11, 2020 at 11.00 A.M. (IST)	1. Re-appointment of Mr. Shrirang V. Vaidya (DIN: 03618800) as an Independent Director of the Company for the second term of five consecutive years with effect from February 12, 2021. 2. Ratification of remuneration of the Cost Auditors for the Financial Year 2020-21.
37 th	2020-21	AGM held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 20, 2021 at 3:30 P.M. (IST)	1. Re-appointment of Dr. Anu S. Aurora (DIN: 05120192) as an Independent Director of the Company for the second term of five consecutive years with effect from December 23, 2021.

ii) Details of the Extra Ordinary General Meetings held during the year :

No extraordinary general meeting of the members was held during the financial year ended March 31, 2022.

iii) Postal Ballot:

No Special Resolution was passed through postal ballot during the financial year 2021-22. However, the Company had sought the approval of the shareholders by way of Ordinary Resolution through notice of postal ballot dated December 10, 2021 for re-appointment of Mr. Pankaj J. Gandhi (DIN: 00001858) as a Whole Time Director of the Company for a period of five years with effect from September 07, 2021, which was duly passed and the results of which were announced on January 21, 2022. Mr. Mannish Ghia (Membership No. FCS 6252), Partner of M/s. Manish Ghia & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through remote e-voting in a fair and transparent manner. The remote e-voting period commenced from 9.00 a.m. (IST) on Tuesday, December 21, 2021 and ended at 5.00 p.m. (IST) on Wednesday, January 19, 2022.

The voting pattern for passing of the aforementioned resolution are as follows:

Detail of resolution	Mode of Resolution	No. of votes polled	Votes cast in favour		Votes cast against		Total No of invalid votes cast
			No. of Votes in favour	% of votes in favour on votes polled	No. of votes - against	% of votes against on votes polled	
Ordinary Resolution - Re-appointment of Mr. Pankaj J. Gandhi (DIN: 00001858) as Whole Time Director of the Company for a period of five years with effect from September 07, 2021.	E-Voting	683,75,472	683,74,290	99.9983	1182	0.0017	0
	Postal Ballot	0	0	0	0	0	0
	Total	683,75,472	683,74,290	99.9983	1182	0.0017	0

Procedure adopted for Postal Ballot

The postal ballot was conducted in accordance with the provisions of Section 108, 110 of the Act read with the Rules framed thereunder and read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020, General Circular 10/2021 dated June 23, 2021 and the General Circular No. 20/2021 dated December 08, 2021 (MCA Circulars). Upon completion of scrutiny of the votes cast through remote e-voting in a fair and transparent manner, the Scrutinizer submitted the report to the Company and the results of the postal ballot were announced by the Company on January 21, 2022. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.gufic.com.

No Special Resolution is currently proposed to be conducted through postal ballot.

B. MEANS OF COMMUNICATION:

The Company recognises the importance of two-way communication and hence it communicates with its stakeholders through multiple channels such as disclosures, press releases, analysts meeting, investor calls, etc. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions at the AGM. Some of the modes of communication are mentioned below:

● FINANCIAL RESULTS

The Company's quarterly, half-yearly and annual financial results are regularly submitted to the stock exchanges, within thirty minutes of the closure of meetings of the Board of Directors at which the same was considered and approved. These results are generally published in the Business Standard (All Editions in English language) and Mumbai Lakshadeep (Marathi Edition) within forty eight hours of the conclusion of the Board Meeting. Additionally, the results and other important information are also periodically updated on the Company's website at www.gufic.com in the "Investors" section.

● WEBSITE

The Company's website www.gufic.com contains a separate dedicated section 'Investors' wherein the basic information about the Company including information about the company's business, financial information, Shareholding Pattern, compliance with Corporate Governance, Company's Director, Registrar & Share Transfer Agent, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, official news releases, presentations and other material information relevant to the shareholders are displayed.

● ANNUAL REPORT

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 Depositories / Registrar & Transfer Agent ("RTA") and physical copy to the rest of the shareholders and others entitled thereto every year. However, SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Ministry of Corporate Affairs ("MCA") vide General Circular No. 02/2021 dated January 13, 2021 has relaxed the requirement of sending physical copies of Annual Report to Shareholders, so no physical copies of the Annual Report for FY 2020-21 were sent. Further SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and MCA General Circular 2/2022 dated May 05, 2022, has further extended the said relaxation so no physical copies of the Annual Report for FY 2021-22 will be sent. If any member wishes to get a duly printed copy of the Annual Report, the Company sends the same, free of cost, upon receipt of request from the member.

● REMINDER TO INVESTORS

In the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at www.gufic.com. Further the investors' complaints are also being processed through the centralized web based complaint redressal system provided by SEBI viz. SCORES (SEBI Complaints Redressal System) wherein the investors can view online the action taken and current status of their complaints.

The Company has a dedicated email id i.e., corporaterelations@guficbio.com to address investor concerns. The Company's Compliance Officer monitors this email regularly.

● CORPORATE FILING

All periodical compliance filings required to be filed with the Stock Exchanges viz., Shareholding Pattern, Corporate Governance report, press releases, statement of investor complaints etc., all price sensitive information and disclosures

under Regulation 30 of SEBI Listing Regulations, are filed electronically with the BSE Limited and the National Stock Exchange of India Limited, regularly.

Further, trading window is closed in accordance with the Company's Code of Conduct for prevention of insider trading and SEBI (Prohibition of Insider Trading) Regulations, 2015. Intimation of closure of trading window is regularly sent to all the Directors and Designated Persons by e-mail and also intimated to the Stock Exchanges.

- **Press releases, presentations, etc.**

Official press and media releases are submitted to the Stock Exchanges and are displayed on Company's website.

- **Investors / Analyst Meets**

The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet / call is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Official press releases and presentations made to the media, institutional investors / analysts, etc. are also uploaded on the Company's website (www.gufic.com) as well as submitted to the Stock Exchanges.

C. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting: Date, Time and Venue	<p>Date : September 2, 2022 Day : Friday Time : 3.30 p.m. Venue : In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.</p> <p>For details please refer to the Notice of this AGM.</p>
Financial calendar	1 st April 2021 to 31 st March, 2022
Adoption of Financial Results (Tentative, subject to change)	For the financial year 2022-23
For the quarter ending June 30, 2022	On or before August 14, 2022
For the quarter and half year ending September 30, 2022	On or before November 14, 2022
For the quarter and nine months ending December 31, 2022	On or before February 14, 2023
For the quarter and year ending March 31, 2023	On or before May 30, 2023
Date of Book Closures	August 26, 2022 to September 2, 2022 (both days inclusive)
Record Date	August 25, 2022
Dividend Payment Date	Before September 29, 2022
The Company is Listed at	<p>BSE Limited ("BSE") 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001</p> <p>National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051</p>
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code/ Symbol	BSE – 509079 NSE – GUFICBIO
Payment of Annual Listing Fees for FY 2021-2022	Listing fees, as applicable, have been paid within the stipulated time frame to the stock exchanges.
Registrar & Share Transfer Agent	<p>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</p>
CIN	L24100MH1984PLC033519
STATUS	Active

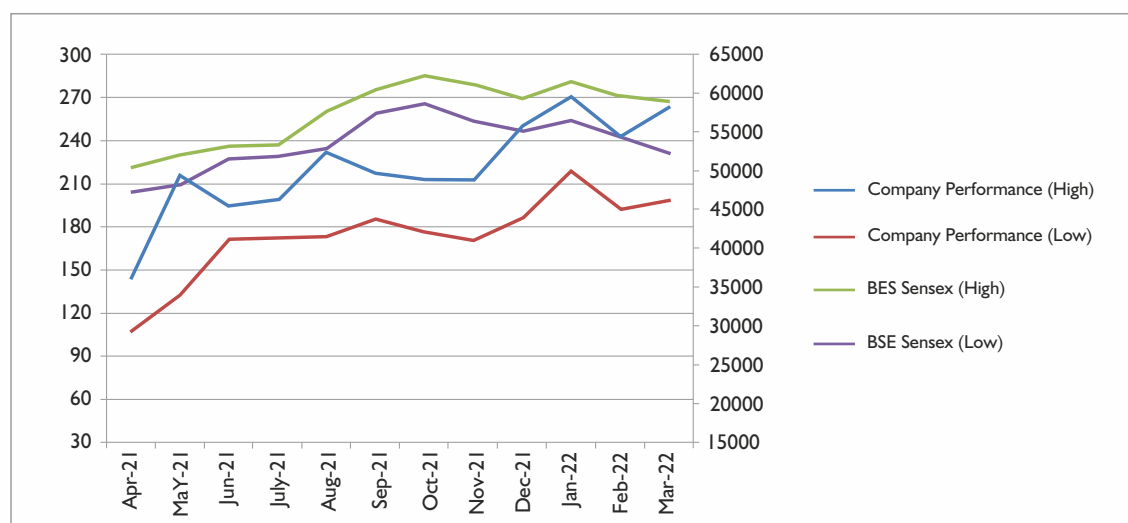
D. MARKET HIGHS AND LOWS FOR THE PERIOD APRIL 2021 TO MARCH 2022

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2021	144.00	107.60	977,095	143.90	107.55	100,98,692
May, 2021	215.45	132.40	38,41,091	215.95	133.15	348,33,423
June, 2021	194.25	171.00	16,05,294	194.40	171.10	84,79,323
July, 2021	198.50	172.25	684,296	198.50	172.20	48,10,605
August, 2021	231.70	173.00	18,78,104	232.00	173.00	173,45,521
September, 2021	217.00	185.35	733,217	217.70	185.10	59,03,457
October, 2021	212.95	176.00	501,893	213.00	178.20	47,80,450
November, 2021	212.60	170.20	513,920	213.00	171.75	51,02,370
December, 2021	250.35	186.00	17,23,953	250.50	186.20	161,26,271
January, 2022	270.10	218.70	10,89,843	270.00	219.05	92,33,340
February, 2022	243.00	192.35	724,927	243.00	192.15	39,64,663
March, 2022	262.90	198.50	590,548	263.00	197.30	44,62,501

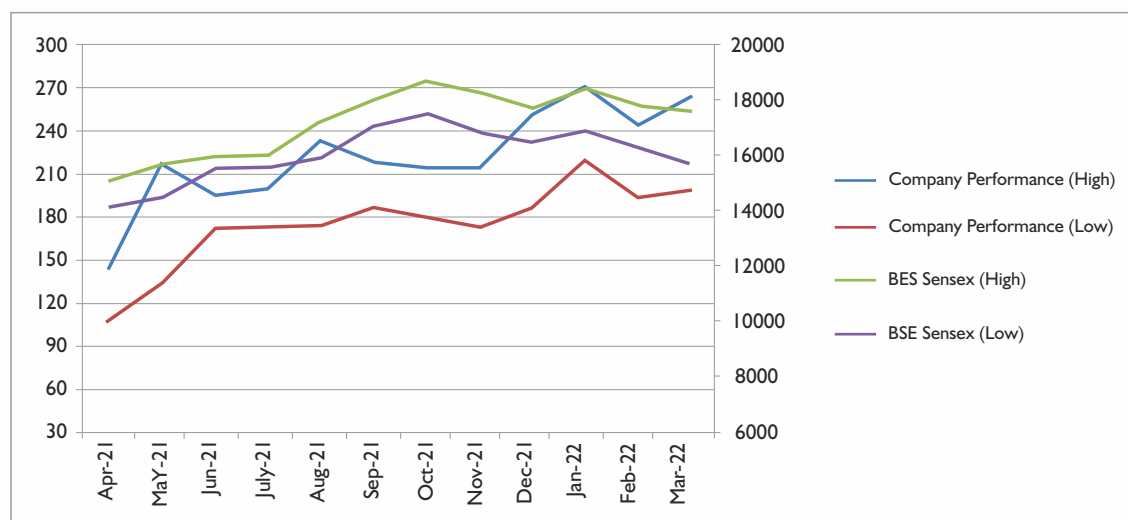
On March 31, 2022, the closing price of the shares of the Company on BSE was ₹ 248.90/- and NSE was ₹ 249.00/-

E. PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX & NSE NIFTY

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

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40 and Schedule VII of the SEBI Listing Regulations, read together with relevant SEBI Circulars.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, subdivision / splitting / consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company viz. www.gufic.com

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. Shareholders should communicate with Link Intime India Private Limited, the Company's Registrars & Share Transfer Agent at rnt.helpdesk@linkintime.co.in quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

Securities lodged for transfer at the Registrar's address are processed within statutory time limit from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the respective depositories, that is the National Securities Depository Limited and the Central Depository Services India Limited, within the statutory time limit from the date of receipt of share certificates / letter of confirmation after due verification.

The Company obtains a certificate from Practicing Company Secretary as required under Regulation 40 of the SEBI Listing Regulations and the same is filed with the Stock Exchanges.

G. CATEGORIES OF EQUITY SHAREHOLDING AS ON 31ST MARCH, 2022

Category	Category of Shareholder	Total number of shares	Total Shareholding as a % of Total No. of Shares
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:			
Indian	Individuals/ Hindu Undivided Family	424,61,298	43.80
	Bodies Corporate	307,14,853	31.68
	Total (Promoter & Promoter Group) (A)	731,76,151	75.48
B. PUBLIC SHAREHOLDING:			
Institutions	Mutual Funds	10,00,000	1.03
	Alternate Investment Funds	85,000	0.09
	Foreign Portfolio Investors	14,62,082	1.51
	Total (Institutions)	25,47,082	2.63
Non-Institutions	Individuals	171,08,889	17.65
	NBFCs registered with RBI	1500	0.00
	IEPF	214,993	0.22
	Trusts	100	0.00
	Clearing Members	58,965	0.06
	Non-Resident Indian (NRI)	499,494	0.52
	LLP	771,753	0.80
	HUF	16,93,758	1.75
	Market Maker	100	0.00
	Bodies Corporate	871,721	0.90
	Total (Non-Institutions)	212,21,273	21.89
	Total Public Shareholding (B)	237,68,355	24.52
	Total (A + B)	969,44,506	100.00

H. DISTRIBUTION OF SHAREHOLDING (As on 31st March 2022)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	34657	89.51	3246788	3.35
501 – 1000	1964	5.07	1616900	1.67
1001 – 2000	1004	2.59	1569672	1.62
2001 - 3000	383	0.99	996084	1.03
3001 – 4000	153	0.40	558356	0.58
4001-5000	146	0.38	693213	0.72
5001-10000	227	0.59	1652427	1.71
10001 & above	183	0.47	86611066	89.34

I. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE and are available for trading in both the depository systems of NSDL and CDSL. All shares of the company are liquid and traded in normal volume on BSE and NSE. All the shares held by Promoters are in dematerialised form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE742B01025. None of the securities of the Company are suspended from trading.

Details of shareholding of the Company in dematerialised and physical mode as on March 31, 2022 are as under:

Category	No. of Shares	% of Total Issued Capital
CDSL	82,76,453	8.54
NSDL	8,85,71,683	91.36
Total in Dematerialised form	9,68,48,136	99.90
Physical	96,370	0.10
Total	9,69,44,506	100.00

J. OUTSTANDING GDRS / ADRS / WARRANTS / ANY OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ ADRs/ Warrants/ or any convertible instruments during the financial year under review and the Company does not have any outstanding GDRs/ADRs/ Warrants/ or any convertible instruments.

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 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, 2022, 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. Since Company has natural hedge due to its import and export activities, company doesn't enter into foreign exchange derivatives to hedge its exposure.

L. RECONCILIATION OF SHARE CAPITAL AUDIT

A Practicing Company Secretary carried out share capital audit quarterly during the Financial Year 2021-22, to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit reports confirm 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 NSDL and CDSL.

M. PLANT LOCATION

The Company have following manufacturing plants :

EXISTING PLANT (AS ON DATE)

I. GUJARAT

- 1. Unit I – Survey No. 195/3 and 171 Paiki, National Highway No. 48, Near Grid, Kabilpore Navsari - 396424, Gujarat
- 2. Unit II – Survey No. 171, National Highway No. 48, Near Grid Kabilpore, Navsari – 396424, Gujarat

II. KARNATAKA

703, Belgaum Industrial Estate, Udhyambag, Belgaum – 590008

UPCOMING PLANT

III. MADHYA PRADESH

Smart Industrial Park, Plot no.48, Near NATRIP, Pithampur, Dhar- 454775, Madhya Pradesh

N. ADDRESS FOR CORRESPONDENCE

- i. For any assistance regarding dematerialization of shares, 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:

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

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

iii. **Company**

Ms. Ami N. 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 6726 1000, Email : corporaterelations@guficbio.com

O. CREDIT RATING

The Credit Rating details are given hereunder

Rating Agency	Instrument Type	Rating	Revision, if any
ICRA Limited	Long Term - Fund based Working Capital	[ICRA]BBB+ (Stable)	Revised from [ICRA]BBB (Stable)
	Short Term – Letter of Credit	[ICRA]A2	Revised from [ICRA]A3+
	Short Term – Bank Guarantee	[ICRA]A2	Revised from [ICRA]A3+
CRISIL Ratings Limited	Long term Bank facilities	CRISIL BBB+/ Positive	Revised from CRISIL BBB+/ 'Stable'; Rating Reaffirmed
	Short term Bank facilities	CRISIL A2 (Assigned)	-

The Company neither have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.

P. 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 during the financial year. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the members of Audit Committee. 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 IndAS-24, are disclosed in the Notes forming part of the Financial Statements for the year ended March 31, 2022.
- ii 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/Related%20Party%20Transactions%20Policy.pdf>
- iii There were no instances of material non-compliance by the Company nor have any penalties/strictures been imposed

by Stock Exchanges or SEBI or any other statutory authorities on any matters related to capital market, during last 3 financial years.

- iv The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism pursuant to the Section 177 (9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, for employees and directors to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. No person 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 at the web link: http://gufic.com/wp-content/uploads/2016/08/WHISTLE_BLOWER_POLICY.pdf
- v The Company has complied with and disclosed all the mandatory corporate governance requirements stipulated under Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.
- vi There are no non-compliances 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.
- vii Certificate from Mr. Pranav Choksi, CEO and Whole Time Director and Mr. Devkinandan Roonghta, C F O of the Company in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations for the Financial Year 2021-22 forms part of Annual Report. The aforementioned officials also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.
- viii Disclosure on commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.
- ix During the year, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement. Thus disclosure of utilization of such funds raised pursuant to Regulation 32(7A) of SEBI Listing Regulations is not applicable to the Company.
- x The Company has obtained a certificate from M/s. Manish Ghia & Associates, Practicing Company Secretaries, Secretarial Auditors of the Company regarding confirmation that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority. Certificate of Non Disqualification of Directors forms part of this Annual Report.
- xi There were no instances where the Board had not accepted any recommendation of any committee during the financial year 2021-22.
- xii Disclosures have also been received from the senior management that there were no such transactions during the Financial Year 2021 - 2022 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 SEBI 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:
Mittal Agarwal & Company, Chartered Accountants (FRN: 131025W) has been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, paid by the Company are given below:

Payment to Auditors (excluding GST)

(₹ in lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
As Auditors		
a) For audit	25.00	24.30
b) Limited Review	-	0.63
In other Capacity		
a) Certification Work & Other Capacity	7.79	3.20
Reimbursement of Expenses & Goods and Service Tax	-	0.18
Total	32.79	28.30

- xv Disclosures of Loans and Advances in the nature of loans to firms/companies in which directors are interested:
The Company has not given any loans/ advances to any firm/ company in which directors are interested.
- xvi Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on March 31, 2022 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

Q. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (I) & PART E OF SCHEDULE II OF THE SEBI LISTING REGULATIONS

- i) The internal auditor reports to the Audit Committee.
- ii) The Auditors have issued an unmodified opinion on the Financial Statements of the Company.

R. UNCLAIMED SHARES & DIVIDEND

As per the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for 7 (Seven) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of shareholders, the Company sends periodical reminders to the shareholders to claim their dividend in order to avoid transfer of dividends/ shares to IEPF Authority. Notice in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to IEPF, are uploaded on the website of the Company.

During the year under review, the unclaimed dividend of ₹ 44,289/- pertaining to the dividend for the financial year ending March 31, 2014 and 15,299 unclaimed shares were transferred to IEPF.

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

S. 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.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

Sd/-
Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place : Mumbai
Date : July 14, 2022

DECLARATION ON CODE OF CONDUCT PURSUANT TO SCHEDULE V OF THE SEBI LISTING REGULATIONS

I, Pranav J. Choksi, Chief Executive Officer & Whole Time Director of the Company, hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company laid down for them pursuant to Regulation 17(5) read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year 2021-22.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

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

Place: Mumbai
Date: April 19, 2022



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)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gufic Biosciences Limited** having 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 us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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/ Category	DIN	Original date of appointment in the Company
1	Mr. Jayesh Pannalal Choksi	Managing Director	00001729	August 31, 1999
2	Mr. Pranav Jayesh Choksi	Whole Time Director	00001731	June 25, 2004
3	Mr. Pankaj Jayakumar Gandhi	Whole Time Director	00001858	August 01, 2013
4	Mr. Dilip Ghosh	Whole Time Director	00412406	November 12, 2020
5	Mr. Rabi Narayan Sahoo	Independent Director	01237464	June 29, 2019
6	Mr. Shreyas Kantilal Patel	Independent Director	01638788	August 27, 2014
7	Mr. Shirang Vishwanath Vaidya	Independent Director	03618800	February 12, 2018
8	Mrs. Anu Sanjiv Aurora	Independent Director	05120192	December 23, 2019
9	Mr. Balram Singh	Non-Executive, Non-Independent Director	06918085	May 29, 2018
10	Mr. Gopal Madhavbhai Daptari	Independent Director	07660662	November 24, 2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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 Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Place: Mumbai
Date: July 14, 2022
UDIN: F006252D000614156

Sd/-
CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2021-2022

Gufic recognizes its responsibilities as a member of the global society and pledges to run its operations in a sustainable manner. Your company firmly believes that in order to achieve long-term corporate progress, all segments of society must flourish.

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

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	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 corporaterelations@guficbio.com
6.	Financial Year Reported	April 01, 2021- March 31, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is engaged in business of pharmaceuticals under Group 210 and Class 2100 as per the National Industrial Classification 2008 (NIC) by the Central Statistical Organisation, Ministry of Statistics and Programme Implementation.
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. HCG 2. Teicoplanin 3. Thymosin Alpha
9.	Total no. of locations where business activity is undertaken by the Company: (a) Number of International Locations: (b) Number of National Locations:	(a) i) Presence in United Kingdom through its subsidiary company Gufic UK Limited ii) Representative Office in Vietnam (b) i) Registered Office at Andheri (East) ii) Corporate Office at Vile Parle (East) iii) Manufacturing facility at a. Navsari, Gujarat b. Belgaum, Karnataka c. Indore, Madhya Pradesh iv) 23 Carrying & Forwarding agents PAN India including 2 central warehouses located at Bhiwandi and New Delhi
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 (₹):	969.45 lakhs
2.	Total Turn Over (₹):	77,915.56 lakhs
3.	Total profit after taxes (₹):	9,584.01 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The total CSR spend for the financial year 2021-22 was ₹ 85.67 lakhs (including ₹ 3.26 Lakhs excess amount spent in the previous financial year 2020-21 available for set off in the current financial year 2021-22) which is 0.89% of the Profit after tax and more than 2% of the average net profit of the Company for the last three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	Promoting healthcare including preventive healthcare, promotion of education, employment and Environmental Sustainability. For full details on CSR activities undertaken by the Company for the financial year 2021-22, you may refer to Annexure-'A'-Report on CSR forming part of the Board's Report

SECTION C: OTHER DETAILS

1.	Does the Company has any Subsidiary Company/ Companies	Yes, the Company has one subsidiary & details of the same can be found in the Directors' Report.
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)	No
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

1. Details of Director/Directors responsible for BR

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

Sr. No.	Particulars	Details
1	DIN Number (If applicable)	00001731
2	Name	Mr. Pranav J. Choksi
3	Designation	Chief Executive Officer & Whole Time Director
4	Telephone no.	022 – 67261000
5	E-mail id	pjchoksi@guficbio.com

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (If applicable)	NA
2	Name	Mr. Nagesh Yarrabathina
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

2. (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)	Yes. The policies are 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 of Director?	Yes, the policies are approved by the Board and signed by Mr. Pranav Choksi, CEO & Whole Time Director of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. Mr. Nagesh Yarrabathina, Chief Operating Officer has been appointed by the Board to oversee the implementation of the policy.								
6	Indicate the link for the policy to be viewed online?	http://gufic.com/wp-content/uploads/2020/07/Business%20Responsibility%20Policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company has a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes. There is a mechanism for employees to report any instance of violation of policies or code of conduct through whistle blower mechanism.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by internal or external agency?	Yes. The policies are evaluated internally.								

2 (b) if answer to the question at serial number 1 against any principle is 'No', Please explain why: Not Applicable

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

The Board of Directors assesses the Company's BR performance annually.

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

The Business Responsibility Report is published annually as part of Annual Report and the same is disclosed on the website of the Company at https://gufic.com/media/investors/business_responsibility_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?
	<p>Corporate Governance has always been an important aspect of the Company's rich legacy, which extends far beyond legal requirements.</p> <p>The Company has Code of Conduct which extends to all its Directors and senior management personnel which emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity and fairness. The said code is available on the website of the Company. The Company also has a Whistle Blower Policy/ Vigil mechanism which aims to provide a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected violation, malpractices, corruption, fraud or unethical conduct, leak of unpublished price sensitive information.</p> <p>In addition to this, the Company also has supplier code of conduct which emphasizes that the suppliers shall conduct their business in an ethical manner and act with integrity. The agreements executed with various Suppliers and Distributors also contains Anti-Bribery clause as a part of agreement.</p> <p>The Company adheres to uncompromising integrity in conduct of business and does not tolerate any form of corrupt and unethical practices.</p>
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 2021-2022.

Principle 2: Business should provide goods & services that are safe & 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.
	The Company being into Pharmaceutical business all the products manufactured by the Company is in the interest of the public and all our products follow environmental and social safety guidelines. These guidelines are implemented at our facilities and regular audits ensure compliance.
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 throughout the value chain?
	a. Gufic has a multi-product facility production system and hence, it is not possible to work out product-wise resource consumption. Variations in resource consumption patterns are observed in manufacturing units based on product mix, batch size and time cycle, among others. Further, as consumption of resource per unit depends on the merchandise mix, it's difficult to specify standards to determine reduction achieved at product level.

	b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	b. The Company's products do not have any broad-based impact on energy and water consumption. However, ongoing measures are taken by the Company to reduce 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	Yes, the Company places thrust on sustainability in conducting business as well as procuring inputs. We have well defined and documented "Supplier Code of Conduct" for our suppliers, wherein the Company ensures that our suppliers are aware of the thereof, in about 50 words or so. code of conduct and follow the same appropriately. The Code of Conduct addresses all the elements of sustainable sourcing with special emphasis on supply continuity, quality and compliance, capacity and capability building, long-term business relationships and overall sustainable performance management. Company have a 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 long standing business relations with regular vendors.
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?	Yes, the Company procures goods and services from local and small scale industries. We identify potential vendors in local vicinity and collaborate with them for procuring raw material, packing material and other inputs. The Company engages local communities and vendors for their manufacturing needs which empowers them and also saves transportation and inventory carrying cost.
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 thereof, in about 50 words or so.	The Company promotes reuse and recycling of water and other waste and we have mechanism of recycling or disposing materials including waste, in a responsible manner. 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). The Company safely disposes the hazardous waste by giving it through authorised vendors.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the Total number of employees (Permanent).	The Company has 1382 employees as on March 31, 2022.
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	The Company has 348 contractual/hired/temporary employees as on March 31, 2022.
3.	Please indicate the Number of permanent women employees.	The Company has 169 permanent women employees as on March 31, 2022.
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	

Sr. No.	Category	No of Complaints filed during the financial year	No. of Complaints pending as on end of the financial year
1	Child Labour / forced Labour/ Insolvency Labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	
	(a) Permanent Employees	65%
	(b) Permanent Women Employees	50%
	(c) Casual/ Temporary/ Contractual Employees	100%
	(d) Employees with Disabilities	N.A.
Note : The Company have annual training planner & training notifications given to all to attend training.		

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, the Company has mapped its Internal as well as External Stakeholders.
2.	Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?	Yes, the Company has identified its disadvantaged, vulnerable and marginalised stakeholders.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	<p>The Company on a periodical basis undertakes dedicated activities as a part of its CSR initiatives for the disadvantaged, vulnerable and marginalised stakeholders.</p> <p>In accordance with the CSR policy of the Company, the Company takes various CSR initiatives in the fields of education, healthcare, community welfare for development & upliftment of the underprivileged sections of the society. Further preference is also given to Micro and Small enterprises for procuring inputs and services, wherever feasible.</p> <p>The Company's 'Whistle Blower Policy' encourage stakeholders to report their genuine concern, if any. The Policy provides for adequate safeguard to the Whistle Blower against victimisation.</p>

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?	<p>The Company's policy on human rights covers the entire Gufic Group.</p> <p>The Code of Conduct for Gufic's Supplier contains covenants on human rights aspect that are applicable to them.</p> <p>Other than the above, it does not extend to the Contractors, NGOs and others.</p>
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year 2021-22, the Company did not received any complaint under this principle.

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.	<p>The Company has well defined Environment, Health and Safety (EHS) policy that caters to Gufic Group and the contractors working within the premises of the Company.</p> <p>The policy also emphasises on the need to focus on continual improvement in environmental, health and safety performance of the organisation by setting appropriate objectives, systems and periodic performance review.</p> <p>However, it does not extend to the Contractors or Suppliers associated with the Company.</p> <p>The Company maintains alignment with legal requirements and comply with all the environmental laws which are applicable to the Company.</p>
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.	The Company recognises its responsibility to address climate change and global warming which are posing long term challenges and ensures that the business runs in a socially and economically responsible manner to minimize the impact. The Company always focusses and gives importance to conservation and optimum utilization of natural resources.

		As a manufacturing Company, we have put in place the required systems to assure adherence to environmental legislation.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes, internal mechanisms are in place, under which, all new facilities and products are risk assessed including environmental impact assessment and development of environmental management plans.
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?	<p>The Company has not registered any project related to Clean Development Mechanism. However, the Company continuously strives to have clean mechanism for various Air pollution control mechanism viz. boiler stack – bag filter & Multi cyclone separator are used for controlling the air emission, Process stack – Alkaline scrubber used in Active Pharmaceutical Ingredient (API) production for controlling fuel gas generation and the same is monitored through Gujarat Pollution Control Board approved third party in every 6 months.</p> <p>The Company have Effluent Treatment Plant (ETP) and Multi Effect Evaporator (MEE) to treat the effluent water as per norms and 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.</p> <p>The Company files half yearly environment clearance report with the Ministry of Environment, Forests & Climate Change, from time to time.</p>
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 2021-22.

Principle 7: Businesses when engaged in influencing public and 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 thereof.	<p>Yes, the Company supports projects in the areas of promoting healthcare including preventive healthcare, ensuring environmental sustainability, promoting education, community welfare on various fronts through its Corporate Social Responsibility activities. The details of which are given in "Annexure-A" as CSR Report forming part of the Board's Report.</p> <p>Further, the Company has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.</p>
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organisation?	The programs are undertaken through direct contribution as well as through NGO's/ Charitable Trusts.
3.	Have you done any impact assessment of your initiative?	The Company periodically assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.

4.	What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?	The Company has spent ₹ 85.67 lakhs as part of its CSR initiatives for financial year 2021-22 which also includes set-off amount available of previous financial year. Details of the projects are provided in Annexure-'A' - CSR Report forming part of Board'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.	All our initiatives for the projects done individually as well as that done through NGOs are planned, monitored and evaluated in partnership with the communities. Company's Representatives track the reach and take necessary steps to make it successful. The Company also maintains all relevant documents and collect records of the activities related to all the projects. 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 customer complaints/ consumer cases pending as on the end of the financial year i.e. March 31, 2022.
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?	The Company firmly believes that a regular survey mechanism, supported by transparent improvement plan, is the foundation for ensuring a high level of customer satisfaction. The Company's products are prescribed and recommended to the patients (consumers) by medical professionals. Accordingly, Consumer surveys are regularly carried out by the Company at doctor levels.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

**Place: Mumbai
Date: July 14, 2022**

**Sd/-
Jayesh P. Choksi
Chairman & Managing Director
DIN 00001729**

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

Pharmaceutical industry is one of the top performing industries globally. New medications are constantly being developed, approved and marketed, resulting in significant market growth. Soon after the COVID-19 pandemic hit the world with full force, it became clear that without newer therapies and particularly vaccines the world would be stuck in a permanent cycles of lockdowns and crises. Consequently, pharmaceutical companies came into the public's focus, with the pressure to provide results quickly. This was especially true for global leaders in Vaccines development and production. Rapid advancement in vaccination rates in advanced and middle-income countries also aided opening up of the economy and gradually getting back to normal. However, evolving geopolitical disturbances and continued inflationary pressure present uncertainties and risks.

Global Pharmaceutical Industry

The Global Pharmaceutical market is expected to grow from \$1454.6 Billion in 2021 to \$1587.1 Billion in 2022 at a Compound Annual Growth Rate (CAGR) of 9.1% and the growth is mainly due to the companies rearranging their operations and recovering from COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$2135.2 Billion in 2026 at CAGR of 7.7%.¹

The key driver for the growth in the global pharma industry will be technological advances. As artificial intelligence and R&D evolve; it will propel the pharmaceutical industry to innovate and explore new revenue streams. With an aging global population, the demand for pharmaceutical products is on the rise which will contribute healthily to the growth of the industry.

The COVID-19 pandemic has been the most impactful global public health crises in decades, and yet it has illustrated the resilience of global health systems as they have readily adapted to the peaks in demand. Managing the virus and mitigating disruptions will be the key elements going forward, especially in how it will affect the non-COVID healthcare and use of medicines.

The early recovery in 2021 was marred by the new Omicron variant of COVID-19 which led to the re-imposition of restrictions, disrupting supply chains, causing bottlenecks and higher than expected inflation. The Omicron variant had a very short-lived impact on the economy, and the projected global economic recovery is majorly affected by the Russia-Ukraine crisis.

Trends in medicine use and spending have been impacted by the immediate effect of COVID-19, with a seven-year cumulative reduction in spending of \$175 Billion through 2026 compared to the pre-pandemic outlook. Spending on COVID-19 vaccines and novel therapeutics are expected to generate more than \$300 Billion in spending over the same period, and the outlook is a cumulative \$133 Billion higher than projected prior to pandemic.

In developed countries, the adoption of new treatments, offset by patent lifecycles and competition from generics and biosimilar, are expected to continue as the main factors influencing medicine spending and growth. In pharmerging countries, dramatic increases in healthcare access were the largest drivers of change in the use of medicines historically, but the trend is slowing and will result in volume declines across many markets.

The total cumulative spending on COVID-19 vaccines through 2026 is projected to be \$251 billion, largely focused on the initial wave of vaccinations expected to be mostly completed in 2022 in developed countries and in 2023 in lower income geographies. Booster shots are now expected to be required annually or even more often as the durability of immunity and the continued emergence of viral variants raise the importance of not only vaccination, but recent vaccination. The adoption of initial vaccinations and of boosters is expected to be reduced through notable hesitancy by patients across geographies, even as lower income countries have struggled to acquire vaccines initially.

Growth in global medicine spending will be slowed by losses of exclusivity, resulting in brand losses of \$188 billion, mostly offset by spending on newly launched products. The U.S. market, on a net price basis, is forecast to grow 0–3% CAGR over the next five years, down from 3.5% CAGR during the past five years. Japan, the third largest global market, will have flat to declining medicine spending and will shift to annual price cuts from the previous biennial policy. Spending in Europe is expected to increase by a total of \$51 billion over the next five years, with a focus on greater adoption of generics and biosimilar to enable funding of new brands.

New brand spending in developed markets through 2026 is projected to add \$196 billion in spending, not including the impact of COVID-19 vaccines and novel therapeutics, driven by a historically high number of new drugs. There are expected to be 290-315 New Active Substances (NAS) launched by 2026, averaging 54–63 per year, similar to the level of the past five years. The impact of exclusivity losses will increase to \$188 billion over the next five years mostly due to the availability of biosimilar and the cumulative savings from biosimilar during that time will reach an estimated \$215 billion. Five years from now, medicine spending will include nearly 60% from specialty medicines in developed markets and 45% from specialty medicines in global markets, with the remainder predominately older and traditional therapies that will become progressively lower cost over time.

The two leading global therapy areas - oncology and immunology - are forecast to grow 9–12% and 6–9% CAGR through 2026, lifted by significant increases in new treatments and medicine use and offset by losses of exclusivity, including biosimilar. Oncology is projected to add 100 new treatments over five years, contributing nearly \$120 billion in new spending and bringing the total market to more than \$300 billion in 2026.

Diabetes spending growth remains in low single-digits in most developed markets and is declining on a net basis in the U.S. due to the impact of highly competitive sub-categories and the emergence of biosimilar. Notably, off-invoice discounts and rebates are projected to reach 73% of invoice sales in the U.S. by 2026, far higher than other therapy areas or than is expected in other countries.

Immunology spending growth is projected to slow to 6–9% through 2026, from 17% during the past five years as biosimilar impact increases, even as volume growth continues at 12% annually. Immunology is expected to grow by 39% in aggregate over five years to 2026, adding \$50 billion in spending to reach \$178 billion globally. New products in psoriasis, atopic dermatitis, and severe asthma have driven spending growth in recent years and are expected to continue, while biosimilar impact will slow growth in the forecast years from 2023 to 2026.

The outlook for next-generation bio-therapeutics includes both clinical and commercial uncertainty for the range of cell gene and RNA-based therapies. In addition to the 30 such therapies launched globally to-date, an additional 55–65 are expected to be launched by 2026, with a dozen new per year on average, up from the average of three per year in the past five years. While there is considerable R&D activity related to these mechanisms of action, significant uncertainty remains about the pace of clinical trials and regulatory reviews as well as the reimbursement levels agreed to by payers.

New therapies in rare neurological disorders, Alzheimer's and migraine are expected to drive spending growth in neurology. In the last five years, a new wave of rare disease neurological treatments, including dozens with orphan designations, have been approved, and others with larger populations, such as migraine, depression and anxiety, have also seen a range of new treatments.

The historic lack of disease-modifying treatments in Alzheimer's and Parkinson's may begin to be addressed with new approvals. Recent scientific advances in genomics, biomarkers, diagnostics and imaging techniques and/or regenerative medicine, combined with the emergence of disruptive digital technologies, are also changing the fundamentals of innovation in mental health disorders.²

COVID-19 Impact

The impact of the pandemic on medicine use has been highly varied, including both surges in usage of chronic medicines, referred to as stockpiling, and then returning to a more normal trend, with the average for developed markets at baseline volumes by the end of 2020.

Based on the average vaccination rates of the three highest countries in each income category, it is projected that most countries will achieve 70% vaccination rates at some point during 2022, though likely slower than current WHO goals.

While the short-term impact from COVID-19 in 2020 and 2021 has been significant, the long-term impact on growth trends is more muted.

While the pandemic has dominated much of the past year, the wider trends on the use of medicines continue to evolve relatively unchanged, which offers some hope to the millions living in lower income markets, with their improved health situation largely a result of increased access to medicines.

For many asymptomatic and lifestyle-influenced conditions such as obesity, diabetes, and heart disease, the ongoing disruptions to what was normal life before the pandemic are expected to result in greater rates of these chronic diseases, especially as people are more sedentary for sustained periods of time.

The pandemic is also impacting other infectious diseases by limiting patients' exposure due to pandemic precautions, which has resulted in far below normal seasonal flu and other respiratory viruses in 2020 and 2021.

The U.S. and India lead the world in terms of overall numbers of PASC (post-acute sequelae of COVID-19) patients, with 19.1 million and 15.5 million respectively, and while both countries have had significant numbers of COVID-19 survivors, the estimates are subject to underestimation if cases were unreported.³

Indian Pharma Industry – An Overview

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks 3rd worldwide for production by volume and 14th by value. The nation is the largest provider of generic medicines globally, occupying 20% share in global supply by volume, and is the leading vaccine manufacturer globally. India also has the highest number of US-FDA complaint Pharma plants outside of USA and is home to more than 3000 pharma companies with a strong network of over 10,500 manufacturing facilities as well as highly skilled resource pool. The Pharmaceutical industry in India offers more than 60,000 generic brands across 60 therapeutic categories. Major segments include generic drugs, OTC Medicines, API / Bulk Drugs, Vaccines, Contract Research & Manufacturing, Biosimilar and Biologics.⁴

2. IQVIA – The Global Use of Medicines 2022 – Outlook to 2026
3. IQVIA – The Global Use of Medicines 2022 – Outlook to 2026

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

The year gone by turned out to be an encouraging one for the Indian pharmaceutical industry as it rebounded strongly after registering a muted growth of 2.1% in financial year 2020-21 which was impacted by the pandemic and the measures taken by the Government to contain its spread. Overall, the growth for the financial year 2021-22 stood at 14.6%. Volume expansion and price increase both accounted for around 6% growth each while the remaining growth was contributed by new products. Growth in the first half was accentuated, partly aided by low base of previous year while in the second half, the growth was challenging as the market grew by just 4.8% mainly due to contraction in volumes. (Source: AWACS MAT March 2022 report).

According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market is at US\$ 42 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach ~US\$ 120-130 billion by 2030.

Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancer which are on the rise.

The Indian Government has taken many steps to reduce the costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.⁵

OPPORTUNITIES AND CHALLENGES

Having proved its prowess to the world during the challenging times of the pandemic by supplying 60 per cent of the global COVID-19 vaccine requirements, the Indian pharma and healthcare industry is looking to build on the experience of the last two years, strengthen the partnership with the government and sustain the momentum in 2022. Encouraging private sector investment in R&D and rewarding innovations through a strong intellectual property ecosystem along with the on-ground execution of the government's vision of Discover in India will spur the growth of the innovation ecosystem in the country

Opportunities:

Competitive advantage

India is one of the leading manufacturing hubs for generics and the biggest exporter, with a competitive advantage in cost and availability of skilled manpower. Indian pharmaceutical companies are continuously investing in the research and development activities to expand their presence. They have also been partnering with various multi-national companies to improve their reach and product portfolio.

Focus on Domestic Production

In the current government's "Atmanirbhar Bharat" and "Make-in-India" policies, the pharmaceutical industry has been a focus of multiple schemes relating to domestic production-linked incentives (PLI Schemes). PLI Schemes primarily focus on making the Indian pharmaceutical industry self-reliant and to reduce dependency on other countries for pharmaceutical manufacturing.

It is imperative for the Indian pharmaceutical industry to grow adequately, particularly in view of the pandemic situation in India and the impending threat of disruption due to the new Omicron variant of the virus.

E-pharmacy and Pharmacy Chains

Digital platform has now become need of the hour. The rapid growth of the e-pharmacy and pharmacy chains further driven by COVID-19 has led to the entry of conglomerates and many e-commerce players. Looking at the impact of the pandemic and its impact on consumer behavior, the online pharmacy channel is expected to continue growing and it is estimated to reach 70 Million households by 2025.

Cost Efficiency

The low cost of production and Research & Development boost efficiency of India pharma market leading to competitive export.

New Drugs, Cosmetics, and Medical Devices Bill

One of the most significant regulatory changes to the Indian regulatory landscape expected relating to the pharmaceutical industry is an overhaul and revamp of the current legal framework. The Government of India has recently constituted an eight-member panel, chaired by Dr. V G Somani, Drugs Controller General of India, to frame a new draft law for drugs, cosmetics, and medical devices (New D&C Law).

The existing framework has often been criticised as being an aging and complex set of rules and regulations, with multiple piecemeal amendments made over time to keep up with developments in the pharmaceutical industry. There is thus a need for a holistic revamp to tackle the same, and to focus on more nuanced issues within the law.

In view of the same, the New D&C Law is expected to play a significant role in revamping the regulatory framework relating to the pharmaceutical industry. Certain key aspects that the New D&C Law should ideally incorporate are:

- a) **Streamlining and Restructuring the Regulatory Structure:** The New D&C Law should aim to simplify and streamline the regulations around the pharmaceutical industry, putting an end to the piecemeal manner in which various aspects are currently governed and regulated. This may also include revamping the various functionaries established under the law, and clearly defining their roles in ensuring that uniformity in regulation and enforcement is achieved across the country, to the greatest extent possible.
- b) **Government policy impact:** In order to regulate the business, the government is working on a plan to establish basic standards in the country's diagnostics and wellness services. These laws and regulations will assist to ensure that excellent health and wellbeing services are provided across the country. This will serve as a pillar of growth for all of the industry's transparent and ethical participants.
- c) **Medical Devices:** In view of the growing relevance of medical devices within the pharmaceutical industry and the functioning of any robust medical system, a key aspect to tackle the regulatory framework for medical devices, which are currently regulated as 'drugs' within the existing legal framework. The New D&C Law should have a separate and holistic framework for the regulation of medical devices, and should ideally not be linked fully to the regulation of drugs, given the significant differences between drugs and medical devices.
- d) **Online Pharmacies:** While there are many online pharmacy websites in India, the current framework does not duly address the various aspects of such websites and portals. The New D&C Law should aim to provide for a specific framework around online pharmacies as well, taking into account the nuances and differences between online pharmacies and brick and mortar pharmacies (which the current regulations primarily focus to govern).

The New D&C Law, once submitted by the panel and which may potentially come into force in the course of 2022, may provide for a significant collection of opportunities and challenges for the pharmaceutical industry, depending on how effective it is at meeting the expectations of the industry participants.⁶

Challenges:

- a) **A lack of a stable pricing and policy environment** - The challenge created by unexpected and frequent domestic pricing policy changes in India. It has created a vague environment for investments and innovations. IPA suggests both the government and stakeholders work together to develop a plan to produce affordable Indian patients' drugs.
- b) **New competitors:** Since globalization, the rivalling industries are increasing. Many people are interested in the Ayurvedic industry, homeopathic industry and many others instead of medicines. This poses a great threat to the pharmaceutical industry.
- c) **Generics market exporting** - Due to price attrition, the success of generic exports to the United States has started to plateau. Due to increased buyer consolidation and higher competition, this market is starting to fade.
- d) **Complex regulatory approval process and Intellectual Property Rights (IPR)** - The innovation ecosystem in a country also requires strong policy and regulatory frameworks. A strong patent protection incentivizes entrepreneurs to spend effort, money and resources in long and risky drug discovery programs. Patents and exclusive rights enable companies to recover investments and fund future research.
- e) **Effect of external markets** - India is heavily dependent on other countries for active pharmaceutical ingredients (API) and other intermediates. 80% of the APIs are imported from China. So India is, therefore, at the mercy of supply disruptions and unpredictable price fluctuations. Implementation of infrastructure improvement in the field of internal facilities is necessary to stabilize supply.

Regulatory Developments and Government Initiatives in India:

Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:

- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of ₹ 500 crore (US\$ 665.5 million) for the period FY 21-22 to FY 25-26 were announced.
- In August 2021, Mr. Mansukh Mandaviya, Minister of Health and Family Welfare, announced that an additional number of pharmaceutical companies in India are expected to commence manufacturing of anti-coronavirus vaccines by October-November 2021. This move is expected to further boost the vaccination drive across the country.
- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of ₹ 6,940 crore (US\$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production

⁶BioSpectrum - 2022 seeks holistic revamping of pharma regulations

of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach > 10 crore doses per month by September 2021.

- In April 2021, the Union Government decided to streamline and fast-track the regulatory system for COVID-19 vaccines that have been approved for restricted use by the US FDA, EMA, UK MHRA, PMDA Japan or those listed in the WHO Emergency Use Listing (EUL). This decision is likely to facilitate quicker access to foreign vaccines by India and encourage imports.
- Under Union Budget 2021-22, the Ministry of Health and Family Welfare has been allocated ₹ 73,932 crore (US\$ 10.35 billion) and the Department of Health Research has been allocated ₹ 2,663 crore (US\$ 365.68 billion). The government allocated ₹ 37,130 crore (US\$ 5.10 billion) to the 'National Health Mission'. PM Aatmanirbhar Swasth Bharat Yojana was allocated ₹ 64,180 crore (US\$ 8.80 billion) over six years. The Ministry of AYUSH was allocated ₹ 2,970 crore (US\$ 407.84 million), up from ₹ 2,122 crore (US\$ 291.39 million).⁷

Company Overview & Outlook

Gufic Biosciences Limited (“Gufic”) is a research based pharmaceutical company recognised for its innovative, high-quality Pharmaceutical, Nutraceutical and Natural / Herbal products along with a wide range of Active Pharmaceutical Ingredients (APIs). It is amongst the top 100 Pharmaceutical companies in India.

Gufic is one of the largest manufacturers of Lyophilized injections in India and have a fully automated lyophilisation plant at Navsari, Gujarat. The lyophilized products are available in various Therapy areas like Antibiotic, Antifungal, Cardiac, Infertility, Antiviral and proton-pump inhibitors (PPIs). Gufic is now augmenting the global focus by deepening its presence in the priority markets of India, Germany, Switzerland, South Africa, Russia, Canada, Brazil, Europe and other key countries within the emerging market territories. Gufic aims at providing lifesaving drugs to people at affordable prices with no compromise in its quality.

The overall business of Gufic is broadly divided into 4 business verticals:

- 1) Domestic Business
- 2) Contract Manufacturing Business
- 3) International Business
- 4) Bulk-Drug Business

Domestic Business

Gufic has a Pan-India presence in multiple therapy areas which includes Critical Care, Infertility, Ortho-Gynaec, Dermo-Cosmetic, Natural & Herbal and General specialty businesses. Gufic has a wide-spread therapy presence in all major therapies like Anti-Infective, Anti-Fungal, Gastrointestinal, Infertility, Women Health, Hormones, Bone and Joint Care, Wound management, Immunity etc. Gufic's products are widely circulated across 1,500+ hospital chains and have leading medical facilities through an extensive network of 1000+ Field Force across India.

This business is strategically divided into 3 categories based on presence in various segments: Gufic Super Specialty Business, Gufic Specialty Business and Gufic Mass Specialty Business

- a) Gufic Super Specialty Business:** This is the major part of Gufic's Domestic Business which include the Critical Care and Infertility portfolio.

Critical Care: The focus of Critical Care Division is to consolidate its business with following strategy:

- 1) Consolidate the acute therapy business in the Anti-Infective category and also introduce newer molecules in the segment through its major SBU in Secondary and Tertiary care hospitals and institutions.
- 2) Focus on Anti-Fungal segment with a specialised task force, expand its reach and offer its vast therapeutic basket of Anti-Fungal Injectable including the newer molecules.
- 3) Focus on primary care hospitals and expand the reach in the critical care segment by offering our range of products in various therapies including Anti-Infective, Anti-Fungal, Cardiac, Gastro and Neurological products.
- 4) Offering a wide range of injectable products through the innovation in the field of drug delivery system which includes DCB (Dual Chamber Bags) and DCS (Dual Chamber Syringes).

Infertility: The focus of Infertility Division is to regain the lost business during the COVID-19 Pandemic as Infertility business had seen a major decline in the pandemic due to dramatic decrease in the number of IVF / IUI cycles in the country. The business is now opened up and the division will focus on building brands within the Hormonal category and offering newer drug delivery systems with PFS (Pre-filled Syringes) and DCS (Dual Chamber Syringes).

- b) Gufic Specialty Business:** The business consists of 2 newly formed SBUs with a specific focus in selected specialties :

Gufic Stellar: The division was created with a special focus on Orthopaedic and Gynaecological portfolio. The division

focuses on products in segments like Pain, Pregnancy & Lactation, Bone and Muscle care etc. Stellar will help Gufic build its presence with differentiated brands that have long-term prescription profile in the selected specialties. The initial operations of this division is restricted to selected cities only, there are plans to gradually expand the division in other metro and tier-2 cities.

Gufic Aesthaderm: Gufic forayed into the fast growing potential sub-chronic segment of Aesthetic Dermatology last year. The division was launched with a range of high-class Aesthetic products in segments like Moisturizing agents, Anti aging, Hyperpigmentation, Sunscreen, pre and post-procedure. The product were the first of its kind in the Aesthetic segment through various tie-ups with International companies. Gufic was the 1st Indian Company to manufacture and launch a brand of Botulinum Toxin Type-A Injection in India through its international tie-up with Prime Bio Inc, a US based Company.

- c) **Gufic Mass Specialty Business:** Gufic has 2 SBUs to focus on mass specialty segment like General Practitioners, Paediatricians, Gynaecologists and Physicians. The market of interest of these SBUs are Nutraceuticals, Pain, Arthritis, Immunity, Respiratory, Anti-Infectives and Herbal.

Contract Manufacturing Business and International Business

Gufic believes in scientific innovation which meets consumer needs with rigorous standards for product safety and quality. Gufic offers unit-lyophilized products which offers better product stability, quality and safety. The state-of-the-art manufacturing facility of Gufic is based at Navsari, Gujarat, with auto-loading and unloading technology for lyophilized products, thus no human intervention during the manufacturing process. Gufic's manufacturing facility is accredited by various national and international governing bodies like WHO-GMP, EU-GMP, ANVISA-Brazil, HEALTH-Canada, GMP-Russia, Ukraine-PICS GMP, TGA-Australia, MCC-South Africa, INVIMA-Colombia, NDA-Uganda, BFAD-Philippines, FMHACA-Ethiopia, MOH-Thailand, NMRA-Sri Lanka, NAFDAC-Nigeria, MOH-Cambodia and PPB-Kenya.

Another world class manufacturing facility for Lyophilized injections, Pre-filled syringes and Liquid injections is coming up at Indore, Madhya Pradesh. This facility will be focusing on developing newer innovative high quality products and cater to the domestic needs in India along with regulated markets like US and Europe. The Civil work for this facility has already begun and the facility would be fully operational by end of FY 2022-23.

Gufic expects that the healthcare market in Africa, South East Asia, CIS, South Africa, Australia, Canada and Middle East will also mature a lot. Not only Generics, a market 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 cater products to these markets at a price which would make the treatment more affordable to the population.

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

Bulk-Drug Business

Gufic manufactures a varied therapeutic basket in its API facility, which is mostly utilized for Gufic's captive consumption. The categories of API manufactured includes – Anti-Fungal along with their Intermediates, Antibacterial and Anaesthetic agents. Gufic intends to explore and expand the API portfolio and increase focus on API business to cater to the market apart from the captive consumption. With the Government promoting Atmanirbhar Bharat (A government initiative to manufacture API in India) to reduce the dependency on import of material from various countries, Gufic has plans to develop potential API as per the market needs.

Research & Development (R&D)

Gufic has continued 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.

Gufic follows a thorough Need-Gap and market 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 parameters like-Market potential, Therapy Gap analysis, Patent expiry of potential molecules, strategic fitment in the existing and future businesses of Gufic and the R&D strength and wisdom. Several Patents have been granted to Gufic and many more are under development and Patent filing stage.

The R&D team is backed-up by a strong Clinical team which includes, Medical and Regulatory teams, with an expertise to take Synthetic and Biological products across Phase-II and Phase III clinical trials and are now focusing on :

New Molecules and innovative combinations: New Molecules initiatives at Gufic's 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 includes – Anti-Diabetic, Cardiac, Anti-Infective, Hormones, Neurological, Antifungals, Nutraceuticals and Pain management products. The business strategy on the molecules is to launch the products under Gufic's Trademarks, offer

the products to its CMO partners and also explore in the international markets by out-licensing the dossiers to existing and new partners.

Advanced NDDS formulations & Drug Delivery Systems: Gufic has been working on NDDS formulations in the critical care and infertility segment to differentiate its presence in the segments. Gufic's R&D team has successfully completed in-house trials on several innovative concepts in Pre-filled syringes, Dual chamber Bags and Dual chamber Syringes (a novel concept to deliver critical care products). Improved absorption and bioavailability of products through liposomal technology is another area that Gufic has been working on.

Dual Chamber Bags: Dual Chamber Bags are 2-Chamber IV Bags made up of polypropylene (DEHP free) with a peelable aluminium foil allowing the storage of unstable drugs which need a reconstitution just before the administration to the patient. The peelable seal separates lyophilized (or powder) drug and its diluent. The bag complies with the US and EU pharmacopoeias and it is manufactured in ISO7 clean room under cGMP. The bag offers ease of handling at the time of reconstitution and also help in avoiding the dilution errors since the drug is present with the exact required quantity of the diluent to be used. It can be reconstituted just before administration by simply peeling off the aluminium foil and folding & squeezing the bag, thus the diluent enters the drug chamber and mixes with the drug. It is then directly administered as IV infusion to the patient with the help of IV tubes. The ready-to-use dual chamber bag prevents contamination and protects the potency and efficacy of the drug.

Dual Chamber Syringes: Prefilled Dual Chamber Syringes are combination products containing freeze-dried drug (or powdered drug) (in front chamber) and diluent (in back chamber) in two separate chambers of the Syringe. It provides high stability and convenience to patients and doctors, thus significantly improving product quality, patient compliance and market competitiveness. Dual Chamber Syringes also provides seal integrity, sterility and compatibility with biopharmaceuticals. The Dual Chamber Syringes offers ease of handling at the time of reconstitution and also help in avoiding the dilution errors since the drug is present with the exact required quantity of the diluent to be used. The Dual Chamber Syringes can also contain 2 drugs in different chambers which are required to be co-administered to the patient.

Biologicals and Peptides: Looking at the global trend towards biologicals 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), Infertility (Recombinant products) and several others products in the critical care segment. Few of these products are already launched by Gufic and several others would be first time launches and would be launched through proper Phase –II / III Clinical trials for obtaining market authorization in India and other countries. Gufic has developed a fairly good strength of in-licensing these products (Technology transfer or semi-finished formulations) from several countries across the Globe.

Financial performance with respect to operational performance :

During the financial year 2021-22, the Company have seen a strong and sustainable growth across all business verticals viz., domestic branded business, the CMO business, export business and the API business. As per IQVIA Mar-22 Dataset, Gufic is ranked at No. 74 with a healthy growth rate of ~58%, which also makes Gufic the 5th fastest growing company amongst the top 100 companies in India.

The business performance of the Company during the year under review, is enumerated as below :

Gufic launched “Zarbot”, the first Botulinum Toxin in India targeting cerebral palsy migraine and overactive bladder, thereby taking Botulinum Toxin range of products beyond the aesthetic dermatology into an absolute blue ocean. Gufic has shifted its strategy from targeting mainly secondary and tertiary care hospital to now penetrating into primary care hospitals and nursing homes, which is a fragmented but a large and a fast growing market.

Further, the sales in the Ferticare division crossed the pre-COVID levels and Gufic also improved the technology for one of its flagship brands i.e. Puregraf, which will help Gufic increase traction and gain market share within this category. Gufic is exploring two new indications for an existing peptide molecule mainly targeting endometriosis and recurrent implantation failure.

Post COVID-19, the cosmetic procedures have increased two-fold and similar traction has been seen in the AESTHADERM portfolio as well, which has been backed by improvement in doctor coverage and a very good acceptability by doctors and the fraternity in large and the Company is also starting a center of excellence to impart training as well as to import novel innovative practices, equipment and products in the field of hair and body aesthetics to ensure adoption, expansion and penetration of its Botulinum range of products at an affordable price point for the Indian market.

The Stellar division was launched last year and it has given a good performance in terms of sales. Gufic have launched one new product viz., Sallaki Max which mainly targets arthritic pain.

With respect to performance in international business, in the year under review, Gufic had commenced exports to regulated markets for molecules such as Vancomycin, Clarithromycin, Teicoplanin and Tigecycline. In FY 2021-2022, Gufic received five new product approvals from regulated markets and eight new product approvals from the semi regulated market and it has further entered two new regulated markets of Brazil and Canada.

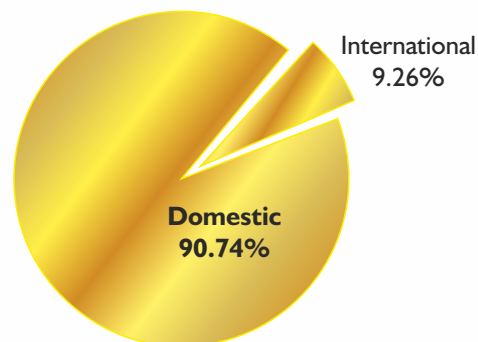
FINANCIAL PERFORMANCE

During the year under review, the total revenue from operations of the Company was ₹ 779.16 crores as compared to ₹

487.70 crores in the FY 2020-21, thereby making an increase of around 60%. The vast difference in the sales is mainly due to COVID impact. Hence, FY2022 comparison with previous year will not be an apple-to-apple comparison.

Out of the total turnover, contribution from domestic market was around 90.74% and international market was around 9.26%.

During the year under review, the EBIDTA of the Company was 148.82 crores as against 87.65 crores in the previous financial year 2020-21, making an increase of around 70% and Net Profit after tax also increased to ₹ 95.84 crores as against ₹ 44.23 crores in the previous year, thus registering a growth of about 117%. The said abnormal increase is mainly due to sales relating to COVID related drugs.



Key Financial Indicators

PARTICULARS	Unit	2021-22	2020-21	Variance (%)	Reasons if variance is more than 25%
Operating profit margin (%)	%	16.90	14.63	15.53	The increase in turnover and factors relating to sales in FY 21-22 as compared to FY 20-21 is mainly due to Covid impact. Hence, the comparison of ratio, as provided, will not be an apple-to-apple comparison.
Net profit margin (%)	%	12.24	9.13	34.18	
Debtors turnover ratio	Times	5.64	4.21	33.96	
Current ratio	Times	1.72	1.59	7.74	
Return on Net Worth	%	35.45	25.66	38.15	
Inventory turnover ratio	Times	6.79	4.00	69.70	
Interest coverage ratio	Times	30.70	6.43	377.58	
Debt Equity Ratio	Times	0.23	0.32	(28.69)	





“Employee engagement is an investment we make for the privilege of staying in business”
-Ian Hutchinson

Human Resources

Gufic considers people to be an integral part of business growth and as on March 31, 2022, it has a strong team of 1382 employees coming from diverse backgrounds.

Gufic provides a safe and conducive working environment for all its employees by ensuring environment-friendly working practices. It also conducts good industrial hygienic practices to prevent adverse health effects on employees.

The Human Resource Development aims to make Gufic a preferred place to work and the Company ensures strict adherence to its internal codes, and it have a clearly defined zero-tolerance policy towards discrimination of any kind.

Gufic strives to make better workplace for its employees and motivates them 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.

b. Awards & Recognitions

At Gufic, we appreciate and admire the contribution of the employees towards the success and growth of the organization. The efforts of the employees are rewarded based on various categories and parameters viz. Employee of the month, Long years of service awards (those employees who have completed 5, 10, 15, 20 and 25 years of services.)

c. Other key HR initiatives

- 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 who wants to pursue further education
- Internal Complaints Committee constituted under The Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 to lodge complaints, deals with issues related to sexual harassment at the work place.

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.

Internal Control Framework

Your Company has a robust Internal Financial Control system in place, commensurate with size, scale and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls, statutory compliances and other regulatory compliances. The internal control is designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets from unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations.

The Audit Committee of the Company reviews the reports of the internal auditors quarterly and based on the report, corrective actions in the respective areas are undertaken and controls are strengthened. During the year under review, no material or serious observation has been received from the internal auditors of the Company for inefficiency or inadequacy of such controls. The Company follows all the applicable Indian Accounting Standards for properly maintaining the books of account and reporting financial statements.

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, the ongoing and other unforeseen circumstances may throw up some uncertainties in the near-term. Gufic will continue its investment in Research and Development inspite of the current economic scenario.

As per the strategic planning, during the year under review, the Company received permission from the concerned regulatory authorities to manufacture, sale and distribute lasavuconazonium Sulphate API and the finished formulation for Isavuconazole for injection 200mg/vial. The said injection is indicated for the treatment of patients having 18 years of age and older for treatment of Invasive Aspergillosis and Invasive Mucormycosis. The Company also received permission for Thmosin Alpha-I which is an add on therapy for the treatment of moderate-to-severe COVID-19 patients requiring ventilator support.

In the first quarter of FY 2022-23, Gufic has also launched New Drug Delivery System: Dual Chamber Bags at an affordable price, which is the first time in India.

Gufic is now looking forward to completion of the construction work at its Indore factory and start commercialisation in FY 2022-23.

Gufic drug candidate O-26 for the treatment of community-acquired bacterial pneumonia and acute skin and skin structure infections will be ready for commercialization by the end of the financial year 2022-23.

Threats, Risks & Concerns

Risk management is an inherent part of the Company's business and management is proactive in terms of managing risks in an organised manner.

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. By virtue of the nature of its business, the Company is susceptible to various risks and the Management had identified such risks and measures to mitigate or minimize them as 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	Foreign Exchange Risk	Gufic keeps a close watch on forex market, its trend and reviews the movements regularly to mitigate the risk
4	Economical and Political Risk	Gufic focuses on Due diligence, ongoing research and political risk analysis to predict such events and plans accordingly.
5	Market Risk	Demand and Supply are external factors on which company has no control, however the Company plans its production and sales from the experience gained in the past and on going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of Company's products.
6	Concentration Risk	Gufic derives revenues from multiple products, multiple customers across geographic regions. Thus, the Company will endeavour to remain diversified & mitigate concentration risk.
7	Price Risk	Gufic produces and sales some products competing with numbers of players in India and abroad. Increasing competition puts pressure on our realizations. Gufic regularly works on cost control, improved yields etc., to maintain our margins.

Cautionary Statement

Certain statements in the MDA section concerning future prospects, Company's objectives, projections, estimates, expectations, plans or industry conditions or events may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to 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 and policies, 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. These forward-looking statements represent only the Company's current intentions, beliefs or expectations and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, subsequent development 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, 2022**

We, Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director and Mr. Devkinandan B. Roonghta, Chief Financial Officer of M/s. Gufic Biosciences Limited, to best of our knowledge and belief certify that:

- A. We have reviewed financial statements and cash flow statements for the financial year ended March 31, 2022 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 ended March 31, 2022, 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 to 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 that:
- i) Significant changes in internal control over financial reporting during the year ended March 31, 2022;
 - ii) Significant changes in accounting policies during the year ended March 31, 2022 and that the same have been disclosed in the notes to the financial statements and
 - iii) During the year, there were no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee have a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

**Sd/-
Pranav J. Choksi
Chief Executive Officer & Whole Time Director**

**For and on behalf of the Board of Directors
of Gufic Biosciences Limited**

**Sd/-
Devkinandan B. Roonghta
Chief Financial Officer**

**Place : Mumbai
Date : May 20, 2022**



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members
Gufic Biosciences Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Gufic Biosciences Limited**, for the year ended on 31st March 2022 as stipulated under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in relevant regulation(s) of above mentioned Listing Regulations.

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

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

Place: Mumbai
Date: July 14, 2022
UDIN: F006252D000614079

Sd/-
CS Mannish L. Ghia
Partner
M. No. FCS 6252, C.P. No. 3531
PR 822/2020

INDEPENDENT AUDITORS' REPORT

To

The Members of Gufic Biosciences Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Gufic Biosciences Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	How our audit addressed the key audit matter
Revenue from Operations		
1	<p>Revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The revenue recognition occurs at a point in time when the control of the goods is transferred to the customer.</p> <p>We focused on this area as a key audit matter due to the amount of Revenue being regarded by Management as a key performance indicator in assessing performance. We believe there exists a risk of revenue being recognized before the control is transferred, including risk of incorrect timing of estimation related to recording the discounts and rebates.</p> <p>Refer note 2.11 and 28 to the financial statements.</p>	<p>As part of our audit procedures, we:</p> <ul style="list-style-type: none"> • Read the Company's accounting policy for revenue recognition and assessed compliance with the requirements of Ind AS 115. • Evaluated the design, tested the implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue and measurement of rebates, discounts and returns. • On a sample basis, tested supporting documentation for sales transactions and rebates/discounts recorded during the year which included sales invoices, customer contracts, shipping documents and customer correspondences for rebates/discounts. • Tested revenue samples focused on sales recorded immediately before the year-end, obtained evidence as regards timing of revenue recognition, based on terms and conditions of sales contracts and delivery documents. • Obtained management workings for amounts recognised towards discount schemes, returns and rebates during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents; • Tested all the manual sales-related adjustments made to revenue comprising of variable consideration under Ind AS 115 to ensure the appropriateness of revenue recognition during the year; • Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

Inventory, its valuation and provisions

2	<p>The Company holds inventory at various locations including factory, various depots and third-party locations. Hence existence of inventory is of significant importance.</p> <p>Inventory valuation involves significant assumptions and estimations made by the Management.</p> <p>Management also makes an estimate for near expiry and slow-moving inventory based on the age of the inventory.</p> <p>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> <p>Refer note 2.7 and 13 to the financial statements.</p>	<p>Our audit of existence of inventory included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> ● Assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. ● Obtained an understanding of the management's process for inventory counts, including the changes required thereto as a result of COVID-19 related restrictions, and evaluated the design and tested the operating effectiveness of key controls with respect to physical verification of inventory; ● Inspected the instructions given by supervisory teams to the management count teams; ● Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory; ● Appointed independent auditor's experts for observing inventory counts at certain locations; ● Reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; ● Tested that the differences noted in management's physical verification of inventory from book records were adequately adjusted in books of account. ● 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.
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Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SAs 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 financial statements.

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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 made by management.
- Conclude on the appropriateness of management's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable;
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes on Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer note 45 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.
- e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and 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. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Piyush Agarwal
Partner

Membership No. 135505
UDIN: 22135505AJILHR6704

Place: Mumbai
Dated: May 20, 2022

ANNEXURE A TO THE AUDITOR'S REPORT

Annexure A to the Independent Auditors' Report on the financial statements of Gufic Biosciences Limited for the year ended 31 March 2022

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 1a A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- 1b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- 1c According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and other than self-constructed immovable property (Factory Buildings)) disclosed in the financial statements are held in the name of the Company.
- 1d According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year.
- 1e According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- 2a The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- 2b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- 3 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- 4 According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made any investments or provided any guarantee or security as specified under Sections 185 and 186 of the Act. In respect of the loans given by the Company, in our opinion the provisions of Sections 185 and 186 of the Act have been complied with.
- 5 The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- 6 We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- 7a The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the

Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Income-tax, Provident fund, Employees' State Insurance, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Income-tax, Provident fund, Employees' State Insurance, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- 7b According to the information and explanations given to us, statutory dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise or Cess or other statutory dues which have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where dispute matter is pending
Income Tax Act, 1961	Income Tax	426.27	Assessment Year- 2012-13, 2013-14, 2014-15, 2019-20	Appellate Authority upto Commissioner's level
		33.15	Assessment Year - 2018-19	Assessing Officer / National eAssessment Centre
Central Excise Act, 1944	Central Excise Duty	14.04	01/02/2008 to 31/07/2008	Appellate Authority upto Commissioner's level
Madhya Pradesh VAT Act, 2002	Value Added Tax	2.51	Financial Year - 2005-06	Appellate Authority upto Commissioner's level

** These amounts are net of amount paid / adjusted under protest ₹ 260.48 lakhs

- 8 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- 9a According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender during the year.
- 9b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- 9c According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has applied term loans for the purpose for which it was obtained.
- 9d According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- 9e According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable to the Company.
- 9f According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.
- 10a The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- 10b According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- 11a Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- 11b According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the

Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- 11c We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- 12 According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- 13 In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- 14a Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 14b We have considered the internal audit reports of the Company issued till date for the period under audit.
- 15 In our opinion and according to the information and explanations given to us, the Company has not entered into any non cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- 16a The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- 16b The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- 16c The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- 16d According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- 17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- 18 There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- 19 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20 In our opinion and according to the information and explanations given to us, there is no unspent amount under sub section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Piyush Agarwal
Partner

Membership No. 135505
UDIN: 22135505AJILHR6704

Place: Mumbai
Dated: May 20, 2022

**Annexure B to the Independent Auditors' Report on the financial statements of
Gufic Biosciences Limited for the year ended 31 March 2022**

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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statements of Gufic Biosciences Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to the financial statements 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Control

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 with reference to the financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of such 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 auditors' judgment, 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 with reference to the financial statements.

Meaning of Internal Financial Controls with Reference to the Financial Statements

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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.

Inherent Limitations of Internal Financial Controls with Reference to the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Mittal Agarwal & Company**
Chartered Accountants
(Firm Registration No. 131025W)

Piyush Agarwal
Partner

Membership No. 135505
UDIN: 22135505AJLHR6704

Place: Mumbai
Dated: May 20, 2022

BALANCE SHEET AS AT 31st MARCH, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31st, 2022	As at March 31st, 2021
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5	11,175.64	9,376.41
Intangible Assets	6	61.02	44.51
Capital Work-in-Progress	7	4,087.43	1,340.05
Right-of-Use Assets	8	280.03	576.07
Financial Assets			
Investments	9	0.75	0.75
Loans	10	24.07	29.04
Other Financial Assets	11	908.49	1,129.68
Other Non-Current Assets	12	3,527.35	651.31
Total Non-Current Assets		20,064.77	13,147.82
Current Assets			
Inventories	13	11,556.69	9,440.46
Financial Assets			
Trade Receivables	14	15,155.29	12,450.07
Cash and Cash Equivalents	15	1,160.80	620.14
Other Bank Balances	16	1,496.31	697.65
Loans	10	38.26	25.32
Other Current Assets	12	2,668.05	2,824.64
Total Current Assets		32,075.40	26,058.28
Total Assets		52,140.17	39,206.10
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	969.45	969.45
Other Equity	18	25,942.35	16,374.20
Total Equity		26,911.80	17,343.65
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	4,739.73	3,542.65
Lease Liabilities	20	32.88	282.24
Other Financial Liabilities	21	499.75	499.75
Provisions	22	1,238.86	1,022.62
Deferred Tax Liabilities (Net)	23	18.95	148.95
Total Non-Current Liabilities		6,530.17	5,496.21
Current Liabilities			
Financial Liabilities			
Borrowings	24	1,384.48	1,992.22
Lease Liabilities	20	281.65	336.61
Trade and Other Payables Due to :			
Micro and Small Enterprises	25	698.98	387.00
Other than Micro and Small Enterprises	25	13,396.14	10,734.47
Other Financial Liabilities	21	1,143.68	1,173.74
Other Current Liabilities	26	1,238.66	1,127.47
Provisions	22	487.15	456.52
Current Tax Liabilities (Net)	27	67.48	158.20
Total Current Liabilities		18,698.22	16,366.24
Total Liabilities		25,228.37	21,862.45
Total Equity and Liabilities		52,140.17	39,206.10

See accompanying Notes to the Financial Statements

I to 58

As per our report of even date

 For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
M. No. 135505
Mumbai - 20th May, 2022

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

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

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in Lakhs)

Particulars	Notes	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Income			
Revenue from Operations	28	77,915.56	48,769.87
Other Income	29	310.42	373.29
Total Income		78,225.98	49,143.16
Expenses			
Cost of Material Consumed	30	35,393.40	21,345.17
Purchase of Stock-in-Trade	31	7,741.84	2,255.25
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	32	(1,938.86)	1,428.79
Employee Benefits Expense	33	8,561.18	6,621.80
Finance Costs	34	484.68	1,363.33
Depreciation and Amortisation Expense	35	1,713.38	1,630.76
Other Expenses	36	13,586.53	8,726.91
Total Expenses		65,542.15	43,372.01
Profit Before Exceptional Items and Tax		12,683.83	5,771.15
Exceptional Items		-	-
Profit Before Tax		12,683.83	5,771.15
Tax Expense	37		
Current Tax		3,215.00	1,719.82
Deferred Tax		(115.18)	201.14
Tax Adjustment for Earlier Year		-	(572.97)
		3,099.82	1,347.99
Profit for the Year		9,584.01	4,423.16
Other Comprehensive Income Items that will not be Reclassified to Profit or Loss :			
i. Remeasurements of the Defined Benefit Plans	41	(58.88)	38.51
ii. Tax Expenses on the above		14.82	(11.41)
Total other Comprehensive Income/(Loss) for the Year (Net of Tax)		(44.06)	27.10
Total Comprehensive Income for the Year		9,539.95	4,450.26
Earnings Per Equity Share of Face Value of ₹ 1 each	42		
Basic (in ₹)		9.89	4.56
Diluted (in ₹)		9.89	4.56

See accompanying Notes to the Financial Statements

I to 58

As per our report of even date

 For **Mittal Agarwal & Company**

Chartered Accountants

Registration No. 131025W

Piyush Agarwal

Partner

For and on behalf of the Board

Jayesh P. Choksi (DIN 00001729)

Chairman & Managing Director

Pranav J. Choksi (DIN 00001731)

Chief Executive Officer & Whole Time Director

M. No. 135505

Mumbai - 20th May, 2022

D. B. Roonghta
 Chief Financial Officer

Ami Shah
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2022

(₹ in Lakhs)

Particulars	For Year Ended March 31st, 2022	For Year Ended March 31st, 2021
A. Cash Flow from Operating Activities		
Profit for the Year	9,584.01	4,423.16
Adjust for:		
Income Tax Expense Recognised in Profit or Loss	3,099.82	1,347.99
Depreciation / Amortisation Expense	1,713.38	1,630.76
Dividend Income	(0.05)	-
Interest Income on Fixed Deposits with Banks	(78.17)	(57.01)
Interest Income on Financial Assets Carried at Amortised Cost	(109.74)	(88.04)
Interest Costs on Financial Liabilities Measured at Amortised Cost	484.68	1,363.33
Non Current Security Deposits at Amortised Cost	88.00	73.64
Profit on Sale of Fixed Asset	(6.84)	3.74
Sundry Credit Balances Written back	(4.79)	152.33
	14,770.30	8,849.91
Movements in working capital:		
(Increase)/Decrease in Trade and Other Receivables	(2,319.31)	(1,899.00)
(Increase)/Decrease in Inventories	(2,116.23)	2,805.68
Increase/(Decrease) in Trade and Other Payables	3,415.39	(91.20)
	(1,020.16)	815.47
Cash Generated from Operations	13,750.14	9,665.38
Direct Taxes paid (Net)	(3,305.72)	(940.29)
Net Cash Flow from Operating Activities	10,444.42	8,725.09
B. Cash flows from Investing Activities		
Purchase of Property, Plant and Equipments including Capital Advances & Intangibles	(8,880.17)	(1,236.38)
Sale of Property, Plant and Equipments	6.84	(3.56)
Dividends Income	0.05	-
Balance in Earmarked Accounts	(777.40)	514.97
Interest Income on Fixed Deposits with Banks	56.90	55.68
Net Cash Flow Used in Investing Activities	(9,593.77)	(669.29)
C. Cash Flows from Financing Activities		
Proceeds from Current Borrowings (Net)	(607.75)	(7,318.11)
Proceeds of Non-Current Borrowings (Net)	1,197.09	1,178.89
Processing Fees Paid	(22.00)	-
Payment for Lease Liabilities	(304.33)	(344.44)
Payment for Interest Lease Liability	(62.65)	(93.90)
Dividends paid on Equity Shares	(92.11)	(36.29)
Interest Paid	(418.25)	(1,247.95)
Net Cash Used in Financing Activities	(309.98)	(7,861.80)
Net Increase in Cash and Cash Equivalents	540.67	194.00
Cash and Cash Equivalents at the Beginning of the Year	620.14	426.14
Cash and Cash Equivalents at the End of the Year	1,160.81	620.14

See accompanying Notes to the Financial Statements

I to 58

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
M. No. 135505
Mumbai - 20th May, 2022

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

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

D. B. Roonghta
Chief Financial Officer

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 (IndAS-7) "Statement of Cash Flows".

b) **Cash and Cash Equivalents** comprises of:

(₹ in Lakhs)

Components of Cash and Cash Equivalents	As at March 31st, 2022	As at March 31st, 2021
Cash and Bank Balances includes :		
Balances with Banks		
In Current Accounts	914.43	230.81
Cheques on hand	245.66	311.71
Cash on hand	0.72	77.62
Total Cash and Cash Equivalents (Refer note 15)	1,160.81	620.14

As per our report of even date

For **Mittal Agarwal & Company**

Chartered Accountants

Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal

Partner

M. No. 135505

Jayesh P. Choksi (DIN 00001729)

Chairman & Managing Director

Pranav J. Choksi (DIN 00001731)

Chief Executive Officer &

Whole Time Director

Place: Mumbai

Date: 20th May, 2022

D. B. Roonghta

Chief Financial Officer

Ami Shah

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31st, 2022

A. Equity Share Capital (Refer Note 17)

(₹ in Lakhs)

Particulars	Balance at the Beginning of the Current Reporting Period	Changes in Equity Share Capital due to Prior Period Errors	Restated Balance at the Beginning of the Current Reporting Period	Changes in Equity Share Capital During the Current Year	Balance at the End of the Current Reporting Period
Balance at March 31st, 2022	969.45	-	969.45	-	969.45
Balance at March 31st, 2021	969.45	-	969.45	-	969.45

B. Other Equity (Refer Note 18)

(₹ in Lakhs)

Particulars	Reserves and surplus				Other comprehensive Income	Total Equity attributable to Equity holders
	Capital reserve	General reserve	Retained earnings	Others (Note 18)	Remeasurements of the Defined Benefit Plans	
As at March 31st, 2020	7,088.24	134.71	4,957.92	26.25	(244.26)	11,962.86
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-
Restated Balance at the Beginning of the Current Reporting Period	7,088.24	134.71	4,957.92	26.25	(244.26)	11,962.86
Total Comprehensive Income for the Current Year						
Profit for the Year	-	-	4,423.16	-	-	4,423.16
Transaction during the Year	-	-	26.25	(26.25)	-	-
Other Comprehensive Income for the year, net of Income tax	-	-	-	-	27.09	27.09
Dividend on Equity shares	-	-	(38.92)	-	-	(38.92)
As at March 31st, 2021	7,088.24	134.71	9,368.42	-	(217.17)	16,374.20
Changes in Accounting Policy/ Prior Period Errors	-	-	-	-	-	-
Restated Balance at the Beginning of the Current Reporting Period	7,088.24	134.71	9,368.42	-	(217.17)	16,374.20
Total Comprehensive Income for the Current Year						
Profit for the Year	-	-	9,584.01	-	-	9,584.01
Transaction during the Year	125.15	-	-	-	-	125.15
Other Comprehensive Income for the Year, net of Income Tax	-	-	-	-	(44.07)	(44.07)
Dividend on Equity shares	-	-	(96.94)	-	-	(96.94)
As at March 31st, 2022	7,213.39	134.71	18,855.49	-	(261.24)	25,942.35

See accompanying Notes to the Financial Statements

I to 58

As per our report of even date

For **Mittal Agarwal & Company**

Chartered Accountants
Registration No. 131025W

For and on behalf of the Board

Piyush Agarwal
Partner
M. No. 135505

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

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

Place: Mumbai
Date: 20th May, 2022

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I Corporate Information

The financial statements comprise financial statements of Gufic Biosciences Limited ("the company") for the year ended March 31st, 2022. 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 BSE and NSE in India. The registered office of the company is located at 37, 1st Floor, Kamala Bhavan II, Swami Nityanand Road, Andheri (East), Mumbai-400069 and the corporate office is located at 1st to 4th Floor, S.M.House, 11 Sahakar Road, Vile Parle (East), Mumbai - 400057.

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 by the company's Board of the Directors on May 20th, 2022 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Significant Accounting Policies

2.1 Statement of Compliance

The financial statements of the company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (IndAS) 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.

2.2 Basis of preparation and presentation

2.2.1 Historical cost convention

These 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 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 May 20th, 2022. .

2.2.2 Functional and Presentation Currency

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

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

2.2.3 Fair value measurement

Fair value is the price that would be received from sell of 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 and other criteria set out in 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 counterparty, 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.

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 identifiable group of assets 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, 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 below 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 below criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (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 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:

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

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

- **Trade receivables**

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:

- 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
- 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 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 and financial liabilities

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 of 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 of Profit and loss
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	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

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 nonmonetary 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

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 inconsequential 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.

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 presentvalue 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.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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 insubstance 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.

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 is 10 %.

2.15 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.

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.

2.17 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.

2.18 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 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, 2022.

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 41**, '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 financial statements is included in notes 2.11 above.

Note 5. Property, Plant And Equipment

(₹ in Lakhs)

Description of assets	Factory Buildings(*)	Leasehold Land	Residential 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 1st, 2020	2,171.54	-	-	5,205.68	678.05	139.63	389.55	910.78	434.95	251.23	10,181.41
Additions	183.41	-	-	2,493.57	104.57	45.58	23.21	480.74	12.06	26.61	3,369.74
Disposals/reclassifications	-	-	-	-	-	-	-	-	-	(3.60)	(3.60)
As at March 31st, 2021	2,354.94	-	-	7,699.25	782.62	185.21	412.76	1,391.52	447.02	274.24	13,547.56
Additions	218.69	630.50	984.43	590.39	264.49	84.25	47.47	380.49	26.91	50.44	3,278.04
Disposals/reclassifications	-	-	-	(292.19)	-	-	(48.70)	-	-	(1.78)	(342.67)
As at March 31st, 2022	2,573.63	630.50	984.43	7,997.44	1,047.11	269.46	411.53	1,772.01	473.93	322.90	16,482.93
Accumulated Depreciation											
As at April 1st, 2020	284.96	-	-	1,714.92	107.27	38.69	160.22	313.92	142.03	147.04	2,909.04
Depreciation expense for the year	106.76	-	-	736.13	47.35	19.10	46.03	194.70	56.93	58.50	1,265.52
Disposals/reclassifications	-	-	-	-	-	-	-	-	-	(3.42)	(3.42)
As at March 31st, 2021	391.72	-	-	2,451.05	154.62	57.79	206.25	508.62	198.95	202.12	4,171.14
Depreciation expense for the year	111.47	-	15.54	750.23	61.66	23.90	44.68	273.66	57.03	47.14	1,385.31
Disposals/reclassifications	-	-	-	(206.80)	-	-	(40.66)	-	-	(1.69)	(249.15)
As at March 31st, 2022	503.20	-	15.54	2,994.49	216.28	81.70	210.27	782.28	255.98	247.56	5,307.30
As at March 31st, 2022	2,070.43	630.50	968.89	5,002.96	830.83	187.76	201.26	989.73	217.95	75.33	11,175.64
As at March 31st, 2021	1,963.22	-	-	5,248.19	628.00	127.42	206.51	882.90	248.06	72.12	9,376.41

(*) - 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 Leasehold Land, Plant and Equipments, Plant and Equipments (R & D), Furniture and Fixture, Office Equipments, Electrical Installations and Computers having carrying value of ₹ 7,935.05 lakhs (as at March 31st, 2021: ₹ 7,206.70 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 other.
- 5.2.2 Vehicles having carrying value of ₹ 111.99 lakhs (as at March 31st, 2021: ₹ 136.98 lakhs) have been hypothecated by way of first charge on the vehicles acquired under the specific facility granted.
- 5.2.3 Residential Building having carrying value of ₹968.89 lakhs (as at March 31st, 2021: ₹ NIL) have been mortgaged by way of first charge on the property.

Note 6. Other Intangible Assets

(₹ in Lakhs)

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Gross Block (Cost or Deemed Cost)					
As at April 1st, 2020	13.68	32.11	42.62	2.80	91.21
Additions	-	-	-	-	-
Disposals/ Reclassifications	-	-	-	-	-
As at March 31st, 2021	13.68	32.11	42.62	2.80	91.21
Additions	28.25	-	-	-	28.25
Disposals/ Reclassifications	-	-	-	-	-
As at March 31st, 2022	41.93	32.11	42.62	2.80	119.46
Accumulated Amortisation					
As at April 1st, 2020	11.56	3.84	19.40	0.70	35.51
Amortisation Expense for the Year	1.44	3.00	4.66	2.10	11.19
Disposal of Assets/ Reclassifications	-	-	-	-	-
As at March 31st, 2021	13.00	6.84	24.06	2.80	46.70
Amortisation Expense for the Year	4.08	3.00	4.66	-	11.74
Disposal of Assets/ Reclassifications	-	-	-	-	-
As at March 31st, 2022	17.08	9.83	28.72	2.80	58.44
As at March 31st, 2022	24.85	22.28	13.90	-	61.02
As at March 31st, 2021	0.68	25.27	18.56	-	44.51

Note 7. Capital Work In Progress

(₹ in Lakhs)

Description of assets	As at March 31st, 2022	As at March 31st, 2021
Deemed cost		
Opening	1,340.05	3,061.02
Additions	4,075.30	3,427.61
Reclassifications	1,327.92	5,148.59
TOTAL	4,087.43	1,340.05

- 7.1 Capital Work in Progress includes Factory Building and Plant & Equipment having carrying value of ₹ 2026.30 lakhs (as at March 31st, 2021: ₹ 113.50 Lakhs) and Residential Building having a carrying value of ₹ NIL (as at March 31st, 2021: ₹ 963.21 Lakhs) which has been pledged to secure borrowings of the Company (Refer note 19).

7.2 Capital Work in Progress Ageing Schedule :

(₹ in Lakhs)

Particulars	As at March 31st, 2022				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	3,820.48	158.94	108.00	-	4,087.42

(₹ in Lakhs)

Particulars	As at March 31st, 2021				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
Projects in Progress	268.83	1,071.21	-	-	1,340.05

Note 8. Right-of-use Assets

(₹ in Lakhs)

Particulars	Leasehold Properties	Total
I. Carrying Amount		
Balance as at April 1st, 2020	1,225.53	1,225.53
Additions	-	-
Deletion	-	-
Balance as at March 31st, 2021	1,225.53	1,225.53
Additions	32.88	32.88
Deletion	75.41	75.41
Balance as on March 31st, 2022	1,182.99	1,182.99
II. Accumulated Depreciation / Amortization Loss		
Balance as at April 1st, 2020	295.41	295.41
Additions	354.05	354.05
Deletion	-	-
Balance as at March 31st, 2021	649.46	649.46
Additions	316.34	316.34
Deletion	62.84	62.84
Balance as on March 31st, 2022	902.96	902.96
Net Block as on March 31st, 2022	280.03	280.03
Net Block as on March 31st, 2021	576.07	576.07

8.1 The aggregate depreciation expense amounting to ₹ 316.34 Lakhs (for the Year Ended March 31st, 2022 : ₹ 354.05 Lakhs) on ROU assets is included under depreciation and amortisation expenses (Refer Note 35) in the Statement of Profit and Loss.

Note 9. Investments

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Non-current		
Unquoted (at FVTOCI)		
Equity Instruments		
- Saraswat Co-Op Bank Ltd (5000(P.Y.: 5000) equity shares)	0.75	0.75
Total Aggregate Unquoted Investments	0.75	0.75
Total Investments	0.75	0.75
Aggregate carrying amount of unquoted investments	0.75	0.75

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

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Loans to Staff	24.07	29.04
	24.07	29.04
Current		
Loans to Staff	38.26	25.32
	38.26	25.32

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.

Note 11. Other Financial Asset

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Deposit		
with Related Parties (Refer Note 40, 53)	384.63	641.78
with Others (Amortised Cost)	523.86	487.90
	908.49	1,129.68

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 40 for dues from related parties.

Note 12. Other Assets
(unsecured, Considered Good Unless Stated Otherwise)

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Capital Advances		
Cosidered Good	3,432.17	553.13
Cosidered Credit Impaired	-	-
	3,432.17	553.13
Less : Provision for credit impaired	-	-
	3,432.17	553.13
Others		
Balances with Statutory Authorities like Value Added Tax etc.	0.29	0.29
Prepaid Expenses		
For Leave & Lisence Agreement (Factory Building & office premises)	92.00	86.36
Finance Charges	2.88	11.53
	3,527.35	651.31

Note 12. Other Assets
(Considered Good unless Stated Otherwise)

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Current		
Advances other than Capital Advances		
Employees Imprest Advance to Related Parties (Refer Note 40)	103.09	188.92
	-	74.61
	103.09	263.53
Others		
Advance to Vendors Considered Good	769.95	758.46
Credit Impaired	-	-
	769.95	758.46
Less : Provision for Credit Impaired	-	-
	769.95	758.46
Balances with Statutory Authorities like Goods and Service tax, Value Added Tax etc	1,709.51	1,733.87
Prepaid Expenses	85.09	58.02
Others	0.41	10.76
	2,668.05	2,824.64

Note.13 Inventories

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Inventories (Lower of Cost and Net Realisable Value)		
Raw Materials	2,338.09	3,120.52
Work-in-Process	2,045.16	2,823.44
Finished Goods	3,943.76	2,063.82
Packing Materials	2,083.39	1,097.54
Stock-in-Trade	1,102.51	297.74
Consumables	43.77	37.40
	11,556.69	9,440.46

The cost of inventories recognised as an expense during the year was ₹41,196.38 lakhs (for the year ended March 31st, 2021: ₹ 25,029.21 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.

For details of inventories pledge as security, Refer Note 24.

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Stock-in-Transit, (Included above)		
Raw Materials	52.59	216.17
Finished Goods	75.85	77.56
	128.44	293.74

Note 14. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
(Unsecured, considered good unless stated otherwise)		
Current		
Considered good (Refer note 40)	11,664.42	10,649.64
Credit Impaired (Refer note 43.3.1)	3,934.82	2,104.14
	15,599.24	12,753.78
Allowance for doubtful debts (expected credit loss allowances)	(443.95)	(303.71)
	15,155.29	12,450.07

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.

(₹ in Lakhs)

	As at March 31st, 2022	As at March 31st, 2021
Expected credit loss (%)		
Not Due	1.19%	1.06%
Less than 6 Months	1.63%	1.47%
6 Months - 1 Year	7.43%	7.18%
1 Year - 2 Years	14.83%	11.41%
2 Years - 3 Years	35.01%	33.79%
More than 3 Years	100.00%	100.00%
Age of Receivable		
Undisputed Trade receivables – Considered Good		
Not Due	11,664.42	10,649.64
Less than 6 Months	2,671.35	1,120.89
6 Months - 1 Year	713.81	488.17
1 Year - 2 Years	303.51	359.95
2 Years - 3 Years	127.06	55.39
More than 3 Years	119.08	79.73
	15,599.24	12,753.78
Undisputed Trade Receivables – Considered Doubtful		
Not Due	-	-
Less than 6 Months	-	-
6 Months - 1 Year	-	-
1 Year - 2 Years	-	-
2 Years - 3 Years	-	-
More than 3 Years	-	-
	-	-
Disputed Trade Receivables Considered Good		
Not Due	-	-
Less than 6 Months	-	-
6 Months - 1 Year	-	-
1 Year - 2 Years	-	-
2 Years - 3 Years	-	-
More than 3 Years	-	-
	-	-
Disputed Trade Receivables Considered Doubtful		
Not Due	-	-
Less than 6 Months	-	-
6 Months - 1 Year	-	-
1 Year - 2 Years	-	-
2 Years - 3 Years	-	-
More than 3 Years	-	-
	-	-
Movement in the Expected Credit Loss Allowance		
Balance at Beginning of the Year	303.71	379.81
Actual Bad Debts During the Year	-	(86.19)
Provision for Expected Credit Loss Allowance on Trade Receivables Calculated at Lifetime Expected Credit Losses	140.24	10.10
Balance at the Year End	443.95	303.71

Note 15. Cash And Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Balances with Banks		
In Current Accounts	914.43	230.81
Cheques on Hand	245.66	311.71
Cash on Hand	0.72	77.62
	1,160.80	620.14

Note 16. Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Earmarked Balances with Banks		
Unpaid Dividend Accounts	9.67	4.83
Deposits against Guarantees and Other Commitments	1,486.64	692.82
	1,496.31	697.65

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹6.51 lakhs (as at March 31st, 2021 : ₹ 16.01 Lakhs) with maturity of more than 12 months.

Note 17. Equity Share Capital

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
Authorised Share capital				
Equity Shares of ₹1 Each	10,52,00,000	1,052.00	10,52,00,000	1,052.00
9.5% Non-Cumulative, Non- Convertible Redeemable Preference Shares of ₹1 Each	75,22,66,610	7,522.67	75,22,66,610	7,522.67
Unclassified shares	33,390	0.33	33,390	0.33
		8,575.00		8,575.00
Issued and Subscribed capital Comprises				
Equity Shares of ₹ 1 Each, Fully Paid Up	9,69,44,506	969.45	9,69,44,506	969.45
	9,69,44,506	969.45	9,69,44,506	969.45

17.1 Reconciliation of the Number of Shares Outstanding at the Beginning and at the End of the Reporting Period

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
Equity Shares at the beginning of the year	9,69,44,506	969.45	9,69,44,506	969.45
Equity Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	9,69,44,506	969.45	9,69,44,506	969.45

17.2 The Company has only one class of equity shares having a par value of ₹ 1 per share. 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

Name of Shareholder	As at March 31st, 2022		As at March 31st, 2021	
	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) Jayesh Pannalal Choksi	2,51,58,829	25.95	2,51,58,829	25.95
b) Zircon Teconica Private Limited	2,05,23,330	21.17	2,05,23,330	21.17
c) Gufic Private Limited	1,01,91,523	10.51	1,01,91,523	10.51
d) Vipula Jayesh Choksi	1,00,33,843	10.35	1,00,33,843	10.35
e) Pranav Jayesh Choksi	72,68,626	7.50	72,68,626	7.50

17.4 The company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preceding the reporting date.

17.5 Details of Equity shares held by promoters at the end of the year

Name of Shareholder	As at March 31st, 2022			As at March 31st, 2021		
	Number of Shares Held	% Holding in the Class of Shares	% Change During the Year	Number of Shares Held	% Holding in the Class of Shares	% Change During the Year
a) Jayesh Pannalal Choksi	2,51,58,829	25.95%	0.00%	2,51,58,829	25.95%	22.59%
b) Zircon Teconica Private Limited	2,05,23,330	21.17%	0.00%	2,05,23,330	21.17%	13.95%
c) Gufic Private Limited	1,01,91,523	10.51%	0.00%	1,01,91,523	10.51%	40.21%
d) Vipula Jayesh Choksi	1,00,33,843	10.35%	0.00%	1,00,33,843	10.35%	86.71%
e) Pranav Jayesh Choksi	72,68,626	7.50%	0.00%	72,68,626	7.50%	151.92%

Note 18. Other Equity Excluding Non-controlling Interests

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
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	7,088.24	7,088.24
Movements	125.15	-
Balance at End of the Year	7,213.39	7,088.24
Retained Earnings		
Balance at Beginning of Year	9,368.41	4,957.92
Add : Profit for the Year	9,584.01	4,423.17
Add : Reversal of Notional Interest on Capital Contribution	-	26.25
Less : Final Dividend on Equity Shares (Refer Note 18.3)	(96.94)	(38.92)
Balance at End of the Year	18,855.47	9,368.42
Others (Refer Note 18.4)		
Balance at Beginning of the Year	-	26.25
Movements	-	(26.25)
Balance at End of the Year	-	-
Other Items of Other Comprehensive Income (Re - Measurement Gains (Losses) on Defined Benefit Plans)		
Balance at Beginning of Year	(217.17)	(244.26)
Add : Amount Transferred	(44.06)	27.09
Balance at End of the Year	(261.23)	(217.17)
	25,942.35	16,374.20

- 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.
- 18.2:** The Capital reserve is created on receipts of government grants for setting up of tissue culture division in the earlier years and on account of business combination.
- 18.3:** The company has paid dividend of ₹ 0.10 per share on September 20th, 2021 (totalling to ₹ 96.94 lakhs (for the year ended March 31st, 2021: ₹ 0.05 per share totalling to ₹ 38.92 lakhs) was paid to the holders of fully paid equity shares.
- 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.

Note 19. Non-current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non current	Current	Non current	Current
Secured – at Amortised Cost				
From Banks				
Term Loans (Refer Note 19.1)	4,336.77	632.96	3,016.15	265.80
Vehicle Loans (Refer Note 19.1)	57.84	28.10	49.57	16.44
From Others				
Vehicle Loans (Refer Note 19.1)	-	-	0.00	13.81
Property Loans (Refer Note 19.1)	345.13	63.49	476.92	63.74
	4,739.73	724.55	3,542.65	359.79
Total Non-Current Borrowings	4,739.73	724.55	3,542.65	359.79

19.1 Summary of borrowing arrangements

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

(a) Term Loans from Bank

Security

- The loans are secured by first pari passu charge on all the present and future plant & machineries/ lease hold land/ equipments/ air conditioners/ computers & accessories/ electric Installation and furniture and fixture.
- Further the loan is also secured by legal mortgage of land and factory building of Gufic Private Limited (Company in which directors are interested), situated at Navsari.
- It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (rescinded to the exposure of ₹ 3,640 lakhs) from Gufic Private Limited (Company in which directors are interested).

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 6,05,000/- to ₹ 33,30,000/- (March 31st, 2021 : ₹ 6,05,000/- to ₹ 15,00,000/-)(excluding interest), over a period of 1 to 108 months.

Rate of Interest

The Rate of Interest is 6.75% p.a. (March 31st, 2021 : 8.00% p.a.) and shall be payable on monthly basis.

(b) Vehical Loan from Bank and Others

Security

- Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted.
- Carrying value of the fixed assets pledged is ₹ 111.99 lakhs. (March 31st, 2021 : ₹ 136.98 lakhs).

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 34,701/- to ₹ 1,57,505/- (March 31st, 2021 ₹ 12,100/ to ₹ 1,57,505/-) (including Interest), over a period of 1 to 60 months.

Rate of Interest

The Rate of Interest is between 6.75 % to 8.65 % p.a. (March 31st, 2021 : 8.18% to 11.01% p.a.) and shall be payable on monthly basis.

(c) Property Loan
Security

- (i) Legal Mortgage of Property having carrying value of ₹ 963.21 Lakhs (March 31st, 2021 : ₹ 963.21 Lakhs) acquired under the specific facility granted.

Terms of Repayment

Amount disbursed under the term loan shall be repaid in monthly installments of ₹ 8,09,430/- (March 31st, 2021 : ₹ 8,09,430/-) (including Interest), within a period 180 months.

Rate of Interest

The Rate of Interest is 9.00% p.a. (March 31st, 2021 : 9.00% p.a.) and shall be payable on monthly basis.

19.2 There are no breach of contractual terms of the borrowing during the year ended March 31st, 2022 and March 31st, 2021.

Note 20. Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Lease Liabilities (Refer Note 39)	32.88	282.24
	32.88	282.24
Current		
Lease Liabilities (Refer Note 39)	281.65	336.61
	281.65	336.61

Note 21. Other Financial Liabilities (at Amortised Cost)

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Unsecured		
Security and Trade Deposits from Agents and Stockists	499.75	499.75
	499.75	499.75
Current		
Interest accrued and not due on Borrowings	23.35	28.22
Unpaid dividends (Refer Note 21.1)	9.67	4.84
Employee Benefits Payable	1,110.66	1,140.69
	1,143.68	1,173.74

Note 21.1 :

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.

Note 22. Provisions

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Non Current		
Provision for Employee Benefits (Refer Note 41)		
for Gratuity	658.79	513.36
for Compensated Absences	207.73	163.99
	866.52	677.34
Others		
Provision for Sales Returns (Refer Note 55)	372.34	345.28
	372.34	345.28
	1,238.86	1,022.62
Current		
Provision for Employee Benefits (Refer Note 41)		
for Gratuity	38.85	39.89
for Compensated Absences	56.87	47.70
	95.72	87.59
Others		
Provision for Sales Returns (Refer Note 55)	391.43	368.94
	391.43	368.94
	487.15	456.52

Note 23. Deferred Tax Liabilities(Net)

Deferred tax Relates to the following :

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Property, Plant and Equipment	374.39	415.16
Borrowing Cost	2.45	2.93
Trade Receivables	(106.63)	(76.62)
Employee Benefits (net of OCI)	(164.46)	(120.53)
Other Comprehensive Income	(86.81)	(71.99)
Other Items	-	-
Net Deferred Tax Liabilities	18.95	148.95

Note 24. Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Loans from Bank - Secured		
Working Capital Facility (Refer Note 24.1)	659.92	1,632.43
Current Maturities of Long-Term Debt (Refer Note 19)	724.55	359.79
	1,384.48	1,992.22

24.1 Secured loans is comprise of Cash Credit, and is secured by hypothecation of all stocks and book debts. The facility granted to the company are further secured by mortgage of land and factory building of Gufic Private Limited (Company in which directors are interested), situated at Navsari. The loan is 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 ₹ 3,640 lakhs) of Gufic Private Limited (Company in which directors are interested).

Rate of Interest is 6.75% p.a (March 31st, 2021: 8.00% p.a) and repayable on demand.

Note 25. Trade Payables

Particulars	As at March 31st, 2022	As at March 31st, 2021
Current		
micro and small enterprises	698.98	387.00
other than micro and small enterprises	13,396.14	10,734.46
	14,095.12	11,121.47

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.

Particulars	As at March 31st, 2022	As at March 31st, 2021
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	666.13	269.87
b. Interest due on above	32.85	117.13
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small & 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	21.68	89.16
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year	32.85	117.13
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: The above information has been complies in respect of parties to the extent to which they could identify as Micro and small enterprises on the basis of information available with the Company.

Age of Payables	As at March 31st, 2022	As at March 31st, 2021
Disputed Dues- MSME		
Not Due	-	-
Less than 6 months	-	-
6 Months - 1 Year	-	-
1 Year - 2 Years	-	-
2 Years - 3 Years	-	-
More than 3 Years	-	-
	-	-
Disputed Dues- Other than MSME		
Not Due	-	-
Less than 6 months	-	-
6 Months - 1 Year	-	-
1 Year - 2 Years	-	-
2 Years - 3 Years	-	-
More than 3 Years	-	-
	-	-
Undisputed Dues-MSME		
Not Due	575.25	280.32
Less than 6 months	101.39	19.71
6 Months - 1 Year	22.34	54.37
1 Year - 2 Years	-	32.61
2 Years - 3 Years	-	-
More than 3 Years	-	-
	698.98	387.00
Undisputed Dues-Other than MSME		
Not Due	10,922.19	8,985.14
Less than 6 months	1,635.61	667.73
6 Months - 1 Year	657.99	216.47
1 Year - 2 Years	125.62	97.47
2 Years - 3 Years	13.11	720.68
More than 3 Years	41.62	46.97
	13,396.14	10,734.46
	14,095.12	11,121.47

Note 26. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	494.75	663.36
Advances from Customers	603.49	282.71
Payable for Capital goods	140.42	181.39
	1,238.66	1,127.47

Note 27. Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Current tax liabilities		
Provision for Income Tax (Net)	67.48	158.20
	67.48	158.20

Note 28. Revenue From Operations

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Sale of Products (Net of Returns and GST) (Refer Note 40) (Formulation and Active Pharma Ingredient)	71,302.24	43,395.06
Other Operating Revenue		
Processing Charges	6,364.49	5,098.87
Other Operating Revenues	248.82	275.94
	77,915.56	48,769.87
Disaggregation Of Revenue		
Revenue based on Geography		
India	70,703.93	42,812.12
Africa	908.93	744.73
Asia	2,812.27	2,621.44
Europe	2,552.06	1,996.36
North America	835.33	486.18
Australia	40.61	35.94
South America	62.44	73.09
Revenue from Operations	77,915.56	48,769.87
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	84,810.64	51,874.30
Less:		
Sales Returns/ Discounts	6,895.08	3,104.44
Total Revenue from Operations	77,915.56	48,769.87
Contract Balances		
Trade Receivables	15,155.29	12,450.07
Contract Assets	-	-
Contract Liabilities	603.49	282.71
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	282.71	299.48
Additional During the Year	603.49	282.71
Reduction During the Year	282.71	299.48
Balances at the Close of the Year	603.49	282.71

Note 29. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Interest Income (at Amortised Cost)		
Interest Income Earned on Financial Assets that are not designated as at Fair Value through Profit or Loss:		
Bank Deposits (at amortised cost)	78.17	57.01
Other Financial Assets carried at Amortised Cost	109.74	88.04
	187.92	145.05
Dividend Income		
Dividends from Equity Investments	0.05	-
	0.05	-
Other Non-Operating Income (Net of Expenses Directly Attributable to such Income)		
Scrap Sales	6.44	47.35
Sundry Balance Written Back	4.79	-
Miscellaneous Income	35.04	27.44
Excess Provision Written Back (including Expected Credit Loss)	-	4.28
	46.27	79.07
Other gains		
Foreign Exchange Gains	69.34	145.43
Profit on Sale of Assets	6.84	3.74
	76.18	149.17
	310.42	373.29

Note 30. Cost of Material Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Consumption of Raw Material		
Opening Stock	3,120.52	4,757.74
Add: Purchases (Refer Note 40)	30,263.38	17,290.33
Less: Closing Stock	(2,338.09)	(3,120.52)
	31,045.80	18,927.56
Consumption of Packing Material		
Opening Stock	1,097.54	798.01
Add: Purchases (Refer Note 40)	5,333.45	2,717.14
Less : Closing Stock	(2,083.39)	(1,097.54)
	4,347.60	2,417.61
	35,393.40	21,345.17

Note 31. Purchases of Stock - In - Trade

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Purchase of Stock - In - Trade (Refer Note 40)	7,741.84	2,255.25
	7,741.84	2,255.25

Note 32. Changes In Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Opening stock of		
Work-in-Progress	2,823.44	3,331.91
Finished Goods	2,063.82	2,827.19
Stock-in-Trade	297.74	503.68
Right to Recover Return Goods	332.08	283.09
	5,517.08	6,945.87
Less: Closing stock of		
Work-in-Progress	2,045.16	2,823.44
Finished Goods	3,943.76	2,063.82
Stock-in-Trade	1,102.51	297.74
Right to Recover Return Goods	364.52	332.08
	7,455.95	5,517.08
	(1,938.86)	1,428.79

Note 33. Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Salaries and Wages	7,376.02	5,613.84
Contribution to Provident and Other Funds	340.87	286.01
Gratuity Expenses (Refer Note 41)	134.89	149.28
Staff Welfare Expenses	709.39	572.66
	8,561.18	6,621.80

Note. 34 Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Interest on Financial Liabilities - Borrowing carried at Amortised Cost	253.24	965.54
Bank and other Financial Charges	135.94	186.76
Interest on Lease Liabilities (Refer Note 39)	62.65	93.90
Interest to MSME	32.85	117.13
	484.68	1,363.33

Note. 35 Depreciation And Amortisation Expense

(₹ in Lakhs)

Particulars	For the year ended March 31st,2022	For the year ended March 31st,2021
Depreciation of Property, Plant and Equipment (Refer Note 5 & 6)	1,397.04	1,276.71
Amortisation of Right to Use asset (Refer Note 8)	316.34	354.05
	1,713.38	1,630.76

Note. 36 Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Consumable Stores	1,078.21	519.25
Power and Fuel	1,099.90	993.97
Labour Charges	783.63	676.52
Factory Expenses	1.71	2.21
Rent (Refer Note 40)	470.52	104.44
Rates and Taxes (Excluding Taxes on Income)	28.03	7.36
Repairs and Maintenance		
- Building	208.45	126.41
- Machinery	501.01	345.03
- Others	163.91	150.64
Printing and Stationery	265.24	198.24
Communication Expenses	97.84	76.94
Director Sitting Fees	3.30	2.65
Insurance Charges	175.52	118.41
Travelling, Conveyance and Vehicle Expenses	1,618.37	1,136.51
Legal and Professional Fees (Refer Note 40)	1,152.78	724.94
Testing and Laboratory Expenses	686.83	226.10
Transport and Forwarding	1,397.79	983.27
Commission and Brokerage	1,106.09	618.30
Sales Promotion Expenses	330.86	176.27
Advertisement	3.55	9.47
Donation	0.76	12.20
Research and Development Expenses (Refer Note 47)	442.86	209.89
Corporate Social Responsibility Activity (Refer Note 49)	84.91	67.00
Allowance for Doubtful Receivables (net) and Write off	140.24	10.10
Miscellaneous Expenses	1,744.24	1,228.81
Foreign Exchange loss (Net)	-	2.01
	13,586.53	8,726.91

Note 37. Taxation

a) The major components of Income Tax for the Year Ended March 31st, 2022 are as under:

i) **Income tax related to items recognised directly in profit or loss of the Statement of profit and loss during the year:**

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Current tax		
Current Tax Expense for the Year	3,215.00	1,719.82
Tax Expenses of Prior Years	-	(572.97)
Total current tax expense	3,215.00	1,146.85
Deferred tax		
Relating to origination and reversal of temporary differences	(115.18)	201.14
Income tax expense reported in the statement of profit and loss	3,099.82	1,347.99

ii) **Deferred tax related to items recognized in other comprehensive income (OCI) during the year:**

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Deferred tax on remeasurement of defined benefit plan	14.82	(11.41)
Deferred tax recognised in OCI	14.82	(11.41)

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

(₹ in Lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Accounting profit before tax	12,683.83	5,771.15
Income tax @ 25.17% (P.Y. 29.12%)	3,192.52	1,680.56
Adjustments in respect of Current Income Tax in respect of Previous Years	-	(572.97)
Change in Recognised deductible Temporary Differences	(115.18)	201.14
Income not Taxable/Exempt from Tax	22.48	39.26
Income Tax Expense Charged to the Statement of Profit and Loss	3,099.82	1,347.99

c) Deferred tax relates to the following:

(₹ in Lakhs)

	Balance-Sheet		Recognized in the statement of profit & loss		Other comprehensive Income	
	March 31st, 2022	March 31st, 2021	March 31st, 2022	March 31st, 2021	March 31st, 2022	March 31st, 2021
Deferred tax Liabilities						
Deductible temporary differences						
Property, Plant and Equipment	374.39	415.16	(40.76)	212.31	-	-
Borrowing Cost	2.45	2.93	(0.47)	(1.95)	-	-
Trade Receivables	(106.63)	(76.62)	(30.01)	0.33	-	-
Employee Benefits (net of OCI)	(164.46)	(120.53)	(29.11)	(57.90)	14.82	(11.41)
Other Comprehensive Income	(86.81)	(71.99)	(14.82)	11.41	-	-
Other Items	-	-	-	36.95	-	-
Total (a)	18.95	148.95	(115.18)	201.14	14.82	(11.41)
Less: MAT Credit Entitlement	-	-		-		-
Net Deferred Tax Liabilities (b)	18.95	148.95				
Deferred Tax Charge/(Credit) (a-b)			(115.18)	201.14	14.82	(11.41)

- i. There are no unrecognized deferred tax assets and liabilities as at March 31st, 2022 and March 31st, 2021. Further significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

Note 38. Segment Information
38.1 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 31st, 2022	For the year ended March 31st, 2021
Segment Revenue		
India	70,703.93	42,812.12
Africa	908.93	744.73
Asia	2,812.27	2,621.44
Europe	2,552.06	1,996.36
North America	835.33	486.18
Australia	40.61	35.94
South America	62.44	73.09
	77,915.56	48,769.87
Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Carrying Amount of Non-current assets		
India	20,064.77	13,147.82
Other Countries	-	-
	20,064.77	13,147.82

Information about major customers

No Single Customer Account for 10% or More than 10% of Revenue from operation during the year ended March 31st, 2022 and March 31st, 2021.

Note. 39 Lease

The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.

The interest rate applied to lease liabilities is 10.00%.

Note. 39.1 Disclosures Pursuant To Ind As 116 :

As a Lessee :		
The following is the break-up of current and non-current lease liabilities as at		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Current Lease Liabilities	281.65	336.61
Non-current Lease Liabilities	32.88	282.24
	314.52	618.85
The following is the movement in Lease Liabilities during the Year Ended:		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Balance as Beginning of the Year	618.85	963.30
Additions	-	-
Finance cost accrued	62.65	93.90
Deletions	-	-
Payment of Lease Liabilities	(366.98)	(438.35)
Balance as Closing of the year	314.52	618.85

The aggregate interest expense amounting to ₹ 62.65 Lakhs (for the year ended March 31st, 2021: ₹ 93.90 Lakhs) on Lease Liabilities is disclosed separately under Note 34 Finance Costs.

The following is the movement of cash outflow on lease liabilities during the year ended

(₹ in Lakhs)

Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Payment of Lease Liabilities	304.33	344.44
Interest on Lease Liabilities	62.65	93.90
Total Cash Outflow on Leases	366.98	438.34
The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2022 on an undiscounted basis :		
Less than one year	281.65	336.61
One to five years	32.88	282.24
	314.52	618.85
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 31st, 2022 :		
Depreciation charge on right-of-use assets	316.34	354.05
Interest expense on lease liabilities	62.65	93.90
Expense relating to short-term leases	370.52	23.40
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 31st, 2022 is ₹ 366.98 Lakhs. (for the year ended March 31st, 2021 : 438.34 Lakhs)		

Note 40. Related Party Disclosures

As per Indian Accounting standard 24, the disclosures of transactions with the related parties are given below:

1) List of related parties where control exists and related parties with whom transaction have taken place & relationship

Sr. No.	Name of the Related Party	Relationship
1	Mr. Jayesh P. Choksi - Chairman & Managing Director	Key Managerial Personnel
2	Mr. Pranav J. Choksi - Chief Executive Officer & Whole-time Director	
3	Mr. Pankaj J. Gandhi - Whole Time Director	
4	Mrs. Hemal M. Desai (Ceased w.e.f. October 01st, 2020) - Whole Time Director	
5	Mr. Dilip Ghosh (Appointed w.e.f. November 11th, 2020) - Whole Time Director	
6	Mr. Gopal M. Daptari - Independent Director	
7	Mr. Shrirang V. Vaidya - Independent Director	
8	Mr. Shreyas K. Patel - Independent Director	
9	Dr. Rabi Narayan Sahoo - Independent Director	
10	Dr. Anu Aurora - Independent Director	
11	Dr. Bal Ram Singh - Non Executive Director	
12	Rita Ghosh	Relatives of Key Managerial Personnel
13	Pooja Pranav Choksi	
14	Gufic Private Limited	Enterprises over which KMP are able to exercise influential control
15	Gufic Chem Private Limited	
16	Jal Private Limited	
17	Viraj Enterprise	
18	Shraddha Enterprise	
19	Manshi Gandhi Enterprise	
20	Zire Rushi Construction	
21	Tricon Enterprises Private Limited	
22	Prime Bio Inc	
23	Vishoushadhi Products and Services Private Limited	

Transactions for the year ended

(₹ in Lakhs)

Sr. no	Particulars	Year ended March 31st,2022	Year ended March 31st,2021
1	Services Received From Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	4.03	4.91
	Gufic Chem Private Limited	94.61	82.48
	Zire Rushi Construction	4.28	-
	Jal Private Limited	-	6.34
	Viraj Enterprise	-	2.18
	Shraddha Enterprise	-	1.69
	Manshi Gandhi Enterprise	-	0.93
	Prime Bio	568.66	71.74
	Vishoushadhi Products and Services Private Limited	73.04	102.64
2	Purchase of Goods Enterprises over which KMP are able to exercise influential control		
	Gufic Chem Private Limited	133.26	85.52
3	Payment of Rent Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	387.00	62.59
4	Sales of Goods Enterprises over which KMP are able to exercise influential control		
	Gufic Chem Private Limited	14.21	12.25
	Tricon Enterprises Private Limited	50.31	29.73
5	Reversal of Interest Receivable Enterprises over which KMP are able to exercise influential control		
	Zire Rushi Construction	40.82	-
6	Purchase of Intangible Asset Enterprises over which KMP are able to exercise influential control		
	Prime Bio	-	16.80
7	Purchase of Tangible Asset Enterprises over which KMP are able to exercise influential control		
	Zire Rushi Construction	21.22	951.98
8	Security Deposit Given (against lease) Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	-	130.00
9	Security Deposit Return (against lease) Enterprises over which KMP are able to exercise influential control		
	Gufic Private Limited	250.00	-
10	Remuneration KMP Key Managerial Personnel		
	Jayesh P. Choksi	40.41	82.41
	Pranav J. Choksi	20.41	58.21
	Pankaj J. Gandhi	14.33	9.42
	Hemal M. Desai	-	5.11
	Dilip Ghosh	20.98	6.81
	Gopal M. Daptari	0.70	0.60
	Shrirang V. Vaidya	0.70	0.60
	Shreyas K. Patel	0.70	0.45
	Rabi Narayan Sahoo	0.50	0.30
	Dr. Anu Aurora	0.70	0.40
11	Reimbursement of Expenses Paid Key Managerial Personnel		
	Pankaj J. Gandhi	42.09	4.97
	Hemal M. Desai	-	4.45
	Rita Ghosh	-	2.50
	Dilip Ghosh	6.44	-
12	Service Received From Relatives of Key Managerial Personnel		
	Pooja Pranav Choksi	3.17	-
	Rita Ghosh	5.50	-

Balance as at:

Sr no	Particulars	As at March 31st, 2022	As at March 31st, 2021
1	Other Current Assets Enterprises over which KMP are able to exercise influential control Zire Rushi Construction Jal Private Limited	- -	72.14 2.46
2	Trade Receivables Enterprises over which KMP are able to exercise influential control Tricon Enterprises Private Limited	0.24	2.86
3	Trade Payables Enterprises over which KMP are able to exercise influential control Gufic Chem Private Limited Vishoushadhi Products and Services Private Limited Zire Rushi Construction Gufic Private Limited	- 6.71 4.96 25.90	27.25 18.47 59.88 -
4	Security Deposits Enterprises over which KMP are able to exercise influential control Gufic Private Limited Gufic Chem Private Limited	350.00 120.00	600.00 120.00

Note 41. Employee Benefit

As required by Ind AS 19 'Employee Benefits' the disclosures are as under:

41.1 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 March 31st, 2022	For the year ended March 31st, 2021
Employer's contribution to provident fund & ESIC Fund	340.87	286.01

41.2 Defined benefit plans

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: Salary risk, Interest Rate risk, Asset Liability Matching risk, and Mortality risk

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.
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.
Asset Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out at March 31, 2022. 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 :

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Discount rate(s)	7.29%	6.89%
Expected return(s) on plan assets	NA	6.89%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Employee Turnover	Urban	Ultimate
Retirement Age (years)	3.00%	3.00%
	58 & 75 Years	58 & 75 Years

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows :

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Expense recognised in the statement of profit & loss (Refer Note 33)		
Current service cost	96.89	92.49
Past service cost and Gain/(Loss) from settlements	-	-
Net interest expense	38.01	33.48
Expenses charged to the statement of profit and loss	134.89	125.97
Remeasurement of defined benefit obligation recognised in other comprehensive income		
Actuarial Gain/(Loss) on defined benefit obligation	(58.88)	38.51
Actuarial gain on plan assets	-	-
Income / (Expense) charged to other comprehensive income	(58.88)	38.51

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 31st, 2022	As at March 31st, 2021
Present value of Defined Benefit Obligation	697.64	553.25
Current Liability	38.85	39.89
Non-Current Liability	658.79	513.36

Movements in the present value of the defined benefit obligation are as follows.

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Reconciliation of defined benefit obligations		
Obligation as at the beginning of the year	553.24	528.41
Interest Cost	38.01	33.48
Current Service Cost	96.89	92.49
Benefits paid Directly by Employer	(49.38)	(62.64)
Actuarial (gains)/losses on obligations		
due to changes in demographic assumptions	(0.53)	-
due to changes in financial assumptions	(26.19)	(0.02)
due to experience	85.61	(38.49)
Obligation as at the year end	697.64	553.24

Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Reconciliation of plan assets		
Plan assets as at the beginning of the year	-	41.51
Expected return	-	2.86
Contribution by the Employer	-	(41.51)
Return on Plan Assets, Excluding Interest Income	-	(2.86)
Closing fair value of plan assets	-	-

The fair value of the plan assets at the end of the reporting period is not available.

Sensitivity Analysis

The sensitivity analysis has 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 31st, 2022	As at March 31st, 2021
Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discounting	(56.22)	(45.89)
Delta Effect of -1% Change in Rate of Discounting	65.21	53.41
Delta Effect of +1% Change in Rate of Salary Increase	63.18	51.79
Delta Effect of -1% Change in Rate of Salary Increase	(55.81)	(46.08)
Delta Effect of +1% Change in Rate of Employee Turnover	9.54	5.91
Delta Effect of -1% Change in Rate of Employee Turnover	(11.04)	(6.92)
Maturity Analysis of Projected benefit obligation for next		
1st Year	38.85	39.89
2nd Year	38.98	20.03
3rd Year	72.05	35.83
4th Year	68.82	58.35
5th Year	49.66	57.21
Thereafter upto 10 years	277.92	212.35

41.3 Other Long Term Benefit Plan

The 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 Liability for compensated absences as at March 31st, 2022 of ₹ 235.71 lakhs (as at March 31st, 2021 ₹ 181.97 lakhs) has been provided in the books of accounts as per actuarial valuation.

Note 42. Earnings Per Share		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Basic Earnings Per Share	9.89	4.56
Diluted Earnings Per Share	9.89	4.56
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:		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Profit for the year attributable to owners of the Company	9,584.01	4,423.16
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	9,584.01	4,423.16
Weighted average number of equity shares	9,69,44,506	9,69,44,506
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.		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Profit for the year used in the calculation of basic earnings per share	9,584.01	4,423.16
Add: adjustments on account of dilutive potential equity shares	-	-
Earnings used in the calculation of diluted earnings per share	9,584.01	4,423.16
Weighted average number of equity shares	9,69,44,506	9,69,44,506
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:		
Particulars	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021
Weighted Average Number of Equity shares used in the calculation of Basic EPS	9,69,44,506	9,69,44,506
Add: adjustments on account of dilutive potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	9,69,44,506	9,69,44,506

Note 43. Financial Instruments
43.1 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.

43.1.1 Gearing Ratio

The gearing ratio at end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Debt	6,124.21	5,534.87
Less: Cash and Bank Balances	1,160.80	620.14
Net debt	4,963.41	4,914.73
Total Equity	26,911.80	17,343.65
Net debt to Equity Ratio	18.44%	28.34%

43.2 Categories of Financial Instruments

(₹ in Lakhs)

Financial Instruments by Category	As at March 31st, 2022		As at March 31st, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investment in Unquoted Equity Shares (31 March 2022 ₹ 75,000, 31 March 2021 ₹ 75,000)	-	-	-	-
Loans	-	62.33	-	54.36
Other Financial Assets	-	908.49	-	1,129.68
Trade Receivable	-	15,155.29	-	12,450.07
Cash and bank balances	-	1,160.80	-	620.14
Other Bank Balances	-	1,496.31	-	697.65
Total Financial Assets	-	18,783.22	-	14,951.90
Financial Liabilities				
Borrowings	-	6,124.21	-	5,534.87
Lease Liabilities	-	314.52	-	618.85
Other Financial Liabilities	-	1,643.43	-	1,673.49
Trade Payable	-	14,095.12	-	11,121.47
Total Financial Liabilities	-	22,177.28	-	18,948.68

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value	As at March 31st, 2022			As at March 31st, 2021		
	Level			Level		
	I	II	III	I	II	III
Financial assets						
Recurring fair value measurement						
Investments	-	-	-	-	-	-
Total Financial assets	-	-	-	-	-	-

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have declared buyback NAV. The mutual funds are valued using the closing NAV.

Level 2 -The fair value of financial instruments that are not traded in an active market (like Mark to Market Derivative) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value as instrument are observable, the instrument is included in level 2.

Level 3- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

43.3 Financial Risk Management

Company has exposure to following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Currency Risk
- Commodity 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 the 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.

43.3.1 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 no 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 31st, 2022, Company had 10 customers, (March 31st, 2021: 10 customers) that owed the company more than ₹ 11,101.86 lakhs (March 31st, 2021: ₹ 6,431.63 Lakhs) and accounted for approximately -73.25 % and 51.66 % respectively of the total outstanding as at March 31st, 2022 and March 31st, 2021.

Exposure to the Credit risks

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	15,155.29	12,450.07
Gross Carrying amount	15,599.24	12,753.78
Average Expected loss rate	2.85%	2.38%
Carrying amount of trade receivables (net of impairment)	15,155.29	12,450.07

43.3.2 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.

43.3.2.1 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.

(₹ in Lakhs)

	Less than 1 year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31st, 2022					
Non Derivative					
Borrowings	228.74	2,126.19	1,710.77	2,058.52	6,124.21
Lease Liabilities	281.65	32.88	-	-	314.52
Other Financial Liabilities	1,143.68	-	-	499.75	1,643.43
Trade payable	14,095.12	-	-	-	14,095.12
	15,749.18	2,159.06	1,710.77	2,558.27	22,177.28
March 31st, 2021					
Non Derivative					
Borrowings	2,685.77	1,247.40	831.60	770.10	5,534.87
Lease Liabilities	336.61	282.24	-	-	618.85
Other Financial Liabilities	1,173.74	-	-	499.75	1,673.49
Trade payable	11,121.47	-	-	-	11,121.47
	15,317.59	1,529.64	831.60	1,269.85	18,948.68

43.4 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.

43.4.1 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.

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Borrowings bearing fixed rate of interest	85.94	79.82
Borrowings bearing variable rate of interest	6,038.27	5,455.05
	6,124.21	5,534.87

43.4.1.1 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, 2022 would decrease/increase by ₹ 39.98 Lakhs (for the year ended March 31st, 2021 decrease/increase by ₹ 111.19 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

43.4.2 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, Euros and Pound). 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:

(in Lakhs)

Particulars	As at 'March 31st, 2022			As at 'March 31st, 2021		
	USD	EURO	POUND	USD	EURO	POUND
Financial Assets						
Trade Receivable	20.76	-	-	19.22	-	-
Other Receivable	58.74	0.00	-	2.21	4.12	-
	79.49	0.00	-	21.43	4.12	-
Financial Liabilities						
Trade Payable	32.67	3.07	-	44.91	0.56	0.01
Other Payable	2.68	-	-	1.62	-	0.25
	35.35	3.07	-	46.53	0.56	0.26
Net Assets / (Liabilities)	44.14	(3.07)	-	(25.01)	3.56	(0.26)

43.4.2.1 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, 2022 and March 31, 2021.

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.

(in Lakhs)

Particulars	Change in currency exchange rate	As at March 31st, 2022	As at March 31st, 2021
US Dollar (USD)	5% / (5%)	163.43/(163.43)	(90.39)/90.39
EURO	5% / (5%)	(12.69)/12.69	15.02/(15.02)
POUND	5% / (5%)	(1.21)/1.21	(1.29)/1.29

43.5 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 31st, 2022, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

43.6 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. Thus in this case the cost of the security represents the fair value.

Except as stated above the carrying amount of all other financial assets approximate their fair values as indicated below:

(₹ in Lakhs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
	Fair value	Fair Value
Financial Assets		
Financial Assets at Amortised Cost:	18,783.22	14,951.90
Trade Receivables	15,155.29	12,450.07
Cash and Cash Equivalent	1,160.80	620.14
Other Bank Balances	1,496.31	697.65
Loans - Non-Current	24.07	29.04
Other Financial Assets	908.49	1,129.68
Loans - Current	38.26	25.32
Financial Liabilities		
Financial Liabilities held at Amortised Cost:	22,177.28	18,948.68
Long Term Borrowings	4,739.73	3,542.65
Lease Liability	314.52	618.85
Short Term Borrowings	1,384.48	1,992.22
Trade Payables	14,095.12	11,121.47
Other Financial Liabilities- Non Current	499.75	499.75
Other Financial Liabilities- Current	1,143.68	1,173.74

Note 44. Commitments For Expenditure

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,107.88	262.32

Note 45. Contingent Liabilities

45.1 Disputed Liabilities on account of Sales Tax, Excise Duty and Income Tax as at

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Excise Duty	14.04	14.04
Income tax	35.86	2.29
Employee State insurance (ESIC)	-	70.54

45.2 Guarantees Executed

(₹ in Lakhs)

Particular	As at March 31st, 2022	As at March 31st, 2021
Letter of Credit	553.30	954.06
Bank Gurantee	339.81	316.37

45.3 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 45.1 is dependent on decisions by relevant authorities of respective disputes, clause 45.2 is a financial guarantee.

Note 46. Payments To Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
As Auditors		
For audit	25.00	24.30
Limited review	-	0.63
In other Capacity		
Certification Work & Other Capacity	7.79	3.20
Reimbursement of Expenses Goods and Service Tax	-	0.18
	32.79	28.30

Note 47. Research and Development Expenditure

A unit of the Company has been recognised by Department of Scientific and Industrial Research (DSIR) as in-house research and development unit. The amount of capital and revenue are as below :

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Amount in respect to Capital Expenditure	264.49	104.57
Revenue Expenditure	442.86	209.89
	707.35	314.46

Note 48 Analytical Ratios

	For the Year Ended March 31st, 2022	For the Year Ended March 31st, 2021	Changes
i Current Ratio (Total current assets/Total current liabilities)	1.72	1.59	8%
ii Debt-Equity Ratio* (Total Debt/Total Equity)	0.23	0.32	-29%
iii Debt Service Coverage Ratio* (Profit Before Interest & Tax/Debt Service)	16.37	3.37	385%
iv Inventory Turnover Ratio* (Sale of Products/Average Inventory)	6.79	4.00	70%
v Trade Receivables Turnover Ratio* (Revenue from Operation/Average Trade Receivable)	5.64	4.21	34%
vi Trade Payables Turnover Ratio* (Net Credit Purchases (Raw Material, Packing Material & Purchase of Traded Goods)/Average Trade Payable)	3.44	1.95	76%
vii Net Capital Turnover Ratio (Revenue from Operations/Working Capital (Total Current Assets less Total Current Liabilities))	5.82	5.03	16%
viii Return on Equity* (Profit for the Year/Total Equity)	35.45%	25.66%	38%
ix Net Profit Ratio* (Profit for the Year/Revenue from Operations)	12.24%	9.13%	34%
x Return on Capital Employed (Profit before Tax and Finance Costs/Capital Employed (Net worth + Lease liability + Deferred tax Liability))	48.33%	39.39%	23%
xi Return on Investment (Income Generated from Invested funds/Average Invested Funds)	N/A	N/A	N/A

*The Comparison of the above ratios are not fair on account of Covid-19 pandemic in base year.

Note 49 CSR Expenditure

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
i Amount required to be spent by the company during the year	85.00	63.74
ii Amount of expenditure incurred	85.13	67.00
iii Shortfall at the end of the year	-	-
iv Total of previous years shortfall	-	-
v Reason for shortfall	NIL	NIL
vi Nature of CSR activities	Donation to CSR Trust	Donation to CSR Trust
vii Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NIL	NIL
viii Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NIL	NIL

Note 50 . Disclosure Of Transactions With Struck Off Companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

51 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of Charges or Satisfaction with Registrar of Companies
- (d) Relating to Borrowed funds:
 - i. Wilful Defaulter
 - ii. Utilisation of Borrowed Funds & Share Premium
 - iii. Borrowings obtained on the basis of Security of Current Assets
 - iv. Discrepancy in Utilisation of Borrowings

Note 52.

In the opinion of the management inventories of ₹ 11,556.69 Lakhs (as at March 31st, 2021 : ₹9,440.46 Lakhs) 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 53.

The company has given security deposit of ₹ 350 Lakhs (as at March 31st, 2021 : ₹ 600 Lakhs) to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹ 350 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 (as at March 31st, 2021 : ₹ 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.

Note 54

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 55

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.

Movements of Provisions (Current and Non-current)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Provision for Right of Return		
Balances at the beginning of the year	1,046.29	1,062.89
Additional provision during the year	82.00	172.28
Reduction during the year	-	(188.88)
Balances at the close of the year	1,128.28	1,046.29
Less: Right to recover return goods	(364.52)	(332.08)
Net balance at closing of the year	763.77	714.21

Note 56

Declaration of Dividend

The Board of Directors at its meeting held on May 20th, 2022 has recommended a final dividend of ₹ 0.10 per equity share i.e., @ 10% on the face value of ₹ 1/- each, for the financial year 2021 - 22, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Note 57

Authorisation of Financial Statements

The financial statements for the year ended March 31st, 2022 were approved by the Board of Directors on May 20th, 2022 and are subject to approval of the shareholders at the Annual General Meeting.

Note 58

Figures for the previous year have been rearranged/recompared as and when necessary in terms of current year's companying.

As per our report of even date

For **Mittal Agarwal & Company**
Chartered Accountants
Registration No. 131025W

Piyush Agarwal
Partner
M. No. 135505
Mumbai - 20th May, 2022

For and on behalf of the Board

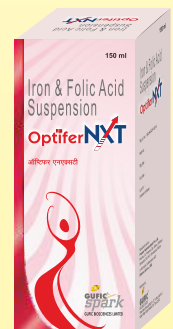
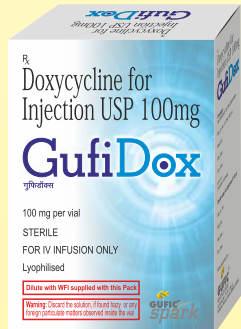
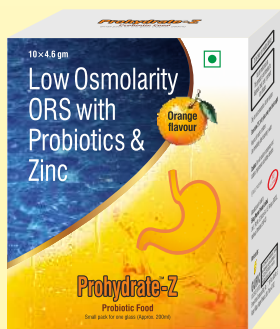
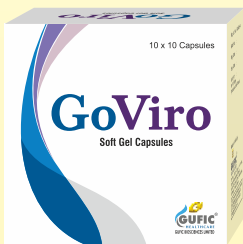
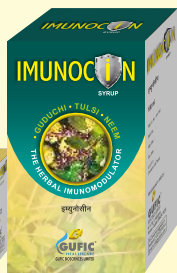
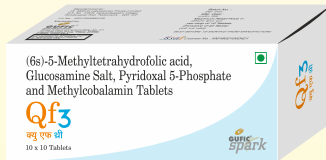
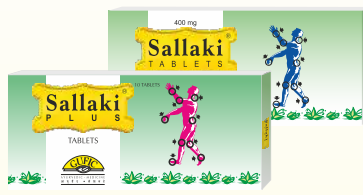
Jayesh P. Choksi (DIN 00001729)
Chairman & Managing Director

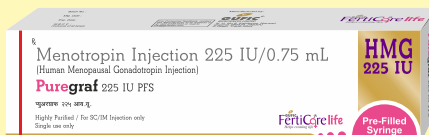
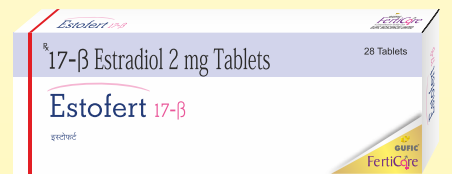
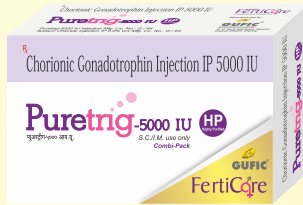
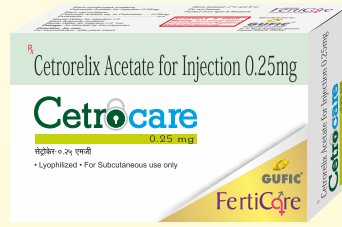
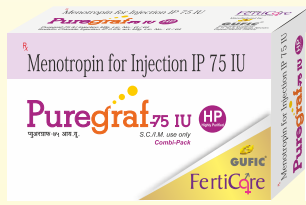
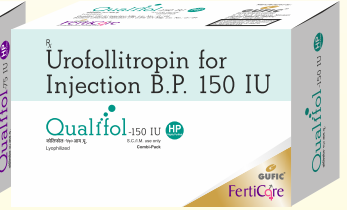
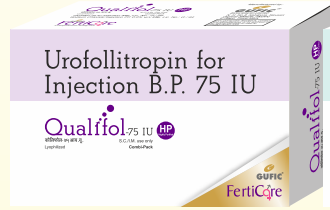
D. B. Roonghta
Chief Financial Officer

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

Ami Shah
Company Secretary

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Prevent Photo & Pollution damage



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Anti-Pollution Sunscreen
Complete Skin Defence System

Local Anaesthetic



Prosil
Pre Procedural Cream
Fast & Long Lasting Pain Relief

Post procedure



PPS
GEL
Recover and Rejuvenates



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Regd. Office: 37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai - 400 069, Maharashtra, India.
 Corp. Office: SM House, 11 Sahakar road, Vile Parle (East), Mumbai - 400 057 Maharashtra, (INDIA)
 Tel.: (91-22) 6726 1000 Fax : (91-22) 6726 1068 • Email : info@guficbio.com • www.gufic.com