GUFIC
BIOSCIENCES LIMITED

Regd. Office: 37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
Corporate office: SM House, 11 Sahakar road, Vile Parle (East), Mumbai – 400 057.
E-mail: info@guficbio.com / website: www.gufic.com / CIN. L24100MH1984PLC033519

Tuesday, 20th August, 2019

Dear Member,

You are cordially invited to attend the 35th Annual General Meeting of the Members of the Company to be held on Monday, 30th September, 2019 at 2:30 p.m. at VITS - Luxury Business Hotels, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059. India.

The notice for the meeting, containing the business to be transacted, is annexed herewith.

If you need any assistance for the Annual General Meeting, please contact:

Ms. Ami N. Shah
Company Secretary & Compliance Officer
Gufic Biosciences Ltd.
SM House, 11 Sahakar road,
Vile Parle (East), Mumbai -400 057
Maharashtra, India
(Tel.: 022 67261000, Fax: 022 67261067).
email: mgr_legal@guficbio.com

Thanking you,

Yours truly,

Jayesh P. Choksi
Chairman & Managing Director

NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Gufic Biosciences Limited will be held on Monday, 30th September, 2019 at 2.30 p.m. at VITS – Luxury Business Hotels, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059, Maharashtra, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To confirm and approve Final Dividend @ 5% i.e., Re. 0.05 per equity share amounting to Rs. 38,91,500/- for the year ended 31stMarch 2019.
3. To appoint a director in place of Mr. Jayesh Pannalal Choksi (DIN: 00001729), who retires by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Pankaj J. Gandhi (DIN: 00001858), who retires by rotation at this Annual General meeting in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an

ORDINARY RESOLUTION:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. SHR & Co., Chartered Accountants, Mumbai (Registration No. ICAI FRN 120491W), be and are hereby re-appointed as Statutory Auditors of the Company for a further period of four (4) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations"), Mr. Rabi Narayan Sahoo (DIN: 01237464) who was appointed as an Additional Non-executive Independent Director of the Company by the Board of Directors with effect from June 29, 2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom a notice have been received in writing under Section 160 of the Act from a member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the term of three consecutive years with effect from his first date of appointment. i.e., June 29, 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule V to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Jayesh Pannalal Choksi (DIN: 00001729), whose tenure expires on March 31, 2020 be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of five years commencing from 1st April, 2020 to 31st March, 2025 on the terms and conditions as mentioned below and specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof:

a. Salary: Rs. 40.01 Lakhs per annum, with increments as may be decided by the Board of Directors from time to time.

b. Perquisites and allowances: In addition to the salary, Mr. Jayesh Choksi shall also be entitled to the perquisites and allowances like house rent allowance or rent free furnished/non-furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car exceeding cubic capacity of 1.6 litres along with chauffer, telephone at residence, contribution to provident fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the Company's policy and in accordance with the Income-Tax Rules, 1962 .

c. Grant of leaves as per the Company's policy.

d. Entitlement to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively for the official purpose of the Company.

e. His Office shall be liable to termination by giving 3 months' notice from either side.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

8. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule V to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Pranav Jayesh Choksi [DIN 00001731], whose tenure expires on March 31, 2020, be and is hereby re-appointed as a Whole Time Director of the Company for a period of five years commencing from 01st April 2020 to 31st March 2025 on the terms and conditions as mentioned below and specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof:

a. Salary: Rs. 20.01 Lakhs per annum, with increments as may be decided by the Board of Directors from time to time.

b. Perquisites and allowances: In addition to the salary, Mr. Pranav Choksi shall also be entitled to the perquisites and allowances like house rent allowance or rent free furnished/non-furnished accommodation, house maintenance allowance, gas, electricity, water and furnishing at residence, conveyance allowance, transport allowance, medical reimbursement, leave travel allowance, special allowance, use of company car exceeding cubic capacity of 1.6 litres along with Chauffer, telephone at residence, term insurance not exceeding Rs. 50.00 crores, contribution to provident fund, payment of gratuity, leave encashment at the end of tenure and such other perquisites and allowances in accordance with the Company's policy and in accordance with the Income-Tax Rules, 1962 .

c. Grant of leaves as per the Company's policy

d. Entitlement to the reimbursement of expenses actually and properly incurred by him, in the course of legitimate business of the Company and travelling, hotel and other expenses incurred by him in India and abroad, exclusively on the business of the Company.

e. His Office shall be liable to termination by giving 3 months' notice from either side.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

9. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the recommendation of the Nomination And Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Shreyas K. Patel (DIN: 01638788), an Independent Director, whose current period of office is expiring on 25th September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with the Listing Regulations and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office on the Board of the Company for a second term of five consecutive years commencing from 26th September 2019 to 25th September, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to aforesaid resolution."

10. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an

SPECIAL RESOLUTION:

"**RESOLVED THAT** pursuant to the recommendation of the Nomination And Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. Gopal M. Daptari (DIN: 07660662), an Independent Director, whose current period of office is expiring on 23rd November, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Act read with the Listing Regulations and who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an

Independent Director of the Company, not liable to retire by rotation, to hold office on the Board of the Company for a second term of five consecutive years commencing from 24th November 2019 to 23rd November 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to aforesaid resolution."

11. To consider and if thought fit, to pass with or without modification(s) if any, the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of Rs. 80,000/- per annum plus applicable taxes and reimbursement of actual travel and out of pocket expenses, fixed by the Board of Directors of the Company for the Cost Auditor M/s. Kale & Associates, Cost Accountants, Mumbai for audit of the cost records maintained by the Company for the financial year ending 31st March, 2020, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

By order of the Board of Directors
of Gufic Biosciences Ltd

Place: Mumbai
Date: August 20, 2019

Ami N. Shah
Company Secretary
Membership No. A39579

Regd. Office:
37, First Floor, Kamala Bhavan II, S. Nityanand Road,
Andheri (East), Mumbai – 400 069
CIN: L24100MH1984PLC033519

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELFAND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.

3. A proxy form is enclosed with this notice. The proxy form, in order to be effective, must be received by the Company not less than 48 hours before commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. Members may refer proxy related provisions in SS2 - Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Resolution of the Board of Directors or other governing body of the body corporate authorising their representative to attend and vote on their behalf at the Meeting.

5. Members/proxies/authorised representatives are requested to bring duly filled Attendance Slip, enclosed herewith, to attend the AGM along with a valid identity proof such as the PAN card /passport/ aadhaar card/driving license etc.

6. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice and is appended to the notice.

7. Pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosure is appended to the notice herewith for the Statutory Auditor seeking re-appointment.

8. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from September 24, 2019 to September 30, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend for the year ended 31st March, 2019, if approved by the Members.

9. The dividend on Equity Shares, if approved by the shareholders at the Meeting, will be paid in accordance and compliance with the provisions of the Companies Act, 2013 and rules thereunder and as per the SEBI Listing Regulations, 2015 and as amended from time to time.

10. In order to prevent fraudulent encashment of dividend warrants, in respect of shares held in demat mode, bank particulars registered against respective depository accounts will be used by the Company for payment of dividend through ECS/NEFT. Please note that the Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. In respect of shares held in physical mode, members are requested to furnish to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details which will be printed on the dividend warrants. Shareholders' are also requested to register with the Company for payment of dividend through ECS/NEFT and provide the necessary details to R & T Agents.

11. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February, 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents.

13. In terms of Section 124 of the Companies Act, 2013 read with the rules framed thereunder, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, the unpaid dividend for the year 2011-12 shall be transferred to Investor Education and Protection Fund within the stipulated time frame in the current financial year, as stated in the Act. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents. The unclaimed dividend up to financial year 2010-11 has been transferred. During the year, the Company has requested those members, whose dividends for financial years from 2011-12 remaining unclaimed / unpaid, for claiming said dividend amount before transfer thereof to Investor Education and Protection Fund (IEPF). Members are requested to note that dividends not encashed or claimed within seven years from the thirty days of declaration of dividend, will, be transferred to the IEPF. The details of unclaimed and unpaid dividend is displayed on the website of the Company i.e. www.gufic.com.

14. Pursuant to provisions of section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all the underlying shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF authority as notified by the Ministry of Corporate Affairs. In view thereof, after complying with the prescribed procedure, 39,128 shares on which dividend remained to be unclaimed for seven consecutive years, were transferred to IEPF account in 2018. The Company has initiated the process of transfer of shares on which dividend has not been claimed since FY 2011-12 and the same will be transferred on due date. Members who have not claimed dividend since FY 2012-13 are requested to claim the same before the dividend and the underlying shares gets transferred to IEPF account.

15. All documents referred to in the accompanying Notice are open for inspection at the Corporate Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) up to the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

16. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March 2019 and notice of the 35th AGM are being sent to the members whose mail IDs are available with the Company/Depository Participant(s)for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2018 - 2019 and the notice are being sent in the permitted mode. Please note that the annual report and the notice of the 35th Annual General Meeting are also posted on the website "www.gufic.com" for download and copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting, if required.

17. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.

18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

19. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.

20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

21. Route Map showing directions to reach to the venue of the 35th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

22. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on September 27, 2019 (9:00 am) and ends on September 29, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below: **Step 1: Log-in to NSDL e-Voting system at** https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password & a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID
	For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?

b) (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to gajanan@athavale.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available o www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the **Frequently Asked Questions** (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2019.

VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23,2019 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XI. Mr. Gajanan Athavale, Practicing Company Secretary (Membership No. F 9177) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gufic.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the shares of the Company are listed viz. BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 05

S H R & Co. is a professional Chartered Accountancy firm founded by Shri R V Shah who is in practice for more than 40 years.

S H R & Co. has grown organically over the years and is growing steadily from strength to strength by its sheer commitment to competence, credibility, performance and reliability.

It has earned recognition as being a trusted advisor, counselor, for its quality and pioneering work in its field.

It is known for its creativity, competence, passion for excellence and as a problem solver.

M/s. SHR & Co., Chartered Accountants (Registration No. ICAI FRN 120491W) were appointed as Statutory Auditors of the Company by the Members at its 29th Annual General Meeting (AGM) of the Company held on August 12, 2013 till the conclusion of the 30th AGM of the Company. After the Companies Act, 2013 came into effect, M/s. SHR & Co., was re-appointed as the Statutory Auditor of the Company at the 30th AGM for a term of five consecutive years valid till the conclusion of 35th Annual General Meeting of the Company. Their present term shall expire on conclusion of this Annual General Meeting.

According to the Section 139 of the Companies Act, 2013 read with the rules framed thereunder, M/s. SHR & Co., can be appointed for another term of four years.

In accordance with the Companies Act, 2013 and on the recommendation of the Audit Committee and in the best interest of the Company, the Board of Directors have proposed and recommended re-appointment of M/s. SHR & Co., Chartered Accountants as Statutory Auditors of the Company for second term of 4 (four) consecutive years i.e. from the conclusion of this Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company. M/s. SHR & Co. have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The proposed remuneration to be paid to M/s. SHR & Co., Chartered Accountants, for the financial year 2019-20 shall be Rs.19.50 Lakhs exclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit.

The Board recommends the Resolution set out in Item No.05 of the Notice for approval of the members as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel/their relatives are concerned or interested, financially or otherwise, in the resolution at item No. 05 of the Notice.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS OF THE ACCOMPANYING NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 06

Mr. Rabi Narayan Sahoo (DIN: 01237464), was appointed as an Additional Independent Director of the Company by the Board of Directors at its Board Meeting held on 29th June 2019, whose term expires at the ensuing Annual General Meeting.

The Company have also received declaration from Mr. Rabi Narayan Sahoo confirming that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, he fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as Independent Director. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member of the Company proposing the candidature of Mr. Rabi Sahoo for appointment as an Independent Director.

Accordingly, the Board recommends passing of the Special Resolution in relation to regularization of appointment of Mr. Rabi Narayan Sahoo as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years with effect from his first date of appointment i.e., 29th June 2019.

The brief profile of Mr. Sahoo, as required under the Companies Act, 2013, the Secretarial Standards issued by the Institute of Company Secretaries of India and the SEBI Listing Regulations, 2015 is annexed herewith as **Annexure A**.

None of the Directors or Key Managerial Personnel and their relatives except Mr. Rabi Narayan Sahoo are concerned or interested, financially or otherwise, in the resolution at item No. 06 of the Notice financially or otherwise, in the said Resolution.

ITEM NO. 07

The Company had appointed Mr. Jayesh Pannalal Choksi (DIN: 00001729) as Managing Director of the Company for a period of five years commencing from 01st April 2015. The Members had subsequently approved the said appointment and terms of his remuneration at the 31st Annual General Meeting of the Company held on 30th September, 2015.

Mr. Jayesh Pannalal Choksi, aged 65 years, is a Managing Director of the Company, having more than forty years of experience in the pharma sector. With his vision and sheer dedication, he has ensure the growth and development of the business of the Company and has been the main contributory to it. Under his stewardship, the Company has seen great success and the Company expanded its business and entered into various divisions like Critical Care, Infertility, API manufacturing, Healthcare and Pharma verticals. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, Mr. Jayesh P. Choksi shall be re-appointed for a further term of five years effecting from 01st April 2020 to 31st March 2025(both days inclusive) on the terms and conditions of re-appointment including payment of remuneration as stated in the resolution set out in Item No. 07.

The brief profile of Mr. Jayesh Choksi is annexed herewith as **Annexure A**.

The Board recommends the Resolution set out in Item No. 07 of this Notice for approval of the members as Special Resolution as per requirement of Schedule V of the Act.

None of the Director/key managerial personnel/ their relatives, except Mr. Jayesh P. Choksi to whom this resolution related and his relative Mr. Pranav J. Choksi, are concerned or interested, financially or otherwise, in the special resolution set out in Item No. 07 of the Notice.

ITEM NO. 08

The Company had re-appointed Mr. Pranav Jayesh Choksi (DIN: 00001731) as a Whole Time Director of the Company for a period of five years commencing from 01st April 2015. The Members had subsequently approved the said re-appointment and terms of his remuneration at the 31st Annual General Meeting of the Company held on 30th September, 2015.

Mr. Pranav J. Choksi, aged 36 years, is a Bachelor in Pharmacy from the Institute of Chemical Technology, University of Mumbai and have done Masters in Biotechnology from The John Hopkins University, USA. He has specialization in Autologous Cancer Vaccines in the US. He joined the Company in 2004 and has been instrumental in driving vital changes to take the Company on the international arena. This led to the Company being awarded EU GMP for its formulation business and US FDA for its API. He has been instrumental in various strategic growth initiatives, innovations including implementation of automated and other technology-enabled platforms. Under his leadership, the Company has showed sizeable growth in terms of revenue, profitability and other benchmarks.

Considering the aforesaid contribution of Mr. Pranav J. Choksi towards the growth of the Company, the Board of Directors is of the opinion that for smooth and efficient running of the business, Mr. Pranav J. Choksi shall be re-appointed for a further term of five years effecting from 01st April 2020 to 31st March 2025 (both days inclusive) on the terms and conditions of re-appointment including payment of remuneration as stated in the resolution set out in Item No. 08.

The brief profile of Mr. Pranav Choksi is annexed herewith as **Annexure A**.

The Board recommends the Resolution set out in Item No. 08 of this Notice for approval of the members as Special Resolution as per requirement of Schedule V of the Act.

None of the Director/key managerial personnel/ their relatives, except Mr. Pranav J. Choksi to whom this resolution is related and his relative Mr. Jayesh P. Choksi, are concerned or interested, financially or otherwise, in the special resolution set out in Item No. 08 of the Notice.

ITEM NOs. 9 & 10

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company had at its 30th Annual General Meeting held on 26th September, 2014 approved the appointment of Mr. Shreyas Kantilal Patel (DIN: 01638788) as an Independent Director of the Company for a period of 5 years commencing from 26th September, 2014 till 25th September 2019.

Mr. Gopal M. Daptari (DIN: 07660662) was appointed as an Independent Director of the Company w.e.f. November 24, 2016 for a consecutive period of three years till 23rd November 2019 and the appointment was approved by the Members at its 33rd Annual General Meeting held on 05th September 2017.

Based on the performance evaluation and on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Listing Regulations, and as per the Articles of Association of the Company, Mr. Shreyas K. Patel and Mr. Gopal M. Daptari are eligible for re-appointment as Independent Directors and had offered themselves for re-appointment. The Board of Directors recommends the proposal to re-appoint them as Independent Directors for a term as mentioned in the respective special resolutions.

The Company have also received declaration from Mr. Shreyas K. Patel and Mr. Gopal M. Daptari confirming the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They has also given their consent to continue as Directors of the Company, if so appointed by the Members.

The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from a member of the Company proposing the candidature of Mr. Shreyas K. Patel and Mr. Gopal M. Daptari for reappointment as an Independent Director.

Copy of the draft letters of re-appointment setting out terms and conditions are available for inspection at the Corporate Office of the Company between 11:00 am to 1:00 pm on all working days.

The profile of abovementioned directors has been provided in detail in the Corporate Governance section of the Annual Report. Details as required under regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 and other applicable provisions are provided in Annexure A to the explanatory statement.

The Board recommends resolution nos. 9 & 10 for approval of members by way of Special Resolution.

In the opinion of the Board, the abovementioned directors fulfil the criteria of independence as specified in the Act and rules made thereunder and the SEBI Listing Regulations.

Except the directors being reappointed and their relatives, none of the other directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions.

ITEM NO. 11

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant in practice or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on August 13, 2019, on recommendation of the Audit Committee, approved the appointment of M/s. Kale & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2019-20 to conduct the Cost Audit of the Company, at a remuneration of Rs. 80,000/- per annum plus taxes as applicable and reimbursement of actual travel and out of pocket expenses, for the financial year ending 31st March, 2020.

The resolution contained in Item No. 11 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2019-20.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 11 of the Notice.

By order of the Board of Directors
of Gufic Biosciences Limited

Ami N. Shah
Company Secretary
Membership No. A39579

Place: Mumbai
Date: August 20, 2019

Annexure A

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS – 2), the particulars of Directors who are proposed to be appointed/reappointed and/or whose remuneration is proposed to be approved at this 35th Annual General Meeting, are given below:

Details of the Directors seeking appointment/re-appointment at 35th Annual General Meeting (pursuant to Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India, are as below:

PART I			
Name of Director	**Mr. Jayesh P. Choksi**	**Mr. Pranav J. Choksi**	**Mr. Pankaj J. Gandhi**
DIN	00001729	00001731	00001858
Date of Birth	29.03.1954	01.02.1983	15.06.1959
Age	65 years	36 Years	60 years
Qualification	Masters degree in Pharmacy	Bachelors in Pharmacy from the Institute of Chemical Technology, University of Mumbai and Masters in Biotechnology from The John Hopkins University, USA.	Bachelor in Commerce
Experience	About 40 years	About 14 years	About 30 years
Expertise in specific functional areas	Mr. Jayesh Choksi has a wide experience in the field of strategy, business development, corporate planning, manufacturing and general management.	Mr. Pranav Choksi has specialization in Autologous Cancer Vaccines in the US. He has a wide and rich experience in business development, planning, manufacturing, leading domestic and international business.	Mr. Pankaj Gandhi has a wide experience in liasioning with Regulatory Authorities.
Terms & Conditions of Appointment/ Re-Appointment	Re-appointment as a Chairman and Managing Director for a period of 5 years with effect from 01st April 2020 to 31st March 2025. (Refer Item No. 07 of the Notice and Explanatory Statement)	Re-appointment as a Whole Time Director of the Company for a period of five years with effect 01st April 2020 to 31st March 2025. (Refer Item No. 08 of the Notice and Explanatory Statement)	Retires by rotation and being eligible, offers himself, for re-appointment as a director
Remuneration sought to be paid	Refer Item No.07 of the Notice	Refer Item No.08 of the Notice	Not Applicable
Remuneration last drawn, for the financial year 2018-19	Refer Corporate Governance Report		
Date of First Appointment on the Board	31.08.1999	25.06.2004	01.08.2013
Shareholding in the Company	1,80,10,259 equity shares	72,68,626 equity shares	NIL
No. of Meetings attended during the year	9	8	9
Relationship between Directors inter-se	Mr. Jayesh P. Choksi is the father of Mr. Pranav J. Choksi who is Chief Executive Officer and Whole Time Director of the Company.	Mr. Pranav J. Choksi is the son of Mr. Jayesh P. Choksi who is Chairman & Managing Director of the Company.	None
Directorships in other Companies	1. Gufic Chem Pvt. Limited 2. Gufic Pvt. Limited 3. Jal Private Limited 4. Gufic Lifesciences Pvt. Limited 5. Zircon Teconica Pvt. Limited (formerly known as "Zircon Finance and leasing Pvt. Limited") 6. Zire Realty Limited 7. Tricon Enterprises Pvt. Limited 8. Motif Hotels LLP	1. Gufic Chem Pvt. Limited 2. Gufic Pvt. Limited 3. Jal Private Limited 4. Gufic Lifesciences Pvt. Limited 5. Zircon Teconica Pvt. Limited (formerly known as "Zircon Finance and leasing Pvt. Limited") 6. Motif Hotels LLP 7. FC Kingsmen LLP	1. Gufic Chem Pvt. Limited 2. Jal Private Limited
Membership/Chairmanship of committees of all public limited companies including Gufic Biosciences Limited	**Gufic Biosciences Limited** • Audit Committee • Stakeholders Relationship Committee • Corporate Social Responsibility Committee	**Gufic Biosciences Limited** • Audit Committee • Stakeholders Relationship Committee • Corporate Social Responsibility Committee	None

PART II

Name of Director	Mr. Shreyas Kantilal Patel	Mr. Gopal M. Daptari	Mr. Rabi Narayan Sahoo
DIN	01638788	07660662	01237464
Date of Birth	31.12.1962	29.10.1949	10.02.1960
Age	57 years	69 years	59 years
Qualification	Diploma in Chemical Engineering	B.A (Hons) LLB	Graduation in MD, pharmacology from AIIMS, New Delhi
Experience	About 30 years	About 40 years	About 30 years
Expertise in specific functional areas	Mr. Shreyas Patel has rich experience of over 35 years in the engineering industry. He is also an entrepreneur with a manufacturing facility for fabrication of press parts in Nasik.	He is an Advocate by Profession. He is mainly specialized in labour & Industrial Laws related matters.	Dr. Sahoo has a wide experience in regulatory affairs, clinical research and medical services.
Terms & Conditions of Appointment/ Re-Appointment	Re-appointment as an Independent Director of the Company, for a term of five consecutive years commencing from 26th September 2019 to 25th September 2024. (Refer Item No. 09 of the Notice and Explanatory Statement)	Re-appointment as an Independent Director of the Company, for a term of five consecutive years commencing from 24th November 2019 to 23th November 2024. (Refer Item No. 10 of the Notice and Explanatory Statement)	Re-appointment as an Independent Director of the Company, for a term of three consecutive years commencing from 29th June 2019 to 28th June 2022. (Refer Item No. 06 of the Notice and Explanatory Statement)
Remuneration Sought to be Paid (Exclusive of Sitting Fees)	Nil		
Remuneration last drawn, for the financial year 2018-19	Refer Corporate Governance Report		
Date of First Appointment on the Board	27.08.2014	24.11.2016	29.06.2019
Shareholding in the Company	2600 equity shares	NIL	NIL
No. of Meetings attended during the year	8	3	NA
Relationship between Directors inter-se	None	None	None
Directorships in other Companies	1. Stru Fabtech India LLP 2. Shreguf Pharma LLP 3. Hi-Tech Milspec Tools and Calibration LLP	NIL	1. DR. Sahoo's Clinical Services Private Limited
Membership/ Chairmanship of committees of all public limited companies including Gufic Biosciences	**Gufic Biosciences Limited** • Audit Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee	**Gufic Biosciences Limited** • Audit Committee • Nomination and Remuneration Committee • Stakeholders Relationship Committee • Corporate Social Responsibility Committee	NIL

GUFIC
BIOSCIENCES LIMITED

CIN. L24100MH1984PLC033519
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.
• Ph.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68 • E-mail:- info@guficbio.com • website:www.gufic.com

ATTENDANCE SLIP

I hereby record my presence at the **35th ANNUAL GENERAL MEETING** of the Company held on 30 September, 2019 at 2:30 p.m. at VITS - Luxury Business Hotels, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059, Maharashtra, India

Regd. Folio/DPID & Client ID	
Name and address of the Shareholder	
Joint Holders	

**SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY**

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March, 2019 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.
3. Physical copy of the Annual Report for the year ended 31st March, 2019 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-Voting Information

EVEN (Electronic Voting Event Number)	**User ID**	**PASSWORD/PIN**

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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address :	
E-mail ID :	
Folio No/ DP ID-Client ID :	

I/ We, being the member (s) of …………........…………………………….. shares of the above named company, hereby appoint:

1. Name: .... Address : ....

E-mail ID:... Signature: ....or failing him;

2. Name: .... Address : ....

E-mail ID: .... Signature: .... or failing him;

3. Name: .... Address : ....

E-mail ID: .... Signature: ....or failing him;

As my/ our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 35th Annual General Meeting of the Company, to be held on Friday, 30th September, 2019 at 2:30 p.m. at VITS - Luxury Business Hotels, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Optional	
		For	Against
	ORDINARY BUSINESS.		
1.	To adopt Audited Standalone Financial Statements for the year ended 31st March, 2019.		
2.	Approval of Final Dividend for the financial year ending March 31, 2019		
3.	Appointment of Mr. Jayesh P. Choksi (DIN: 00001729), who retires by rotation and being eligible, offers himself, for re-appointment as a director		
4.	Appointment of Mr. Pankaj J. Gandhi (DIN: 00001858), who retires by rotation and being eligible, offers himself, for re-appointment as a director		
5.	Re-appointment of M/s. SHR & Co, Chartered Accountants (FRN 120491W) as Statutory Auditor of the Company for a term of 4 (four) years		
	SPECIAL BUSINESS		
6.	Re-appointment of Mr. Rabi N. Sahoo (DIN: 01237464) as Non-Executive Independent Director of the Company for a term of 3 (Three) consecutive years w.e.f 29th June 2019.		
7.	Re-appointment of Mr. Jayesh P. Choksi (DIN: 00001729) as Chairman and Managing Director for a period of 5 (Five) years with effect from 01st April 2020.		
8.	Re-appointment of Mr. Pranav Jayesh Choksi DIN: 00001731) as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 01st April 2020.		
9.	Re-appointment of Mr. Shreyas K. Patel (DIN: 01638788) as an Independent Director of the Company for a term of 5 (Five) years w.e.f 26th September 2019.		
10.	Re-appointment of Mr. Gopal M. Daptari (DIN: 07660662) as an Independent Director of the Company for a term of 5 (Five) consecutive years w.e.f 24th November 2019.		
11.	Ratification of Remuneration of M/s. Kale & Associates, Cost Auditor of the Company.		

Signed this .... day of 2019

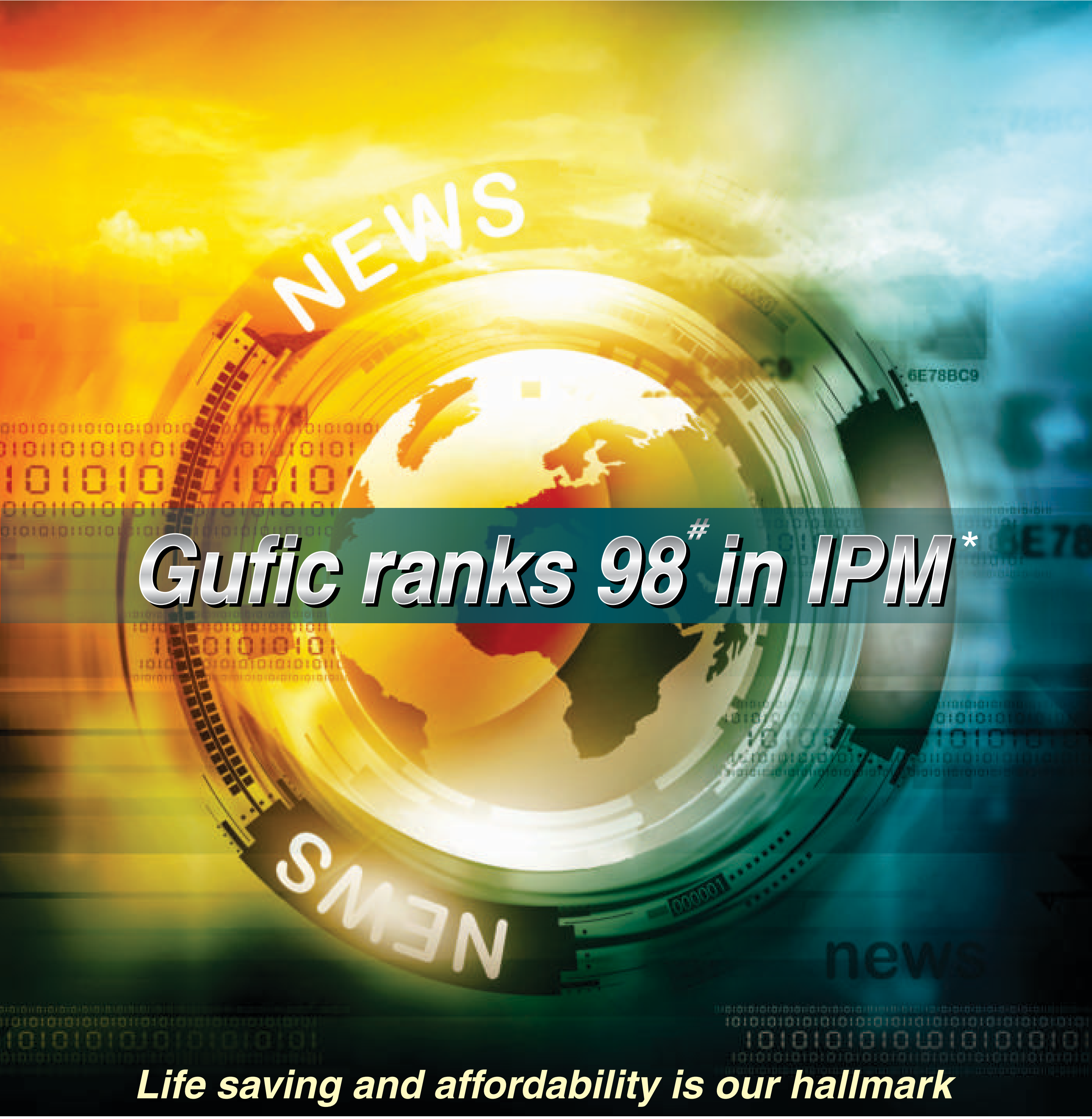
Signature of shareholder: ....

Signature of Proxy holder(s): ....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the **Registered Office** of the company not less than 48 hours before the commencement of the meeting. Proxy need not be a member of the company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 35th Annual General Meeting forming part of the Annual report.
4. Please complete all details including details of member(s) in above box before submission.

Map for the Venue of 35th Annual General Meeting

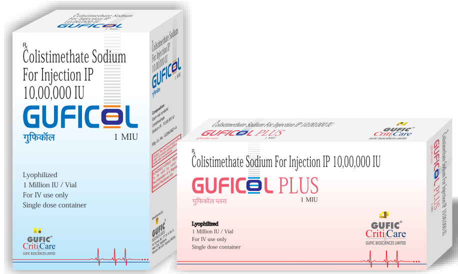


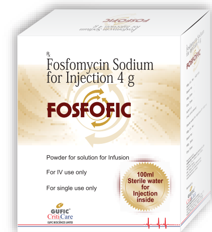
*Indian Pharma Market (MAT MAY)

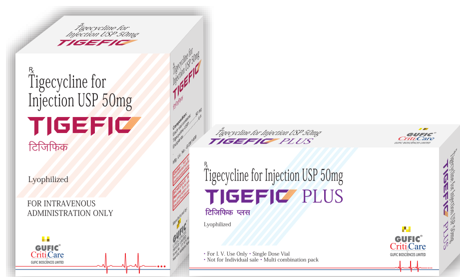
GUFIC
BIOSCIENCES LIMITED

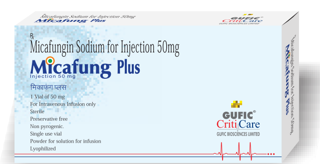
35TH ANNUAL REPORT 2018-2019

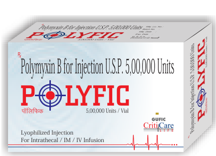
GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS

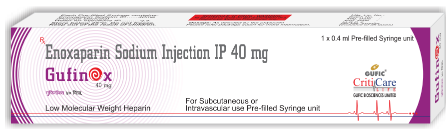


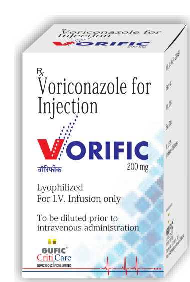


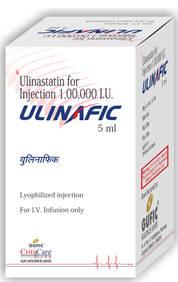


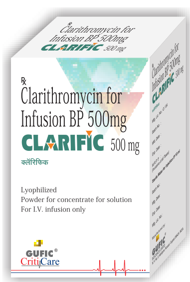


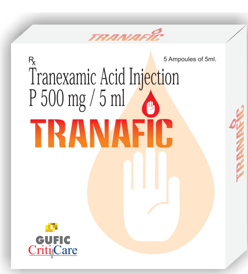


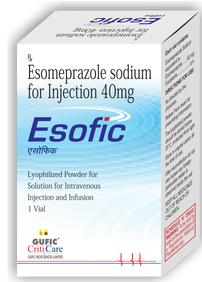












BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER
Mr. Devkinandan B. Roonghta

COMPANY SECRETARY AND COMPLIANCE OFFICER
Ms. Ami N. Shah

STATUTORY AUDITOR
S H R & Co

COST AUDITOR
Kale & Associates

SECRETARIAL AUDITOR
Gajanan D. Athavale

INTERNAL AUDITOR
Mittal Agarwal & Company

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

REGISTERED OFFICE ADDRESS

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

CORPORATE OFFICE

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

PLANT

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

REGISTRAR AND TRANSFER AGENTS

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

35th Annual General Meeting

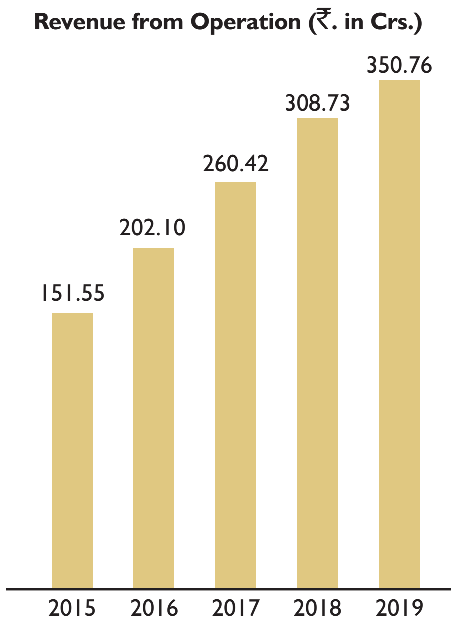
DAY & DATE
Monday, 30th September, 2019

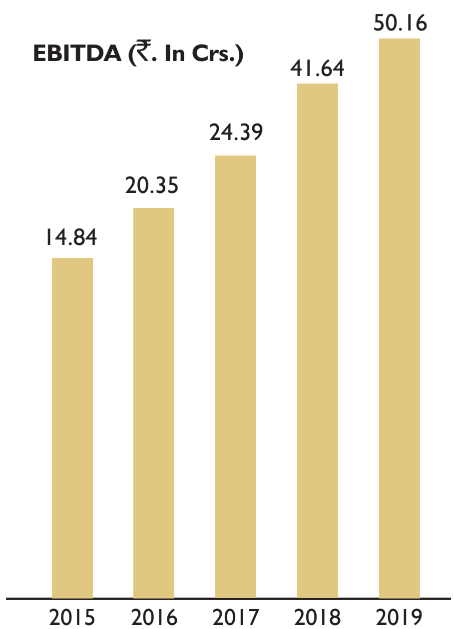
TIME
2.30 PM.

VENUE
VITS - Luxury Business Hotels,
Andheri Kurla Road,
International Airport Zone,
Andheri (East), Mumbai 400 059,
Maharashtra, India

Contents Page No.

FINANCIAL HIGHLIGHTS





The above graph shows the performance of the Company in the last five years through its sales and Earnings before Interest, Depreciation and Amortization. The graph reflects the growth of the Company which is going upwards year over year and thus shows the commitment of the Company to grow high. With total operational revenue at ₹ 350.76 crores and EBITDA at ₹ 50.16 crores, the Company have been able to post a considerable growth of 13.61 % and 20.44 % respectively.

Chairman's Message

Dear Shareholders,

It gives me great pleasure to report that the financial year 2018-19 has been challenging yet satisfying year for the company. This encouraging performance has been supported by our commitment to quality, adherence to compliance, manufacturing excellence, strong research & development team, dedication to provide affordable medicines to public and trust of all the stakeholders.

In the financial year 2018-19, the Company has achieved total revenue of around ₹. 350 crores over Rs. 300 crores in the previous year and net profit of ₹. 21.94 Crores over ₹.16.47 crores in the previous year, respectively. The EBITDA growth of the company has increased by 20.44% in comparison with the previous year. We have grown consistently both in terms of revenue as well as profits. The growth of the company was mainly attributed to the performance of Criticare and Criticare Life and Infertility division.

During the year under review, your Company launched 10 new products and made continuous efforts for improvising the existing products. R& D has around 23 active projects in the pipeline out of which 3 have been applied for approval to the FDA in India. 3 clinical trials have been initiated in India in the field of Arthritis, Influenza and resistant bacterial infections.

Your company's drive in the domestic business has started paying off as it has entered the Top 100 company ranking (source IQVMI) for the MAT sales as per June 2019 by reaching a position of 98 . Also the standalone rank for the month of June 2019 is 88. ORG IMS also records the company's domestic growth of approximately 33%.

Your Company covers more than one Lakh doctors and has established its foothold in all major hospital chains in India. Your Company's products are prescribed by around 30,000 doctors across the country. Your company covers approximately 2 Lakh retail counters which caters to the patients across India.

Your company's Active Pharmaceutical Ingredient (API) business has seen good growth. The API revenue for the year under review grew by 15.16% as compared to the previous financial year. Your company also plans to increase the pipeline of API product offering by at least 6 more products in FY2020 which will drive the API business further and also utilize increased capacities. Your Company's annual API manufacturing capacity has been increased by 36 tons which will contribute in revenue growth in the future.

Keeping in mind the shortage and dependency of the API situation in China due to shut down in factories due to pollution and other factors, company has started its R& D work on backward integration especially for core APIs which cover 60% of our import from China.

Your Company is an indigenous manufacturing company to launch Botulinum Neurotoxin in Indiawith a robust and inherent world class infrastructure in collaboration with USA based Company Prime Bio, Inc., led by Dr. Bal Ram Singh, who is also a Non Executive Director of the Company. The Company has received all the regulatory approvals to manufacture and market Botulinum Neurotoxin in India and is planning to launch in FY2020. The Company is also in the process of seeking approval for new drug delivery systems for the Botulinum Neurotoxin for first time users which do not prefer the injectable route.

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

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

Your company is in the process of expansion in new lyophilized equipment's which would further drive our business from FY2020.

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

Given your company's significantly improved performance in the financial year 2018-19, the success in improving operational efficiencies and our determination to drive growth, we are reasonably optimistic of the future prospects. In the year ahead, we are confident of growing with more improved performance through new product launches in multiple markets and existing productivity enhancement. We aim to provide enhanced value in the hands of all our stakeholders.

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

Yours faithfully,
For Gufic Biosciences Limited

Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 35th Annual Report of the Company and the Standalone Audited Financial Statements for the financial year ended March 31, 2019.

FINANCIAL SUMMARY :

The financial performance of the Company, for the year ended March 31, 2019 is summarized below :

₹ in Lakhs

Particulars	2018-19	2017-18
Total Revenue from Operations	**35076.96**	**30873.98**
Other Income	417.22	286.17
Total Expenses other than finance cost, depreciation & amortization	30478.49	26995.57
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	5015.69	4164.58
Finance Cost	1016.12	888.08
Depreciation & Amortization	464.66	439.98
Exceptional Items - Income	-	158.88
Total Tax Expenses	1340.84	1347.78
Profit After Tax	2194.07	1647.62
Total Comprehensive Income	2191.83	1645.52
Earnings Per Share (EPS)	**2.82**	**2.12**

The above financial information for the financial year 2017-18 and 2018-19 also includes financial data of Gufic Stridden Bio-Pharma Private Limited, which got merged with the Company after approval from National Company Law Tribunal, Mumbai bench on September 06, 2018 and Appointed date for the said Merger being April 01, 2016.

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS').

PERFORMANCE REVIEW:

The Company's total revenue for the financial year under review was ₹. 35,494.18 lakhs as compared to ₹. 31,160.15 lakhs in the previous year thus making an increase of about 13.91%.

During the year under review, the Net Profit of the Company also increased to ₹. 2,191.83 lakhs as against ₹. 1,645.52 Lakhs in the previous year, thus registering a growth of about 33.20%. The increase in the Net Profit is mainly due to the increase in the operational revenue of the Company in the financial year 2018-19.

The Company has made a significant progress in the export market by making a growth of 25.72%. This is mainly because of the Company getting many Marketing Authorizations and export registrations transferred in its name, after the merger with Gufic Stridden Bio-Pharma Private Limited becoming effective.

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

TRANSFER TO RESERVES:

During the financial year 2018-19, no amount was transferred to General Reserve.

DIVIDEND:

Your Directors are pleased to recommend a dividend of Re. 0.05/- on every equity share of face value Re. 1/- each (5%) for the financial year ended March 31, 2019. The dividend if approved at the 35th Annual General Meeting (AGM), will be paid to those shareholders whose name appear on the Register of Members of the Company as on the Book Closure date as specified in the Notice to the AGM.

The total dividend pay -out would amount to approximately ₹. 46.91 lakhs including the dividend distribution tax.

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

SCHEME OF AMALGAMATION

1 During the year under review, the Hon'ble National Company Law Tribunal, Mumbai bench had vide its Order dated September 06, 2018 sanctioned the Scheme of Merger by Absorption of Gufic Stridden Bio Pharma Private Limited ("Transferor Company") with the Company and their respective shareholders and creditors, effective from the appointed date April 01, 2016.

2 During the year under review, the Board of Directors of the Company at its Board Meeting held on March 25, 2019 reconsidered approval of the Scheme of Amalgamation of Gufic Lifesciences Private Limited ("Transferor Company") with the Company and their respective shareholders and creditors, subject to sanction of shareholders, Stock exchanges, National Company Law Tribunal and other regulatory authorities. The Company has filed the application for approval with the Securities & Exchange Board of India and Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited. The Observation letter for the same is awaited.

GUFIC
BIOSCIENCES LIMITED

CHANGES IN CAPITAL STRUCTURE:

Pursuant to the Order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, dated September 06, 2018 approving the Scheme of Merger by Absorption of Gufic Stridden Bio- Pharma Private Limited ("Transferor Company") with the Company, the Company allotted 4,80,000 fully paid-up equity Shares of Re. 1 each to the shareholders of Transferor Company. Post merger, the paid up share capital of the Company increased from ₹.7,73,50,000/- (Rupees Seven Crores Seventy Three Lakhs Fifty Thousand Only) to ₹.7,78,30,000/- (Rupees Seven Crores Seventy Eight Lakhs Thirty Thousand Only). The paid up equity capital as on March 31, 2019 was ₹. 778.30 Lakhs.

During the year under review, the company has not issued any shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

FINANCE:

Cash and cash equivalents as at March 31, 2019 was ₹ 366.15 lakhs. The Company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

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

There have been no material changes affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report. There has also been no change in the nature of business of the Company.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company believes that a strong internal control framework is a necessary prerequisite of Governance. The Internal Audit team together with external audit consultants review the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee of the Company following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

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

The Audit Committee has an oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. There are no risks identified which may threaten existence of the company.

The Statutory Auditor of the Company has reported on the internal financial reporting system in Annexure B to the Independent Auditors' Report, which forms part of this Report. They have reported that the Company has maintained in all material respects except few material weaknesses, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

The Company is putting its best efforts to get in place an adequate internal financial control framework without any material weaknesses.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Company continues to contribute to its Corporate Social Responsibility in accordance with the CSR policy. During the year under review, the Company continued several initiatives under the CSR program, through various agencies permitted under the Act. The Company mainly focused on and contributed towards the promotion of education and healthcare sector.

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee. The details of membership of the Committee & the meetings held for the financial year 2018-19 are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board, on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the web link: link: http://gufic.com/wp-content/uploads/2016/09/corporate-social-responsibilitypolicy.pdf

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

LISTING:

Your Company is listed with the BSE Limited situated at P. J. Towers, Dalal Street, Mumbai 400 001, bearing Scrip Code No. **509079** and with the National Stock Exchange of India Limited situated at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, bearing Scrip Code **GUFICBIO**. The listing fees for the year 2019-20 has already been paid by the Company.

CONSERVATION OF ENERGY:

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

a. Energy saving being a prime objective for all new procurement and modification i.e the machines/equipments purchased by the Company are Energy efficient and controlled by Variable Frequency Drive (VFD) so that the power is consumed as per the requirement of each equipment. Automisation leads to less human intervention.

b. The Company has an Online Energy Monitoring System for monitoring day to day energy consumption and an online report is generated in which day to day consumption is being monitored and compared with production so as to analyse and reduce excess/additional uses of power.

c. Replaced Conventional CFL lights with LED lights in phased manner. Primarily all new purchases of lights are done of LED lights.

d. Installation of Steam Strap on main stream line to improve quality of steam.

e. Ensured All Air Handling Unit (AHU) system is with Variable frequency drives (VFD) for getting required consumption of Power.

f. Harmonisation of best energy conservation practices.

g. Energy audit at the factory premises by external agency and measures taken.

2. Steps taken for utilizing alternate source of energy

a. Used Biomass Briquettes instead of conventional fuels

b. Usage of diesel generator (DG Set) to generate electrical energy

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) New product development using newer formulations as well as new molecules and drugs

b) Updating and improving the processes and systems used for existing products

c) Developing and introducing new technologies for enhancing efficacy, bio-availability and the potency of the existing as well as new products

d) Developing and launching new drug delivery systems with a special focus on Lyophilized products

e) Strategic collaborations with other independent teams for introducing new products and technologies

f) Filing of appropriate patents and function as a link between the management and the IP lawyers

g) Filed multiple Process Patents for many life saving drug injections

h) Filed Herbal Patents for herbal treatment for chronic ailments

i) Stability testing of the current as well as new products with a focus on quality and bio-availability

j) Development and scale-up of new formulations for existing and newer active drug substances using innovative and advanced processing equipment.

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

- Launched 10 New products in the market in the financial year 2018-19
- About 12 products are ready to be commercialized.
- About 30 New products are in projection & development of many products is already started.
- Development of new drug delivery systems and devices to improve patient benefit.
- Development of products for import substitution.

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

Details of technology imported	Year of Import	whether the technology been fully absorbed;	if not fully absorbed, areas where absorption has not taken place, and the reasons there of
Ulinastatin JP	2017	Fully Commercialized	-
Arbekacin API	2017	Fully Commercialized	-
Botulinum Toxin	2017	No	Facility approval received from FDA with product permission. However, the stains & toxins received from USA are under process.

(iv) the expenditure incurred on Research and Development

Particulars	2018-19	2017-18
Capital	179.96	324.39
Recurring	207.75	528.82
Total	387.71	853.21

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Earnings in foreign currency: ₹ 3060.53 lakhs

Out-go in foreign currency: ₹ 4776.62 lakhs

DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, there were no changes in the Directors of the Company.

1. KEY MANAGERIAL PERSONNEL

During the year under review, the Company had re-aligned duties of the Key Managerial Personnel to bring more transparency and accountability and pursuant to the same, Mrs. Hemal M. Desai, Chief Financial Officer & Whole Time Director ceased to be the Chief Financial Officer of the Company w.e.f October 26, 2018 and Mr. Devkinandan Roonghta was appointed in her place from October 29, 2018. Mrs. Hemal M. Desai continues to be the Whole Time Director of the Company.

Apart from the above, there were no change in the Directors and Key Managerial Personnel of the Company during the financial year 2018-19

2. CESSATION/ EXPIRY OF DIRECTORSHIP TENURE

Pursuant to the Regulation 17(1A) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015, effective from April 01, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect. Consequent to the notification of the said regulation and also due to health issues, Mr. Sharat S. Gandhi, aged 80 years, tendered his resignation from the position of Independent Director w.e.f. 1st April, 2019. The Board acknowledges the contribution of Mr. Sharat S. Gandhi to the welfare and growth of the Company.

Mr. Jagdish D. Shah (DIN: 06672538), Independent Director of the Company whose current term is expiring on 25th September, 2019, has conveyed his desire not to seek re-appointment as Independent Director of the Company for the second term due to his other professional commitments. Accordingly, the tenure of Mr. Jagdish D. Shah as a Director of the Company shall come to an end on 25th September, 2019. The Board duly appreciates the assistance and guidance provided by Mr. Jagdish D. Shah during his tenure.

3. RETIREMENT BY ROTATION

In accordance with the provisions of the Section 152(6) of the Companies Act, 2013 read with the rules made thereunder and in terms of Articles of Association of the Company, Mr. Jayesh P. Choksi (DIN: 00001729) and Mr. Pankaj J. Gandhi (DIN:00001858), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment. The Board recommends their re-appointment.

4. APPOINTMENT

The tenure of Mr. Jayesh P. Choksi (DIN: 00001729) as Chairman & Managing Director and Mr. Pranav J. Choksi (DIN: 00001731) as a Whole Time Director expires on March 31, 2020. On the basis of their performance evaluation and on recommendation of the Nomination & Remuneration Committee, the Board of Directors have proposed their re appointment at the ensuing Annual General Meeting for the approval of the Members by way of special resolution.

The Board of Directors at its Meeting held on June 29, 2019, on the recommendation of the Nomination & Remuneration Committee, had appointed Mr. Rabi Narayan Sahoo (DIN: 01237464) as an Additional Independent Director of the Company for a consecutive period of three years with immediate effect, subject to the approval of the shareholders at the ensuing Annual General Meeting. The Board therefore, recommends his appointment.

The tenure of appointment of Mr. Shreyas Kantilal Patel (DIN: 01638788) and Mr. Gopal M. Daptari (DIN: 07660662) will conclude on 25th September 2019 and 23rd November 2019 respectively. Pursuant to the provisions of section 149 and 152 of the Companies Act 2013 and on the recommendation of the Nomination and Remuneration Committee, the Board recommends re-appointment of the above-mentioned Independent directors for a second term of five consecutive years.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS :

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

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

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at http://gufic.com/wpcontent/uploads/2016/18/Familarisation%20 programme%20for%20Independent%20Directors%202017-18.pdf

BOARD EVALUATION

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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

In compliance with Regulation 17(10) of the Listing Regulations, the Board carried out performance evaluation of Independent Directors without the participation of the Director being evaluated. The Board expressed its satisfaction with the evaluation results which depicts high degree of engagement of Board, Individual Directors and its Committees with the company and management.

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

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

AUDIT COMMITTEE

The composition of the Audit Committee of the Company is in compliance with the provisions of Section 177(8) of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. The functions performed by the Audit Committee, details of meetings held and attendances thereat are given in the Corporate Governance Report, which forms part of this Annual Report. The Board have accepted all the recommendations made by the Audit Committee.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, SEBI Listing Regulations, 2015 or other applicable laws in force. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, appointment and remuneration of Directors & Senior Management. The details of the criteria laid down for appointment of the Directors of the Company and the Policy on Remuneration of Directors is disclosed in the Corporate Governance Report, which forms a part of this Report.

The policy lays down the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission, if any.), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The policy can be accessed on the following link: http://gufic.com/wp-content/uploads/2016/08/AppointmentofDirectorsKMP201718.pdf

COMMITTEES OF BOARD, NUMBER OF MEETINGS OF THE BOARD AND BOARD COMMITTEES

During the year under review, Nine Board Meetings and Ten Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report, which forms part of this Report. The intervening gaps between the Meetings were within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015.

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

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 confirm: -

a. that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable Indian accounting standards have been followed along with proper explanations relating to material departures, if any;
b. that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year March 31, 2019 and of the profit of your Company for that year;
c. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. that the annual financial statements have been prepared on a going concern basis;
e. that they had laid down proper internal financial controls and that the same are adequate and were operating effectively; and
f. that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

RELATED PARTY TRANSACTIONS:

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

Prior omnibus approval was obtained for Related Party Transactions (RPTs) from Audit Committee at the beginning of the financial year for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All RPTs were placed before the Audit Committee for review and approval on quarterly basis. All the RPTs affected during the year are disclosed in the notes to Financial Statements.

The Company for the financial year 2018-19 has put in place a mechanism for certifying the Related Party Transactions Statements placed before the Audit Committee and the Board of Directors from an Independent Chartered Accountant Firm.

The Company had received post facto approval from shareholders for the RPTs entered into by the Company, for the financial year 2018-19, by way of passing of Ordinary Resolution through Postal Ballot on 12th March 2019

All RPTs that were entered into during the financial year were on arm's length basis and in the ordinary course of the business. Except to the extent of the shares held in the Company and the remuneration paid, if any, there were no materially significant related party transactions made by the company with promoters, directors or key managerial personnel which may have a potential conflict with the interest of the company at large. As stipulated by Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, details of transactions entered with related parties under the Act exceeding ten percent of the annual consolidated turnover as per the last audited financial statements are given in Form AOC-2 provided as **Annexure 'B'** to this Report.

SUBSIDIARY / JOINT VENTURE /ASSOCIATE COMPANIES:

The Company does not have any subsidiary, joint venture and associate company. Hence, the statement in Form AOC-1 is not applicable to the Company.

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.gufic.com

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established a Vigil Mechanism policy i.e. Whistle Blower Policy that enables the Directors and employees to report genuine concerns, unethical behavior, irregularities, if any, that would adversely affect the operation of the Company and to provide adequate safeguards against victimization of persons who may use such mechanism. The vigil mechanism provides for direct access to the Chairperson of the Audit Committee. The details of the policy is made available on the website of the Company at the link: http://gufic.com/wp-content/uploads/2016/08/WHISTLE-BLOWER-POLICY.pdf. The policy is reviewed by the Audit Committee from time to time

The Vigil Mechanism Policy provides for (a) adequate safeguards against victimization of persons and (b) direct access to the Chairperson of the Audit Committee of the Company in appropriate or exceptional cases.

During the year under review, the Company did not receive any complaint against any Director or Senior Management Officials.

PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting by Designated Person and Immediate Relative(s) of Designated Person of the Company, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework there of. The code can be accessed on the website of the Company at the web link: http://gufic.com/wp-content/uploads/2016/08/CodeofFairDisclosure.pdf

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

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

AUDITORS:

a. STATUTORY AUDITOR:

Messrs. S H R & Co., Chartered Accountants, (FRN: 120491W) Mumbai, were appointed as the Statutory Auditor of the Company at the 30th Annual General Meeting of the Members of the Company held on 26th September 2014, for a term of five consecutive years till the conclusion of the 35th Annual General Meeting of the Company.

As recommended by the Audit Committee, the Board of Directors have proposed for re-appointment of Messrs. S H R & Co., Chartered Accountants, (FRN: 120491W) for a period of four years from the conclusion of this AGM till the conclusion of the 39th AGM to be held for the financial year ending March 31, 2023, subject to approval of members of the Company.

A certificate from the statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company would be according to the terms and conditions prescribed under Section 139 of the Act and rules framed there under.They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the SEBI Listing Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b. COST AUDITOR :

Pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records And Audit) Amendment Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records maintained by the Company. The Board, has on recommendation of Audit Committee, appointed M/s. Kale & Associates, Cost Accountants, Mumbai, (Firm Registration No. 101144) to audit the cost records of the Company for the financial year ending March 31, 2020. As required under the said Act and the Rules made thereunder, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders at the ensuing Annual General Meeting. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s. Kale & Associates is included in the Notice convening 35th Annual General Meeting.

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

In compliance with Section 148(6) of the Act and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014, Cost Audit Report, in Form CRA - 4 (XBRL mode), for the year ended March 31, 2018, was filed with the Central Government on 06th March 2019.

c. SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Gajanan D. Athavale, a Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report in the Form No. MR – 3 for the year is provided as **'Annexure – C'** to this Report.

d. INTERNAL AUDITOR :

The Board of Directors of the Company on the recommendation of the Audit Committee of the Company has appointed M/s. Mittal & Agarwal, Chartered Accountants (Firm Registration No. 0131025W) as Internal Auditors of the Company for the financial year 2019-20.

REPORTING OF FRAUDS:

There are no instances of any material fraud reported by the Auditor to the Audit Committee or the Board pursuant to section 143(12) of the Act.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

The explanation to the observation made in the Auditors' Report and the Secretarial Audit Report are as below as per Section 134 of the Companies Act, 2013.

1. INDEPENDENT AUDIT REPORT :

With reference to point no. 3 of the Independent Auditor's Report pertaining to balance of trade receivables and trade payables, the Company has sought confirmations from the parties of trade receivables as well as payables, however only few parties have responded to the same. The company is in the process of seeking further confirmation and its reconciliation with the books of accounts of the balances in Trade Receivable, loans & advance, Employee Advance, Trade Payable and Security and Trade Deposits from Agents and Stockiest. It is an ongoing exercise and as and when the reconciliation is done, the Company shall pass the necessary entries accordingly.

2. SECRETARIAL AUDIT REPORT :

a. With respect to the observation in the Secretarial Audit Report pertaining to the improvisation of the appropriate systems and processes for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting, the Board has taken the same on record and has decided to initiate the improvisation of the same from the next financial year.

b. With regards to system and process to monitor and ensure compliance with the applicable laws/rules/regulations etc, the Company on a continuous basis strive to strengthen the system to have timely compliance with the applicable laws/rules/regulations.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-9 is annexed herewith as "**Annexure D**" and is also made available on the website of the Company at the link: http://gufic.com/media/investors/annual-reports

GREEN INITIATIVE :

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

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

BUSINESS RISK MANAGEMENT:

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

Your Company has adopted a risk management policy for identification, evaluation and mitigation of business risk and threats. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. Various risk traced by the Company during the financial year 2018-19, were minimized to its best. The risk management policy adopted by the Company can accessed on the Company's website link : http://gufic.com/wp-content/uploads/2016/08/Risk-Management-Policy-2017-18.pdf

HUMAN RESOURCES:

The Company takes pride in the commitment, competence and dedication of its employees in all areas of business. Also, we believe our employees are pivotal to all the initiatives that drive us to realise our future plans. Human Resource agenda encourages high performance culture with focus on Employee Safety and welfare, Employee development and productivity. Your Directors look forward to their continued contribution.

During the year under review, the employees' strength of your Company increased to 1091 as compared to 1060, in the previous year. The HR processes are continuously evolving and aligning with the changing business requirements to create a culture of continuous learning and innovation among our employees. Your Company continued to conduct various employee benefit, recreational and team building programs, social gatherings to foster team spirit.

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

PARTICULARS OF EMPLOYEES:

The information required under section 197 of the Act read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, is given in **"Annexure- E"**.

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

CORPORATE GOVERNANCE:

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. Your Company's governance practices are described separately in this annual report. Mr. Deep Shroff, partner of M/s. S H R & Co., Chartered Accountant (FRN: 120491W) has issued Auditors' Report on Corporate Governance on Company's compliance with SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. This certificate forms part of this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Management discussion and analysis report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms a part of this report.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

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

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

An Internal Complaints Committee (ICC) has been set up 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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

ACKNOWLEDGMENTS

Your Company and its Directors wish to extend their sincerest thanks to all its employees, stakeholders, medical professionals, clients, business partners, bankers, governments and other statutory authorities at all levels for their continuous co-operation and assistance.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

Place: Mumbai
Date: 20th August, 2019

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

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]

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

Gufic is inspired by the quote of Mr. Philip Kotler "A good company offers excellent products and services. A great company also offers excellent products and services but also strives to make the world a better place." and strives to be a small part by contributing towards the betterment of the society at large. Our Initiatives are compliant of CSR requirement under the Section 135 of the Companies Act, 2013.The Company has a Board approved CSR policy which was formulated with the following objective:

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

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

a. Community Health Care, Sanitation & Hygiene

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

b. Education, Knowledge & Research

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

c. Social care and concern

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

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

1.Composition of CSR committee:

I. Mr. Gopal M. Daptari- Chairman*
ii. Mr. Jagdish D. Shah – Member
iii. Mr. Shreyas K. Patel – Member
iv. Mr. Jayesh P. Choksi – Member
v. Mr. Pranav J. Choksi – Member

* Mr. Sharat Gandhi ceased to be the Chairman and Mr. Gopal Daptari was appointed in his place w.e.f March 25, 2019

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

The average net profit of the company for the last three (3) financial Years calculated in accordance with the provisions of section 198 of the companies Act, 2013 was ₹.1824.44Lakhs

3. Prescribed CSR Expenditure (Two percent of the amount as in item 2 above) ₹. 36.49 Lakhs

4. Details of CSR spend for the financial year :

a. Total amount spent for the financial year: 38.60 Lakhs

b. Amount unspent if any: NIL

c. Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakhs)

Sr. No.	CSR Projects/ Activities	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state & Districts where projects or programs was undertaken	Amount outlay (Budgets) projects or programme wise (In INR)	Amount spent on the projects/ programs Subheads: 1) Direct Expenditure on Projects/ programs 2) Overheads	Amount spent: Direct or through implementing agency*
1	Creation of ideal smart villages (Rural Entrepreneurship based model designed to create ideal smart villages in India)	Promoting Education	Barabanki and Ghazipur district in Uttar pradesh	30.55	30.55	*Digital Empowerment foundation (DEF)
2	Promotion of Healthcare by offering quality medical care to the underpriveleged	Healthcare	Dharampur, Valsad district in Gujarat	4.55	4.55	*Shrimad Rajchandra Sarvamangal Trust
3	Providing education to underprivileged children	Promoting education	Mumbai, Maharashtra	3.00	3.00	*Bhagini Seva Mandir Kumarika Stree Mandal
4	Promoting education by providing vocational training to mentally challenged	Promoting education including special education	Khopoli, Raigad District Maharashtra	0.50	0.50	*Dr. Kunda & Subhash Mahadev Donde Charitable Trust

*Details of implementing agency

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

   Not Applicable

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

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

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

For and on behalf of the CSR Committee

Gopal M. Daptari
Chairman of CSR Committee

Place : Mumbai
Date : 20th August, 2019

ANNEXURE B TO THE BOARD'S REPORT

Form No. AOC-2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

The Company has not entered into any contract or arrangement or transaction with its related parties which is/are not at arm's length during financial year 2018-19.

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed
NIL.								

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Gufic Lifesciences Private Limited (Mr. Jayesh P. Choksi, Mr. Pranav J. Choksi and Mrs. Hemal M. Desai are Directors in both Companies)	1. Sale and purchase of pharmaceutical products including APIs, raw materials and finished goods, packing materials; 2. availing & rendering of testing analytical services, 3. job-work of pharmaceutical products 4.Re-imbursement of Expenses and 5. interest paid	Ongoing/ Continuous	The related party transactions entered during the year were in ordinary course of business and on arm's length basis. The aggregate amount of transactions for the financial year 2018-19 was ₹.3298.94 Lakhs	Since these RPTs are in the ordinary course of business and are at arms length basis, approval of the Board is not applicable. However, these are reported to the Audit Committee/ Board at their quarterly meetings.	N.A

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place : Mumbai
Date : 20th August, 2019

ANNEXURE C TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2019
(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gufic Biosciences Limited (CIN L24100MH1984PLC033519)(hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and *as were made available for my verification* and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and *as were made available for my verification* for the financial year ended on 31 March 2019 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-lawsframed thereunder to the extent modified/substituted by the provisions of SEBI (Depositories and Participants) Regulations, 2018 with effect from 03rd October 2018.

(iv) Foreign Exchange Management Act,1999 and the rules and regulations made there under - **The provisions relating to Foreign Direct Investment and External Commercial Borrowings were not applicable to the Company during the audit period under review. Moreover the Company has complied with the provisions of SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 05 April 2018 related to Monitoring of Foreign Investment limits in listed Indian companies (to the extent applicable during the audit period under review.)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 –**to the extent disclosures received under regulation 30 during the audit period under review.**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018– **to the extent regulation 158 read with regulation 164 relating to pricing of shares under section 230-234 of the Companies Act, 2013 for allotting shares to a select group of shareholders or shareholders of unlisted companies pursuant to scheme.**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable during the audit period under review.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable during the audit period under review.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client–**Not applicable during the audit period under review.**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable during the audit period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable during review period;** and
- (i) Other SEBI regulations/circulars, etc.
  - (aa) SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30 November 2015 and CFD/DIL3/CIR/2017/21 dated 10 March 2017, including modification thereof,issued under rule 19(7) of the Securities Contracts(Regulation) Rules, 1957.
  - (bb)SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated 05 April 2018 related to Monitoring of Foreign Investment limits in listed Indian companies - **to the extent applicable.**
  - (cc) SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 – **The Company has intimated to stock exchanges on 25 April 2019 as to its non-applicability.**

(vi) On the basis of the written representations received from the management, there is the compliance system prevailing in the Company for complying with the following laws applicable specifically to the Company:

- (a) The Drugs and Cosmetics Act, 1940 and rules made thereunder.
- (b) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and the rules made there under
- (c) Drugs (Prices Control) Order
- (d) The Legal Metrology Act, 2009 and rules made thereunder.

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

(a) The Secretarial Standards issued by the Institute of Company Secretaries of India; and

(b) The Listing Agreements entered into by the Company with Stock Exchanges - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ***to the extent amended*** **by and applicable provisions / regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.**

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

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(a) Regulation 23(2) mandates listed entity to get the prior-approval of the audit committee of all related party transactions. The audit committee in their meeting held on 29/05/2018 granted the omnibus approval for related party transactions in terms of executed agreements and further noted that all the related party transactions are in ordinary course of business and are at arms' length. Subsequently, the audit Committee, at their meeting held on 13 February 2019 approved the partial modification of earlier granted omnibus approvals and recommended to the board to appoint independent professional for verifying and to determine whether the related party transactions are at arms' length and in ordinary course of business or not? On the recommendation of the audit committee, the Board at their meeting held on 25 March 2019 resolved to appoint independent professional to carry out the independent study and to report to the Board whether the related party transactions are at arms' length basis and in ordinary course of business or not. The report is received by the Board, which inter-alia states that related party transactions pertaining to financial year 2018-2019 were in ordinary course of business and were at arms' length.

(b) Post-facto shareholders' approval for material related party transactions –as per regulation 23(4) mandates listed entity to obtain approval of shareholders' for all material related party transactions. However, the Company has received shareholders' approval on 12 March 2019 thereby validating the material related party transactions, entered into or to be entered into, during the financial year 2018-2019, through postal ballot.

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

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

Adequate notice 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 some of the meetings were held at shorter notice)*. ***Moreover, I could not found the agenda and detailed agenda sent to the directors/committee members supported by the relevant papers/documents and that the Company need to put in place an appropriate system & process for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.*** All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be.

I further report that the Company need to strengthen systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

(a) The Scheme of Amalgamation of Gufic Stridden Bio-Pharma Private Limited with the Company and their respective shareholders is approved by the Hon'ble National Company Law Tribunal, Mumbai Bench in terms of its order which was delivered on 06 September 2018 and had been effected with effect from appointed date i.e. w.e.f. 01 April 2016.

(b) On 20 September 2018, the Company has allotted 480,000 equity shares pursuant to the scheme sanctioned by H'ble National Company Law Tribunal, Mumbai Bench u/s. 230-232 of the Companies Act, 2013 and that the said allotted 480,000 equity shares were listed and subsequently permitted for trading by BSE & NSE.

(c) The shareholders of the Company, by passing special resolution, by way of postal ballot (including remote e-voting) approved the proposed alteration in object clauses and the liability clause of the Memorandum of Association. On approval of the filing for altered memorandum of association at Registrar of Companies, Maharashtra, Mumbai, the Company Identification Number (CIN) of the Company changed to L24100MH1984PLC033519.

(d) The Board of Directors at their 9th meeting of the financial year 2018-2019 held on 25 March 2019 reconsidered and approved the scheme of amalgamation of Gufic Lifesciences Private Limited with the Company and their respective shareholders and creditors pursuant to the provisions of Section 230-232 of the Companies Act, 2013 and all other applicable provisions and enabling provisions of Memorandum & Articles of Association and further subject to the requisite approvals of SEBI, NCLT and such other regulatory authorities.

(e) Statutory / Internal / Cost audit observations / qualifications / qualified opinions by the respective auditors appointed by the Company.

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

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

Place: Thane
Date: 20th August, 2019

This report is to be read with our letter dated 20 August 2019, which *is annexed as Annexure A and forms an integral part of this report.*

Annexure A to Form No. MR-3 - SECRETARIAL AUDIT REPORT

for the Financial Year ended on 31st March 2019

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

To,

The Members,

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

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

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

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

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

Place: Thane
Date: 20th August, 2019

GUFIC
BIOSCIENCES LIMITED

ANNEXURE D TO THE BOARD'S REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON
31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) **Indian**									
a) Individual/ HUF	24986085	Nil	24986085	32.30	25278885	Nil	25278885	32.48	0.18
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	25854287	Nil	25854287	33.43	25854287	43200	25897487	33.27	-0.16
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (1)	50840372	Nil	50840372	65.73	51133172	43200	51176372	65.75	0.02
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	50840372	Nil	50840372	65.73	51133172	43200	51176372	65.75	0.02
(B) Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	5707489	Nil	5707489	7.38	6627680	Nil	6627680	8.52	1.14
b)Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)Alternate investment funds	905513	Nil	905513	1.17	811856	Nil	811856	1.04	-0.13
d)Foreign Venture capital investors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)Foreign portfolio investors	355213	Nil	355213	0.46	50000	Nil	50000	0.06	-0.40
f) Finacial institutions/bank	55479	Nil	55479	0.07	57648	Nil	57648	0.07	0.00
g)Insurance company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) provident funds/pension funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	**7023694**	**Nil**	**7023694**	**9.08**	**7547184**	**Nil**	**7547184**	**9.70**	**0.62**
2. Central Government/ State Government(s)/ President of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3. Non- Institutions									
a) Individuals									
I) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9155956	150546	9306502	12.03	9128541	133996	9262537	11.90	-0.13
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6658024	Nil	6658024	8.61	6705901	Nil	6705901	8.61	0.01
b) NBFCs registered with RBI	Nil	Nil	Nil	Nil	750	Nil	750	0.00	0.00
c)Employee trust	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)Overseas depositories (holding Drs) (balance figure)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)Any other (Specity)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IEPF	120245	Nil1	120245	0.16	159373	Nil	159373	0.20	0.04
Foreign Nationals	Nil	Nil	Nil	Nil	6996	Nil	6996	0.01	0.01
Hindu Undivided Family	544452	Nil	544452	0.70	481725	Nil	481725	0.62	-0.08
Non Resident Indians (Non Repat)	196045	Nil	196045	0.25	185836	Nil	185836	0.24	-0.01
Non Resident Indians (Repat)	217880	Nil	217880	0.28	204011	Nil	204011	0.26	-0.02
Clearing Member	105265	Nil	105265	0.14	101149	Nil	101149	0.13	-0.01
Market Maker	5157	Nil	5157	0.01	9331	Nil	9331	0.01	0.01
Bodies Corporate	2332364	Nil	2332364	3.01	1988835	Nil	1988835	2.56	-0.46
Sub-total (B)(3):-	**19335388**	**150546**	**19485934**	**25.19**	**18972448**	**133996**	**19106444**	**24.55**	**-0.64**
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	26359082	150546	26509628	34.27	26519632	133996	26653628	34.25	-0.02
Total (A)+(B)	**77199454**	**150546**	**77350000**	**100**	**77652804**	**177196**	**77830000**	**100**	**Nil**
(C) Non Promoter -Non Public									
(1) Custodian/DR Holder	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2017)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (A)+(B)+ (C)	**77199454**	**150546**	**77350000**	**100**	**77652804**	**177196**	**77830000**	**100**	**Nil**

B. Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 2018			Shareholding at the end of the year 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	(#)
1.	Zircon Teconica Private Limited (Formerly Zircon Finance & Leasing Private Limited)	20523330	26.53	Nil	20523330	26.37	Nil	-0.16
2.	Jayesh P. Choksi	18010259	23.28	Nil	18010259	23.14	Nil	-0.14
3.	Pranav J. Choksi*	6975826	9.02	Nil	7268626	9.34	Nil	0.32
4.	Gufic Private Limited*	5330957	6.89	Nil	5374157	6.91	Nil	0.01
	TOTAL	**50840372**	**65.73**	**Nil**	**51176372**	**65.75**	**0**	**0.02**

#The change in total percentage of shareholding is due to increase in the overall paid-up share capital of the Company, arose pursuant to the Scheme of Merger by Absorption of Gufic Stridden Bio-Pharma Private Limited ("Transferor Company") with the Company and their respective shareholders ("Scheme") vide the order dated September 06, 2018 sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench.

*The increase in the number of shares of Mr. Pranav J. Choksi and Gufic Private Limited, at the end of the yearis due to the additional shares allotted to them, pursuant to the said Scheme, both being the shareholders of the Transferor Company.

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2018)		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year (31.03.2019)	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Zircon Teconica Private Limited (Formerly Zircon Finance & Leasing Private Limited)	20523330	26.53	No change in the number of shares but the percentage shareholding is reduced due to increase in paid up share capital of the Company			20523330	26.37
2	Jayesh P. Choksi	18010259	23.28				18010259	23.14
3	Pranav J. Choksi	6975826	9.02	20.09.2018	Increase	Allotment of shares pursuant to the Scheme of Merger	7268626	9.34
4	Gufic Private Limited	5330957	6.89	20.09.2018	Increase		5374157	6.91

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

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Reason	Cumulative Shareholding during the Year 31.03.2019	
		No. of shares	% of total shares of the company	Date of Transaction	No of Shares		No. of shares	% of total shares of the company
1	SBI Trustee Company Limited	5707489	7.33				5707489	7.33
				06 April 2018	250389	Purchase	5957878	7.65
				01 Jun 2018	120000	Purchase	6077878	7.97
				12 Oct 2018	(316240)	Sale	5761638	6.76
				19 Oct 2018	(130967)	Sale	5630671	6.59
				26 Oct 2018	(70270)	Sale	5560401	6.50
				16 Nov 2018	(12175)	Sale	5548226	6.49
				11 Jan 2019	(303142)	Sale	5245084	6.10
				01 Mar 2019	(520179)	Sale	4724905	5.43
				08 Mar 2019	(33309)	Sale	4691596	5.39
				15 Mar 2019	(158656)	Sale	4532940	5.18
				22 Mar 2019	(9038)	Sale	4523902	5.17
	At the end of the year (31.03.2019)						4523902	5.17
2	Vipula Choksi	2885273	3.71				2885273	3.71
	At the end of the year (31.03.2019)						2885273	3.71
3	ICICI Prudential Pharma Healthcare & Diagnostics (P.H.D) Fund	0	0				0	0
				10 Aug 2018	24374	Purchase	24374	0.03
				17 Aug 2018	58298	Purchase	82672	0.11
				24 Aug 2018	109781	Purchase	192453	0.25
				31 Aug 2018	1546	Purchase	193999	0.25
				07 Sep 2018	266397	Purchase	460396	0.59
				14 Sep 2018	5626	Purchase	466022	0.60
				21 Sep 2018	74299	Purchase	540321	0.69
				29 Sep 2018	228796	Purchase	769117	0.99
				05 Oct 2018	83016	Purchase	852133	1.09
				12 Oct 2018	79688	Purchase	931821	1.20
				19 Oct 2018	472453	Purchase	1404274	1.80
				26 Oct 2018	78018	Purchase	1482292	1.90
				14 Dec 2018	49646	Purchase	1531938	1.97
				18 Jan 2019	300000	Purchase	1831938	2.35
				01 Feb 2019	964	Purchase	1832902	2.36
				22 Feb 2019	17113	Purchase	1850015	2.38
				01 Mar 2019	500353	Purchase	2350368	3.02
				08 Mar 2019	3799	Purchase	2354167	3.02
	At the end of the year (31.03.2019)						2354167	3.02
4	Jagdish N. Master	2000000	2.59				2000000	2.59
				21 Dec 2018	2500	Purchase	2002500	2.57
				28 Dec 2018	70000	Purchase	2072500	2.66
				01 Feb 2019	7500	Purchase	2080000	2.67
				08 Feb 2019	5000	Purchase	2085000	2.68
				15 Feb 2019	2500	Purchase	2087500	2.68
				22 Feb 2019	5000	Purchase	2092500	2.69
				01 Mar 2019	1000	Purchase	2093500	2.69
				08 Mar 2019	4000	Purchase	2097500	2.70

				15 Mar 2019	5000	Purchase	2102500	2.70
				29 Mar 2019	37500	Purchase	2140000	2.75
	At the end of the year (31.03.2019)					Purchase	2140000	2.75
5	SBI Active Select Fund	573513	0.74				573513	0.74
				01 Jun 2018	50000	Purchase	623513	0.80
				08 Jun 2018	515	Purchase	624028	0.80
				15 Jun 2018	11105	Purchase	635133	0.81
				22 Jun 2018	8527	Purchase	643660	0.82
				30 Jun 2018	63603	Purchase	707263	0.91
				20 Jul 2018	15000	Purchase	722263	0.92
				27 Jul 2018	19700	Purchase	741963	0.95
				03 Aug 2018	12658	Purchase	754621	0.97
				10 Aug 2018	7235	Purchase	761856	0.98
				07 Sep 2018	50000	Purchase	811856	1.04
	At the end of the year (31.03.2019)						811856	1.04
6	Sambhav PROPERTIES LLP	645949	0.83				645949	0.83
	At the end of the year (31.03.2019)						645949	0.83
7	Dhyuti Choksi	497045	0.63				497045	0.63
	At the end of the year (31.03.2019)						497045	0.63
8	Bharat Kanaiyalal Sheth	235000	0.31				235000	0.30
				13 Apr 2018	50000	Purchase	285000	0.37
				04 May 2018	4208	Purchase	289208	0.37
				11 May 2018	43292	Purchase	332500	0.43
				05 Oct 2018	25000	Purchase	357500	0.43
				16 Nov 2018	20000	Purchase	377500	0.46
	At the end of the year (31.03.2019)						377500	0.46
9	The Master Clock and Watch Works Pvt. Ltd.	228406	0.29				228406	0.29
				13 Jul 2018	1594	Purchase	230000	0.30
				20 Jul 2018	3640	Purchase	233640	0.30
				17 Aug 2018	(640)	Sale	233000	0.30
				24 Aug 2018	(3000)	Sale	230000	0.30
				12 Oct 2018	11000	Purchase	241000	0.31
	At the end of the year (31.03.2019)						241000	0.31
10	Vanaja Sundar Iyar	227256	0.30				227256	0.30
				22 Feb 2019	(5022)	Sale	222234	0.29
	At the end of the year (31.03.2019)						222234	0.29

Note : The difference in calculation of % is due to the increase in overall paid up share capital of the Company

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2018					Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	Date	Increase / Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1	Mr. Jayesh P. Choksi – Managing Director							
	At the beginning of the year	18010259	23.28		No Change		18010259	23.28
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil				Nil	Nil
	At the end of the year						18010259	23.14
2	Mr. Pranav J. Choksi – Whole Time Director & Chief Executive Director							
	At the beginning of the year	6975826	9.02				6975826	9.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	20.9.2018	292800	Allotment of shares pursuant to the Scheme of Merger		
	At the end of the year						7268626	9.34
3	Mrs. Hemal M. Desai – Whole Time Director & Chief Financial Officer							
	At the beginning of the year	10	0.00		No Change		10	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil				Nil	Nil
	At the end of the year						10	0.00
4	Mr. Shreyas Patel – Independent Director							
	At the beginning of the year	2600	0.003		No Change		2600	0.003
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil					
	At the end of the year						2600	0.003

Note : 1. The difference in calculation of % is due to the increase in overall paid up share capital of the Company
2. Apart from the above, none of the Directors and Key Managerial Personnel hold equity shares in the Company.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	71,44,98,745	8,24,45,798	-	79,69,44,543
ii) Interest due but not paid	4,66,000	-	-	4,66,000
iii) Interest accrued but not due	1,03,385	-	-	1,03,385
Total (i+ii+iii)	**71,50,68,130**	**8,24,45,798**	-	**79,75,13,928**
Change in Indebtedness during the financial year				
* Addition	28,85,85,802	1,71,37,195	-	30,57,22,996
* Reduction	2,64,25,391	9,89,52,513	-	12,53,77,903
Net Change	**26,21,60,411**	**(8,18,15,318)**	-	**18,03,45,093**
Indebtedness at the end of the financial year				
i) Principal Amount	97,72,28,541	6,30,480	-	97,78,59,021
ii) Interest due but not paid	9,46,000	-	-	9,46,000
iii) Interest accrued but not due	6,39,000	-	-	6,39,000
Total (i+ii+iii)	**97,88,13,541**	**6,30,480**	-	**97,94,44,021**

Note :- 1. Previous year figures not match with current year opening due to regrouping of items.
2. The amount of Security Deposit received from C & F Agents for day to day business activities are not considered

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(In ₹)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Jayesh Choksi (MD)	Pranav Choksi (WTD & CEO)	Hemal Desai (WTD)	Pankaj Gandhi (WTD)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	39,00,108	19,85,544	8,46,218	9,09,259	76,41,129
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	3,54,271	Nil	Nil	3,54,271
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as 1% of profit - others, specify…	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Company's contribution to Provident Fund	100,800	15,360	57,703	27,072	2,00,935
	Total(A)	40,00,908	23,55,175	9,03,921	9,36,331	81,96,335
	Ceiling as per the Companies Act, 2013	₹. 361.68 lakhs(being 10% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)				

B. Remuneration to other directors

(In ₹)

SN.	Particulars of Remuneration	Name of Directors					Total
		Dr. Sharat Gandhi	Mr. Shreyas Patel	Mr. Jagdish Shah	Mr. Gopal Daptari	Mr. Shrirang Vaidya	Amount
1.	Independent Directors						
	Fee for attending board / committee meetings	35,000	40,000	25,000	15,000	45,000	1,60,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	35,000	40,000	25,000	15,000	45,000	1,60,000
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	35,000	40,000	25,000	15,000	45,000	1,60,000

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

(In ₹.)

SN	Particulars of Remuneration	CS	CFO	Total
		Ms. Ami N. Shah	Mr. Devkinandan B Roonghta*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,87,030	7,48,639	14,35,669
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Company's contribution to Provident Fund	9,579	Nil	9,579
	Total	696,609	7,48,639	14,45,248

*Appointed as Chief Financial officer of the Company w.e.f October 29, 2018.

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place: Mumbai

Date: 20th August, 2019

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

ANNEXURE E TO BOARD'S REPORT

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2018-19:

S. No.	Name	Designation	% increase remuneration in the year ended March 31, 2019	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mr. Jayesh P. Choksi	Chairman & Managing Director	0	11.76
2.	Mr. Pranav J. Choksi	Chief Executive Officer & Whole Time Director	0	7.10
3.	Mrs. Hemal M. Desai	Whole Time Director	0	2.71
4.	Mr. Pankaj J. Gandhi	Whole Time Director	11.84	2.77
5.	Mr. Devkinandan Roonghta	Chief Financial Officer	Not applicable*	Not applicable
5.	Ms. Ami N. Shah	Company Secretary	22.57	Not applicable

* Mr. D. B. Roonghta was appointed as Chief Financial Officer of the Company w.e.f October 29, 2018

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

1. The percentage increase in the median remuneration of the employees for the financial year 2018-19 was 6.83%
2. The Company has 1091 permanent Employees on the rolls of Company as on 31st March, 2019
3. **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 7.9 %, while the average increase in the managerial remuneration was 7.72%. The increase in salary of the employees of the Company depend upon their respective performance and increase in the Managerial Remuneration has been recommended to the Board of Directors by the Nominations and Remuneration Committee based on various factors viz., involvement in the growth of the Company, experience, integrity, etc, which has been duly approved by the Board of Directors.
4. **Affirmation that the remuneration is as per the remuneration policy of the Company :**
   The Board of Directors of the Company affirm that the remuneration paid is as per the remuneration policy of the Company

Place: Mumbai

For and on behalf of the Board of Directors

Date: 20th August, 2019

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

REPORT ON CORPORATE GOVERNANCE

1.THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic believes that timely disclosures, transparent accounting policies coupled with a strong and independent board go a long way in maintaining a good corporate governance, preserving shareholders' trust and maximizing long-term corporate value The Company maximizes shareholder value while safeguarding and promoting the interests of other stakeholders and maintaining a steadfast commitment to ethics and code of conduct.

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

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

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

2. BOARD OF DIRECTORS :

(A) Composition and size of the Board

The Board of the Company represents an appropriate mix of executive, non-executive and independent directors, which is compliant with the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations).

As on March 31, 2019, the Company had Ten (10) Directors comprising of (i) Four Executive Directors including Chairman of the Board and one woman director (ii) One Non- Executive, Non-Independent Director (iii) Five Independent Directors. Dr. Sharat S. Gandhi (DIN: 00001730), aged 80 years, has resigned w.e.f. 1st April 2019,consequent to the applicability of Regulation 17(1A) of the Listing Regulations and also due to his health issues. Dr. Gandhi has confirmed that there was no other material reason for his resignation as Director. The Board places on record immense contribution made by him during his long tenure with the Company. To balance the composition of the Board and to bring transparency, the Board of Directors of the Company appointed Mr. Rabi Narayan Sahoo (DIN: 001237464) as an Independent Director w.e.f June 29, 2019.The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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

(B) Non executive directors' compensation and disclosures

Except Mr. Balram H. Singh, all other non-executive directors are independent directors in the Company. No fees or compensations are paid to the Non-Executive Directors, which requires previous approvals of shareholders in a general meeting, except sitting fees and travelling expenses for attending the Board Meeting and reimbursement of expenses incurred by them on behalf of the Company, which is made well within the limits prescribed under the Companies Act, 2013 read with the rules made thereunder.

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

Nine (9) Board Meetings were held during the financial year 2018-2019 and the gap between the two Board Meetings did not exceed the limit as prescribed under Companies Act, 2013 and the SEBI Listing Regulations. The Board meetings were held on May 29, 2018, June 20, 2018, August 13, 2018, September 20, 2018, October 26, 2018, November 13, 2018, February 01, 2019, February 13, 2019 and March 25, 2019. The names of members of the Board, No. of Board Meeting held during the financial year 2018-2019, their attendance at the Company's Board Meetings, Last Annual General Meeting, the number of Directorship and Chairmanship / Membership in the Companies as on March 31, 2019 are given below

Name of the Director	Category	No. of Board Meeting attended during 2018-19	No. of shares held in the Company	Whether attended Last AGM	*No. of Directorship in other Companies	No. of Chairmanship/ Membership in Committees	
		Attended				Chairmanship*	Membership**
Mr. Jayesh P. Choksi	Promoter, Chairman &Managing Director	9	1,80,10,259	Yes	1	Nil	3
Mr. Pranav J. Choksi	Promoter, Whole Time Director & Chief Executive Officer	8	72,68,626	Yes	Nil	Nil	3
Mr. Pankaj J. Gandhi	Whole-Time Director	9	0	Yes	Nil	Nil	Nil
Mrs. Hemal M. Desai	Whole Time Director	9	10	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi***	Non-Executive Independent Director	7	0	Yes	Nil	NA	NA
Mr. Shreyas Patel	Non-Executive Independent Director	8	2600	Yes	Nil	Nil	3
Mr. Jagdish Shah	Non-Executive Independent Director	5	0	No	Nil	Nil	4
Mr. Gopal Daptari	Non-Executive Independent Director	3	0	No	Nil	2	2
Mr. Shrirang Vaidya	Non-Executive Independent Director	9	0	Yes	Nil	2	Nil
Dr. Balram Singh#	Non-Executive Non-Independent Director	2	0	Yes	Nil	Nil	Nil

* The above list of other directorships does not include Directorships in Private and Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013. None of the Directors of the Company hold Directorship in other listed company.

**The Memberships and Chairmanships of Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship's Committee and Corporate Social Responsibility Committee of all Public Limited Companies, including this Company are included.

*** Dr . Sharat Gandhi ceased to be the Chairman / Member of the Committees of the Company, where he was the Chairman/Member, w.e.f March 25, 2019 and ceased to be director of the Company w.e.f. April 01, 2019.

Dr. Balram H. Singh was appointed as Non- Executive Non-Independent Director on May 29, 2018 in the Board Meeting and his appointment was regularized in the last Annual General Meeting held on September 28, 2018.

(D) Disclosure of Relationship between Directors inter-se

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

(E) Re-appointment of Directors retiring by rotation

Brief profiles of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

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

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

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

(G) Confirmation as regards to independence of Independent Directors

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

A formal appointment letter containing the terms and conditions of their appointment have been issued to them and the said letters have been uploaded on the website of the Company, **www.gufic.com**

(H) Compliance as to applicable laws

Pursuant to the provisions of Section 165(1) the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors holds Directorships in more than 20 companies (Public or Private), 10 public companies, Membership of Board Committees (Audit & Stakeholders Relationship Committees) in excess of 10 and Chairmanship of Board in excess of 5. None of the Directors serve as Independent Director in more than 7 listed companies. None of the Director who serves as Whole Time Director in any listed company serves as Independent Director in more than three listed companies.

As per the requirements of Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has met at least four times a year and a maximum time gap between any two meetings were not more than one hundred and twenty days. At least one board meeting was conducted in a calendar quarter, as prescribed under Secretarial Standards I issued by Institute of Company Secretaries of India. The meeting of the Board of Directors and Annual General Meeting are always held in Mumbai, where the registered office of the Company is situated. Board Meeting dates are finalized in consultation with all the directors and the agenda and the supporting papers for consideration at the Board meeting are circulated to the Directors well in advance before the meeting.

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

(I) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

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

The Director is also apprised of the Compliance required from him under Companies Act,2013, the Listing Regulations and other various statutes . The Chief Executive Officer and Chief Financial Officer also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

The details of the familiarization programme imparted to Independent Directors have been put on the website of the Company. The link can be accessed at http://gufic.com/wp-content/uploads/2016/08/Familarisation%20programme%20for%20Independent%20Directors%202017-18pdf

3.COMMITTEE OF THE BOARD:

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

A. Audit Committee:

Terms of reference covers all matters prescribed under Regulation 18 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The major functions undertaken by the Audit Committee as covered under the Listing Regulations and Companies Act, 2013 are as follows :

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- reviewing and examining with management the quarterly financial results before submission to the Board;
- recommendation for appointment, remuneration and terms of appointment of Statutory Auditors;
- reviewing and monitoring auditor's independence, performance and effectiveness of audit process;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- reviewing management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Whistle Blowing mechanism;

Composition:

The Audit Committee comprises of six Directors, out of which four are Independent Directors. As on March 31, 2019, Mr. Shrirang V. Vaidya, Independent Director holds the Chairmanship of the Committee and Mr. Jagdish Shah, Mr. Shreyas K. Patel, Mr. Gopal M. Daptari, all Independent Directors and Mr. Jayesh P. Choksi, Managing Director and Mr. Pranav J. Choksi, Executive Director are the Members of the Committee. The Company Secretary acts as the Secretary to the Committee. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement.

In the financial year 2018-19, Ten Audit Committee meetings were held i.e. on May 29, 2018, June 20, 2018, August 13, 2018, September 20, 2018, October 26, 2018, November 13, 2018, January 10, 2019 February 01, 2019, February 13, 2019 and March 25, 2019 and the members attendance during the year are as under :

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Sharat Gandhi*	Chairman (till March 25, 2019)	10	8
Mr. Jagdish Shah	Member	10	6
Mr. Shreyas Patel	Member	10	8
Mr. Gopal Daptari	Member	10	4
Mr. Jayesh Choksi	Member	10	10
Mr. Pranav Choksi	Member	10	9
Mr. Shrirang Vaidya**	Chairman (from March 25, 2019)	NIL	NIL

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

*Mr. Sharat Gandhi had resigned from the Chairmanship of the Audit Committee of the Company w.e.f. 25.03.2019 .

** Mr. Shirang Vaidya was appointed as the Chairman of the Committee w.e.f. March 25, 2019. Subsequent to his appointment, no Audit Committee was held in the financial year 2018-19

B. Nomination & Remuneration Committee :

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations 2015, the Board has constituted a "Nomination and Remuneration Committee" [NRC].

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

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

Composition of NRC Committee :

The committee was reconstituted in the Board meeting held on March 25, 2019, It currently comprises of four Independent Directors viz. Mr. Shrirang V. Vaidya- Chairman, Mr. Jagdish Shah- Member, Mr. Shreyas Patel – Member and Mr. Gopal Daptari-Member.

During the financial year 2018-2019, the committee met three times i.e., May 29, 2018, June 20, 2018 and October 26, 2018. The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No. of Meetings Entitled to Attend	No of Meetings Attended
Mr. Sharat Gandhi	Chairman (till March 25, 2019)	3	2
Mr. Jagdish Shah	Member	3	1
Mr. Shreyas Patel	Member	3	3
Mr. Shrirang Vaidya	Chairman (from March 25, 2019)	-	-
Mr. Gopal Daptari*	Member (from March 25, 2019)	-	-

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated on the basis of level of engagement and contribution, attendance and participation, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

REMUNERATION OF DIRECTORS:

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

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

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

The details of remuneration for the year ended March 31, 2019 to the Executive and Non-executiveDirectors are as follows:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in Rs.	Perquisites / Allowances (Rs)	Performance Linked Bonus / Commission (Rs)	Stock Options	Sitting Fees	TOTAL
1	Mr. Jayesh P. Choksi	40,00,908	0	0	0	0	40,00,908
2	Mr. Pranav J. Choksi	20,00,904	3,54,271	0	0	0	23,55,175
3	Ms. Hemal M. Desai	9,03,921	0	0	0	0	9,03,921
4	Mr. Pankaj J. Gandhi	9,36,331	0	0	0	0	9,36,331
5	Dr. Sharat Gandhi	0	0	0	0	35,000	35,000
6	Mr. Shreyas Patel	0	0	0	0	40,000	40,000
7	Mr. Jagdish Shah	0	0	0	0	25,000	25,000
8	Mr. Gopal Daptari	0	0	0	0	15,000	15,000
9	Mr. Shrirang Vaidya	0	0	0	0	45,000	45,000
10	Mr. Bal Ram Singh	0	0	0	0	0	0

Service contracts, Notice Period and Severance Fees :

The employment of the Chairman & Managing Director and the Executive Directors of the Company is contractual. The employment of Mr. Jayesh P. Choksi , Mr. Pranav J. Choksi , Mr. Pankaj J. Gandhi and Mrs. Hemal M. Desai is for the period of five years beginning from the date of their appointment/re-appointment. The Executive Directors can resign from the Directorship of the Company 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 Company has paid sitting fees of ₹ 5,000/- per Board meeting to Independent Directors during the financial year 2018-19. None of the Non-executive directors of the Company, have any pecuniary relationship or transactions with the Company other than sitting fees paid for attending the board meetings.

C. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is constituted in lines with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The composition of the Committee comprises of four directors out of which two are Non-Executive Independent Directors.

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence of to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar of Share Transfer Agent.

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

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

During the financial year 2018-19, the Committee met four times. The Stakeholder Committee Meetings were held on May 29, 2018, August 13, 2018, November 13, 2018 and February 13, 2019.

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

Name	Designation	No of Meetings Attended
Mr. Shreyas Patel	Chairman (till March 25, 2019)	3
Mr. Jagdish Shah	Member	2
Dr. Sharat Gandhi	Member (till March 25, 2019)	3
Mr. Jayesh Choksi	Member	4
Mr. Pranav Choksi	Member	4
Mr. Gopal M. Daptari*	Chairman (from March 25, 2019)	NA

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2018-2019

Complaints pending at beginning of the year	NIL
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending at the end of the year	NIL

C. CORPORATE SOCIAL RESPONSIBILTY (CSR) COMMITTEE:

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

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

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

Directors from time to time.

The Company Secretary acts as Secretary of the Committee.

The Committee met 4 (Four) times during the financial year ended March 31, 2019 viz., on May 29, 2018, September 20, 2018, February 13, 2019 and March 25, 2019. The attendance record of the members at the meeting were as follows:

Name	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman (till March 25, 2019)	4
Mr. Jagdish Shah	Member	2
Mr. Shreyas Patel	Member	3
Mr. Jayesh Choksi	Member	4
Mr. Pranav Choksi	Member	4
Mr. Gopal M. Daptari*	Chairman (from March 25, 2019)	NA

*There were no Committee meetings held after Mr. Gopal M. Daptari was appointed as the Chairman of the Committee.

INDEPENDENT DIRECTORS MEETING:

During the year under review, one separate Independent Directors Meeting without the presence of the Executive Directors was held on March 27, 2019 inter alia, to discuss:

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

All the independent Directors were present at the meeting.

4. SHAREHOLDERS

A. GENERAL BODY MEETINGS

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

Year	Venue	Date and Time	Special Resolution passed
2015-2016	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	28th September, 2016 2.30 P. M	1. Approval under Section 180 (1)(c) of the Companies Act, 2013.
2016-2017	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	5th September, 2017 2.30 P. M	1. Adoption of new set of Articles of Association 2. Approval of Re-classification of Promoters of the Company 3. Approval for keeping and maintaining registers and documents as required under Section 94 of the Companies Act, 2013 to place other than the registered office of the Company.
2017-18	VITS – Luxury Business Hotels, Andheri Kurla Road, Andheri (East), Mumbai-400059.	28th September, 2018 2.30 P.M.	No resolution was passed through Special Resolution.

POSTAL BALLOT

During the year under review, one special resolution was passed by the shareholders of the Company through postal ballot on Thursday, December 13, 2018. The details of the special resolution passed and the voting pattern are as follows :

Resolution No.	Particulars	No. of Valid Votes Received	No and % of Votes in favour	No. and % of votes against
1	Speical Resolution : Alteration of the Memorandum of Association of the Company	76,25,672	7625411 (99.996%)	261 (0.004%)

i. Person who had conducted the Postal Ballot exercise:

Mr. Gajanan D. Athavale, Practising Company Secretary was appointed to act as the Scrutinizer for conducting the aforesaid Postal Ballot and e-Voting in fair and transparent manner.

The Consolidated Scrutinizer's Report for E-voting & Ballot Voting was issued by Mr. Gajanan D. Athavale, Practising Company Secretary. The details of the postal ballot including voting pattern are available on the Company's website at the given link: http://gufic.com/Notice/ScrutinizerReport.pdf

ii. Procedure for Postal Ballot

The Notice of Postal Ballot along with explanatory statement and the self-addressed prepaid postage envelope were sent to the equity shareholders to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in whichpostal ballot voting (including remote e-voting) to be carried out. Further, Postal Ballot Notice and Postal Ballot Forms were sent through emails to those, whose email IDs are registered with the Company / Registrar and Transfer Agents of the Company. The voting was conducted through physical mode as well as electronic mode. The scrutinizer appointed by the Board of Directors after due verification and scrutiny, submitted his report to the Chairman of the Company and the Chairman announced the results on December 15, 2018.. The results were also submitted to the stock exchanges and also uploaded on the website of the Company and the National Securities Depository Limited.

The Company complied with all the procedure for Postal Ballot as specified under Companies Act, 2013 & SEBI Regulations.

B. MEANS OF COMMUNICATION:

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

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

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

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

C. 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.

D. CEO AND CFO CERTIFICATION:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

E.CREDIT RATING:

During the year under review, the Company has been assigned with BBB- rating by CARE Ratings Limited.There has been no revision in credit rating during the financial year 2018-19.

The company does not have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.

F.GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	30th September, 2019 at 2.30 PM at VITS - Luxury Business Hotels, Andheri, Kurla Road, International Airport Zone, Andheri (East), Mumbai 400 059, Maharashtra, India
Financial year	1st April 2018 to 31st March, 2019
Date of Book Closures	As mentioned in the Notice to the Annual General Meeting
Financial Calendar: Results for quarter ended 30th June, 2018 Results for quarter ended 30th September, 2018 Results for quarter ended 31st December, 2018 Results for quarter ended 31st March, 2019	 Third Week of August, 2018 Second Week of November, 2018 Third Week of February, 2019 Fifth Week of May, 2019
Dividend Payment Date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.
The Company is Listed at	**BSE Limited** 25th floor, P. J. Towers, Dalal Street,Mumbai 400 001 **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code	BSE - 509079 NSE -GUFICBIO
Name, Address, Telephone No. Fax and Email of Registrar & Share Transfer Agents	Link Intime (I) Private Limited C- 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai – 400 083. Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 Email: rnt.helpdesk@linkintime.co.in
CIN	L24100MH1984PLC033519
STATUS	Active

The annual listing fees for the financial year 2019-20 has been duly paid by the Company to the Stock Exchanges on which the shares of the Company are listed

G. DISTRIBUTION OF SHAREHOLDING AS ON 31st March 2019

CATEGORY	DEMATERIALISED		PHYSICAL		TOTAL		% ISSUED CAPITAL
	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	
Corporate Bodies (Promoter Co)	25854287	2	43200	1	25897487	3	33.27
Clearing Member	101149	110	0	0	101149	110	0.13
Other Bodies Corporate	1988835	242	0	0	1988835	242	2.56
Directors	25278885	3	0	0	25278885	3	32.48
Hindu Undivided Family	481725	399	0	0	481725	399	0.61
Market Maker	9331	8	0	0	9331	8	0.01
Non Resident Indian	204011	201	0	0	204011	201	0.26
Non Resident (Non Repatriable)	185836	74	0	0	185836	74	0.24
Financial Institutions	31683	1	0	0	31683	1	0.04
Foreign Portfolio Investors (Corporate)	50000	1	0	0	50000	1	0.06
Non Nationalized Bank	25965	1	0	02	5965	1	0.03
Alternate Investment Fund	811856	1	0	0	811856	1	1.04
NBFCs registered with RBI	750	1	0	0	750	1	0.00
Mutual Funds	6627680	6	0	0	6627680	6	8.52
Foreign Nationals	6996	1	0	0	6996	1	0.00
Public	15834442	16349	133996	29	15968438	16378	20.51
Investor Education & Protection Fund	159373	2	0	0	159373	2	0.20
Total	**77652804**	**17402**	**177196**	**30**	**77830000**	**17432**	**100**

H. Market Highs and Lows for the period April 2018 to March 2019

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2018	145.40	110.00	730807	145.45	108.60	3787838
May, 2018	164.35	128.00	953340	163.90	130.55	5004811
June, 2018	140.00	112.00	338450	140.00	111.00	2081936
July, 2018	125.95	110.40	164541	125.35	110.00	1384532
August, 2018	139.90	113.45	282923	140.00	113.00	2066263
September, 2018	138.80	112.00	293826	135.85	111.00	2521280
October, 2018	114.00	88.60	224581	114.75	88.15	2464602
November, 2018	107.55	83.70	177696	108.00	83.30	1041837
December, 2018	98.25	84.60	88242	97.85	84.20	769320
January, 2019	98.80	79.35	71047	99.10	78.00	1090855
February, 2019	84.85	65.40	328952	84.65	65.95	1117252
March, 2019	83.80	70.15	131292	84.20	69.50	1080177

On March 31, 2019, the closing price of the shares of the Company on BSE was ₹. 76.05/- and NSE was ₹ 76.10/-

I. Distribution of Shareholding (As on 31st March 2019)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	13797	79.1475	2190591	2.8146
501 – 1000	2006	11.5076	1663445	2.1373
1001 – 2000	772	4.4286	1216707	1.5633
2001 - 3000	293	1.6808	769461	0.9886
3001 – 4000	126	0.7228	458345	0.5889
4001 – 5000	137	0.7859	656816	0.8439
5001 – 10000	161	0.9236	1161477	1.4923
10001 & ABOVE	140	0.8031	69713158	89.5711
TOTAL	**17432**	**100**	**77830000**	**100**

J. ADDRESS FOR CORRESPONDENCE

All shareholders' correspondence should be forwarded to the following address:

i. Registrar & Share Transfer Agent

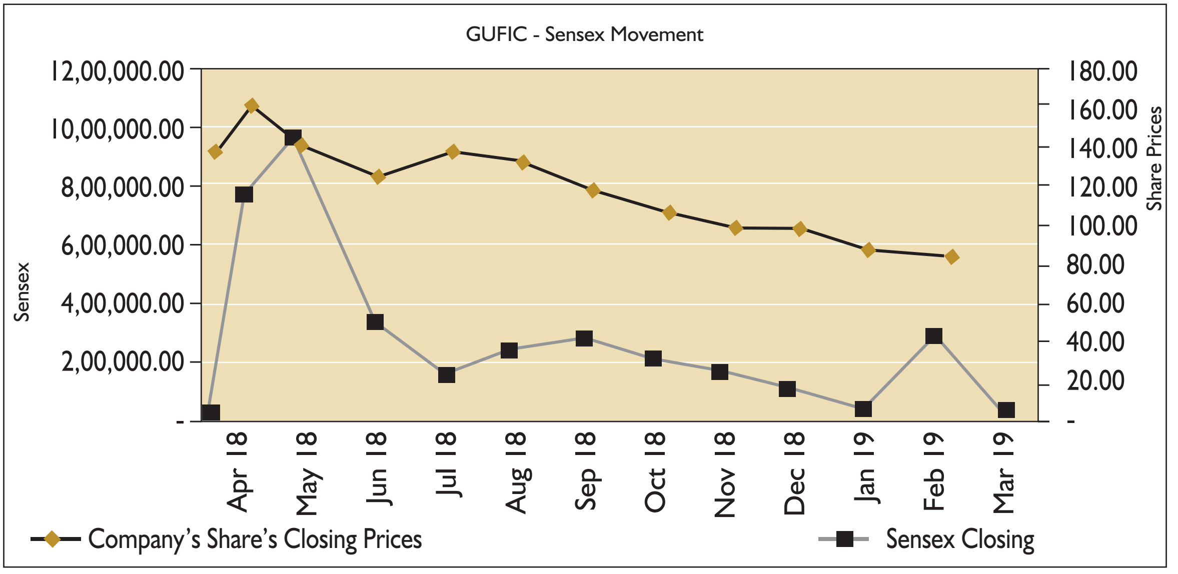
M/s Link Intime India Private Limited,
C- 101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai – 400 083
Tel No: (022) 4918 6000 Fax No: (022) 4918 6060 • Email: rnt.helpdesk@linkintime.co.in

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

ii Company

M/s. Ami Shah (Company Secretary & compliance offer)
M/s. Gufic Biosciences Limited
37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
• Tel No : 022 67261000 • Email : corprelations@guficbio.com

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



L. SHARE TRANSFER SYSTEM:

Shares in the physical form are sent to the Registrar & Transfer Agent M/s. Link Intime India Private Limited, for registering transfer and the transfer is normally processed within the stipulated period of time, if the documents are complete in all respects.

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

Pursuant to provision to sub regulation (1) of regulation 40 of the SEBI (LODR) Regulations, effective from 1st April, 2019, the Company shall not be able to process any request for transfer of securities unless the securities are held in dematerialised form with any depository. However, the Company will continue to process valid applications for transmission or transposition of securities, which are held in physical form.

M . RECONCILIATION OF SHARE CAPITAL AUDIT:

A Company Secretary in practice carried out audit in respect of each of the quarters in the financial year 2018– 2019, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirmed that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

N. DEMATERIALISATION OF SHARES AND LIQUIDITY

99.77 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2019. All shares of the Company are liquid and traded in normal volume on BSE & NSE. Shares held by Promoters are all in dematerialised form. The demat security (ISIN) code for the equity share is INE742B01025.

None of the securities of the Company are suspended from trading

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

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

P. UNCLAIMED SHARES & DIVIDEND

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

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

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

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

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

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

The Company has not entered into any material derivative contracts to hedge foreign exchange risk/ exposure to fuctuations in commodity prices.

The Company has Risk Management framework to pro-actively mitigate the impact. Currency risks mainly arise out of exports and overseas operations. Exchange rate fluctuations could significantly impact earning because of invoicing in foreign currencies, expenditures in foreign currencies and translation of financial statement of overseas subsidiaries into Indian Rupees. The export and import of the Company in a financial year is in such a way, that the foreign exchange risk gets balanced.

R. PLANT LOCATION

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

S. OTHER DISCLOSURES:

i) During the year under review besides the transactions reported in Notes to Accounts, there were no other related transactions with the promoters, directors, management and subsidiaries that have potential conflict with the interest of the Company at large.

ii) During the last three years, there were no material non-compliance by the Company and no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority for non-compliance of any matter related to capital markets.

iii) The Board of Directors of the Company has adopted and put in place a Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of vigil mechanism / whistle blower policy has been provided on the website of the Company www.gufic.com and have also been provided in the Directors' Report.

iv) The Company had not raised any funds through preferential allotment of qualified institutional placement

v) Disclosure on Commodity price risk or foreign exchange risk and hedging activities has been made in earlier paragraphs in this report.

vi) There were no instances where the Board had not accepted any recommendation of any committee during the financial year

vii) The Company has complied with all the mandatory requirements of the Companies Act, 2013 as well as the SEBI Listing Regulations, including all the requirements of the Corporate Governance Report.

viii) The Company has complied with the requirements of the corporate governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

ix) The Company has no subsidiary , associate or joint venture company, hence policy on material subsidiary is not applicable to the Company

x) Details of Related Party Transactions and policy are provided in the Directors' Report. The policy is made available on the Company's website at the given link : http://gufic.com/wp-content/uploads/2016/08/POLICY-ON-RELATED PARTY-TRANSACTIONS.pdf

xi) The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(C) to the Listing Regulations.

xii) Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. There were no such transactions during the Financial Year 2018-19 having potential conflict with the interests of the Company at large.

xiii) Certificate has been received from a company secretary in practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

xiv) Total fees for all services paid by the listed entity to the statutory auditor is mentioned in Notes to Accounts. The Statutory Auditor is not a part of any network firm/ network entity

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

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

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

i) The Company has an Executive Chairman.

ii) The quarterly/half yearly results are not individually sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

iii) The Chairperson & Managing Director and the Chief Executive Officer of the Company are separate individuals

iv) The internal auditor reports to the Audit Committee.

CEO/CFO CERTIFICATION:

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

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

Place: Mumbai
Date:20th August, 2019

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

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

For and on behalf of the Board of Directors

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

Place: Mumbai
Date:20th August, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications, as considered necessary and explanations furnished to me by the Company & its officers including Directors Identification Number (DIN) status at the official website of the Ministry of Corporate Affairs www.mca.gov.in, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN	Date of appointment in Company at the current designation
1.	Jayesh Pannalal Choksi	Managing Director	00001729	01/04/2015
2.	Pranav Jayesh Choksi	Whole-time Director	00001731	01/04/2015
3.	Pankaj Jayakumar Gandhi	Whole-time Director	00001858	07/09/2016
4.	Hemal Milan Desai	Whole-time Director	07014744	30/09/2015
5.	Bal Ram Singh	Non-executive, Non-independent Director	06918085	28/09/2018
6.	Gopal Madhavbhai Daptari	Independent Director	07660662	05/09/2017
7.	Sharat Shantilal Gandhi	Independent Director	00001730	26/09/2014
8.	Shreyas Kantilal Patel	Independent Director	01638788	26/09/2014
9.	Shrirang Vishwanath Vaidya	Independent Director	03618800	28/09/2018
10.	Jagdish Dwarkadas Shah	Independent Director	06672538	26/09/2014

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

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

For Gajanan D. Athavale

Company Secretaries

Gajanan D. Athavale

Proprietor

Membership No.:F-9177

Certificate of Practice No.: 10121

Place: Thane

Date: 20th August, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

A)INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL PHARMACEUTICAL INDUSTRY

The growth of the pharmaceutical market is increasing year over year. It is also one of the world's fastest growing industries and among the biggest contributors to the world economy. Pharmaceutical sector will remain one of the fastest growing industries in the world. It is one of the biggest contributors of the world economy. As per the market research firm Evaluate Pharma, gobal growth rate for the pharma industry is projected at 6.3% CAGR through 2022, up from the 5% CAGR it predicted last year for the 2014-2020 period.

As per the Global Use of Medicine Report from the IQVIA Institute for Human Data Science, the global market for pharmaceuticals reached to $1.2 trillion in the year 2018 and is expected to reach $1.5 trillion in the year 2023, thus growing by 4-5% CAGR. In the year of 2018, Global economic activity softened amidst an increase in trade tensions and tariff hikes between US and China, weak intra trade in euro area countries, tightening of financial conditions and higher uncertainty of fiscal policy in the wake of policy actions across all economies.

In the year of 2018, the spending in United States was $485 billion, up 5.2% as compared to the previous year 2017, and the 2023 spending is expected to be $625-655 billion, representing a 4-7% CAGR over the five-year period. The net revenue in US is expected to have risen 1.3% during 2018, and at a 0-3% rate over the next five years. In the year 2018, spending in China, which is the now the world's second largest market in pharmaceutical is at $137 billion and is expected to project growth at 3-6% CAGR through 2023[1].

Also, according to a current market report by the Quintiles IMS Institute, in the year 2021, globally the expenses for drugs will amount to 1.5 trillion U.S. dollars, which equals to an average annual growth rate of between four and seven percent in medication expenses or three percent in doses.

Growth over past decades means that North America and Western Europe still account for 56% of the global market, but Asia Pacific has overtaken Western Europe as the second largest region. Growth in Asia Pacific is fueled by increased afford ability of drugs resulting from the launch of low-priced generics. Other factors that are positive for growth in Asia Pacific are the rise of GDP per capita in the region, government programs to support healthcare, and rapid urbanization, which brings both doctors and pharmacies within easy reach of increasing proportions of growing populations. Pharma sales in Asia Pacific will grow at 8.4% a year to 2021[2]

As per the market research and study, in the year of 2017, the largest segment in the global pharmaceutical drugs market is Musculoskeletal Disorders Drugs which accounted for about 14% of the market. Metabolic Disorders Drugs had the highest CAGR of 11.6% during 2013-2017; this segment is expected to grow at a CAGR of 9% during 2017-2021. Other segments covered in the report include cardiovascular drugs, oncology drugs, anti-infective drugs, central nervous system drugs, genito-urinary drugs, respiratory diseases drugs, gastrointestinal drugs, hematoloty drugs, dermatology drugs, ophthalmology drugs[3].

Global health is poised to meet a series of key turning points, and changes seen in 2018 will mark the key inflections that drive the outlook for the next five years and beyond. The types of medicines being developed, the way technology contributes to health, and how the value of healthcare is calculated are all markedly changing. Innovation is a key theme, including the way regulators of medicine and applicants filing for approval will increasingly support clinical submissions with real world data. A wave of cell and gene therapies are bending the definition of what constitutes a drug, both clinically, and in terms of expectations of outcomes, duration of treatment and costs. Technology itself can be a treatment, and mobile apps are newly appearing in treatment guidelines as a key feature of future care paradigms. Furthermore, mobile technology can be an enabler of telehealth communication that brings providers and patients together at substantially lower costs than traditional consultations. In recent years, concerns about escalating medicine costs have captured significant attention. In 2018, some of the key drivers of medicine spending growth appear to be slowing spending rather than driving it upward. The causes of slowing growth are directly linked to payers concerns about budgets and to newly emerging mechanisms to adjudicate value and thus limit the potential for out-of-control spending growth[4].

The pharmaceutical industry is majorly dependent on Research & Development. Some pharmaceutical companies invest around 20% or more of their revenues in R & D measures. This share is increased in the case of small research based companies. US is a traditional stronghold of pharmaceutical innovation. The improvisation of existing drugs and the invention of news drugs becomes vital mainly due to the steady loss of patent protection. The patent expiry results in revenue losses to the Company.

INDIAN PHARMA INDUSTRY – AN OVERVIEW

Globally, the largest provider of generic drugs is India which accounts for 20% of the global exports in terms of volume. Indian

1.The IQVIA Institute Report of January, 2019 2. Market Research Blog by The Business Company in May 2018 3.Pharmaceutical Drugs Global Market Report 2018 4.The IQVIA Institute Report of March, 2019 pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

Around 70 to 80 % of the Indian pharmaceutical market are dominated by the branded generics. By 2022, India is likely to be the 9th largest market globally in absolute size. Indian pharmaceutical industry has contributed immensely not just to Indian but to global healthcare outcomes. India continues to play a material role in manufacturing various critical, high- quality and low-cost medicines for Indian and global markets. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms

The pharmaceutical industry was valued at $ 36.7 bn in 2018. The market is expected to expand at a CAGR of 22.4% over 2015–20 to reach $ 55 bn. Generic drugs, with 71% market share, form the largest segment of the Pharmaceutical industry in India. The rise of exports of generics to the US will lead to further growth of generic drugs. Moreover, branded drugs worth $ 55 bn will become off-patent during 2017-2019. In the domestic market by revenue, Anti-Infectives (13.6%), Cardiac (12.4%) and Gastrointestinal (11.5%) had the biggest market share[5].

India's pharmaceutical exports stood at US$ 17.27 billion in FY18 and have reached US$ 19.14 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals. In the year of 2017, the US Food and Drug Administration (USFDA) approved 304 Abbreviated New Drug Application (ANDA) submitted by Indian companies. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US$ 70-80 billion US generics market. India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bio informatics is expected grow at an average growth rate of around 30 per cent a year and reach US$ 100 billion by 2025[6].

As per IQVIA, in the financial year 2018- 2019, the Indian Pharmaceutical Market (IPM) stood at about USD 19.5 billion, growing at 10.5%, growth being contributed almost equally by volume, price and new launches. The IPM hitherto considered immune to economic downturns, seems to be defying the trend and has slowed down in tandem with the broader economy. Analysis of IPM's growth drivers indicates slowdown from 13.5% to 10% over the past three years. There are various external forces impacting the IPM at present.

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

By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and 6th largest market globally in absolute size. Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector[7].

Indian pharma companies are capitalising on export opportunities in regulated and semi-regulated markets. The Government of India plans to set up a US$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery[8].

The Indian Pharmaceutical Industry has been extremely growing in the recent years, and the Ministry of Health targets the development of new technologies in the coming years to treat diseases, such as cancer and tuberculosis. The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions. The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US$ 15.98 billion between April 2000 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

According to Indian Brand Equity Foundation, Indian Pharma witnessed 39 PE investments worth US $217 millions between July to September, 2018, investment in research & development increased to 8.5% in the financial year 2017-18 as compared to 5.3% in the financial year 2011-12.

The cost of manufacturing formulations in India remains 30-40 percent lower than other comparative manufacturing hubs such as China and Eastern Europe, notwithstanding low productivity levels. This is driven by lower labour costs vis-à-vis other geographies. Despite inflationary trends, India's labour cost advantage will sustain in the medium to long term, especially if Indian companies can improve productivity through operational excellence and digital initiatives. The supply of local talent into the pharma industry (e.g., B.Pharm, M.Pharm, B.Sc.) is stronger than in countries such as China. Indian pharma companies are foraying into complex products (e.g., microspheres, liposomes, emulsions), building capabilities in R&D and the manufacturing of these products while still ensuring the required quality.

5.Website of Invest India, National Promotion & Faculty Agency 6. IBEF India Brand Equity Foundation, July 2019 7. IBEF India Brand Equity Foundation, June 2018 8. FICCI – Trends & Opportunities for Indian Pharma

OPPORTUNITIES AND CHALLENGES

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

The pharmaceutical industry is one of the biggest and fastest growing industries in India as well as abroad. The Indian pharmaceutical market size is expected to grow to US$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanization, and raising healthcare insurance among others.

With rising income levels, growing health awareness and better access to healthcare, emerging markets offer significant growth potential for the pharmaceutical industry. In recent times, there is an increase in occurrence of non-communicable diseases such as cardiovascular illnesses, diabetes, and oncologic disorders. It is estimated that incidence of diabetes and oncologic diseases will grow by around 20% by 2030.

India is among the leaders in the clinical trial market. Due to a genetically diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market. From 2009 to 2015, 3043 clinical trial has been carried out in India. As of June 2017, the Clinical Trials Registry – India had 8,950 trials registered. Due to increasing population and income levels, demand for high-end drugs is expected to rise. Growing demand could open up the market for production of high-end drugs in India. With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. Various companies are investing in the distribution network in rural areas[9].

As the industry aspires to become the world's largest supplier by volume, the next wave of growth could come from increasing exports to large and traditionally underpenetrated markets such as Japan, China, Africa, Indonesia and Latin America. For example, the Japanese pharma market was worth over USD 85 billion in 2018, with Indian pharmaceutical companies having a share of less than one percent[10]

As the industry expands in different geographies and concerns on the quality of imported drugs increase globally, there will be greater scrutiny from regulators on quality norms. India has faced the highest number of USFDA inspections since 2009. The industry will need to continuously invest in upgrading quality standards to keep its promise of a 'high quality reliable' supplier of medicines to the world.

The Indian Pharma sector faces uncertainty in generic pricing. According to a study, The profit margins of Indian pharma industries which are selling generics in the United States will remain in pressure in 2018 with channel consolidation and USFDA fast tracking approvals through Generic Drug User Fee Act (GDUFA). Also compliances of current good manufacturing practices (cGMP) by USFDA are a challenge. The Indian pharma company selling in US shall comply with the cGMP and any non-compliance would lead to loss of market value, fresh approvals getting stuck and cost of remediation.

The industry is facing several challenges in supplying to export markets, which must be addressed going forward. The increasing pricing pressure in the regulated market is squeezing margins and profitability. Key drivers include customer consolidation, greater competition in commoditized, easy-to- manufacture products with increased ANDA approvals, and a slowdown in new launches. Another key challenge stems from compliance issues affecting the reliability of supply. While many Indian companies have fared well in regulatory audits over the last year and seem to be emerging out of remediation, others continue to face challenges. India continues to rely on imports of key starting materials, intermediates and API's for, China with the share of dependence increasing over time. This potentially exposes us to raw material supply disruptions and pricing volatility.

Access to healthcare in India is inadequate in comparison to the size of the population. The inability to pay for healthcare bills is another challenge that Indians face. Indian government's expenditure on healthcare is low (about 1 percent of GDP) compared to 2.5 to 3 percent of GDP of other developing economies such as China, Malaysia and Thailand[11]. As a result, they must make tough trade-offs between their healthcare needs, and other necessities. Such challenges need innovative digital interventions to mitigate accessibility shortcomings at optimal costs

REGULATORY DEVELOPMENTS AND GOVERNMENT INITIATIVES IN INDIA:

During the year, India regulatory environment saw several initiatives announced by the government to expand access to medicines. These initiatives can have a significant impact on how companies operate in the market including pricing their products, detailing them to doctors and distributing them through various channels.

In the year 2018, government initiatives to promote the pharmaceutical sector in India involves (i) announcement by Uttar Pradesh Government for setting up of six pharma parks in the state for which they have received investment commitment of more than ₹. 5,000 crores, (ii) planning of setting up electronic platform to regulate online pharmacies under a new policy, in

9.IBEF February 2018 10.Predictions and areas to watch in global Pharma market head, 2019-23, IQVIA, PHARMEXCIL order to stop any misuse due to easy availability ((iii)) introducing of mechanism such as Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Also, The Pradhan Mantri Jan ArogyaYojana (PMJAY), the national health protection scheme under 'Ayushman Bharat', was launched in September 2018. Once fully implemented, PMJAY is expected to provide health insurance coverage for secondary and tertiary care to 500 million poor and vulnerable people thereby expanding healthcare reach of the country. The proposed e-pharmacy regulation, if implemented properly, could boost growth for the industry by streamlining the supply chain.

The Government of India to create opportunities for Indian Pharma Sector has taken many initiatives such as starting a single window facility to provide consents and approvals to give a push to the Make in India initiative, unveiling of "Pharma Vision 2020" that aims at making India a global leader in manufacturing of pharmaceutical products and introduced mechanism to deal with the issue of affordability and availability of medicines

MARKET OF INTEREST FOR GUFIC

Gufic foresees the healthcare business in India changing. Trade will always be the majority but at the onset of a lot of investment in Hospitals especially in tier 1 and 2 towns, the healthcare channel for the people will be serviced via speciality centres, nursing homes or primary, secondary and tertiary hospitals. Also medical tourism being on the rise, this channel will be more prominent in the years to come. Gufic would like to forge a strength in this channel as a specialty healthcare provider and via a launch of a new division every year provide a complete basket of medical needs.

Also Gufic expects that the healthcare market in the Africa (Kenya, Nigeria, Tanzania, Egypt and Francophone) South east Asia, CIS, South Africa, Australia, Canada and Middle East will mature a lot and apart from generics, a market will open for high end lifesaving products which is a great opportunity to be targeted. Gufic via its innovation would like to provide high end injections to these markets at a fraction of the price thereby making the treatment affordable and increase access to a higher base of population.

Apart from above Gufic's export growth is expected to be led by increasing generic penetration in the regulated markets Like Europe, UK, Canada, Australia, Brazil, Russia and South Africa on the back of enhanced focus on the niche and complex product segments, targeting molecules where patents are expiring and enabling licensing agreement with pharmaceutical companies.

During the year under review, Gufic got the regulatory nod for the merger of Gufic Stridden Bio-Pharma Private Limited, a full export based company. With the amalgamation being effective, door to more export countries havebeenopened for Gufic. However, Gufic's main focus shall always lie with the domestic market.

Gufic also aims to make its presence felt in the field of oncology, diabetes segment and dermatology.

In dermatology, Gufic has tied up with a US based Company to launch Botulinum Neurotoxin in India, for which regulatory approvals have been duly sought. Gufic is the indigenous manufacturing company to launch such project in India with a robust and inherent world class infrastructure which will help Gufic to bring the cost effective option of this toxin to India and also expand them to middle east, East and Southeast Asia.

Research & Development (R&D)

Research & Development is essential in all industries and when it comes to the pharmaceutical research industry, R&D services not only generates income for the companies involved in the research but it often brings results in lives being saved, or at least enhancement in patient's lives.

Gufic has a full-fledged R&D division continuously engaged in research on new products and process improvement on existing products as part of continuous improvement. Gufic's R &D team believes in continuous advancement via innovation and it focuses on developing new products using new formulations, updating and improving the processes used for existing products, strategic collaboration with independent teams for introducing new products and strategies, developing and focusing new technologies for enhancing efficacy, bio-availability and the potency of the existing as well as new products. The Company in the recent years has filed multiple Process Patents for many life-saving drugs injections.

During the year under review,Gufic developed and launched about 10 new products andhave in its pipieline more than 32 products.

Gufic's continues to work on new drug delivery system by focusing on dosage accuracy and budget friendly product. This includes dual chamber, oral mouth dissolve and ready to useliquid injection.

COMPANY OVERVIEW

Over the past many years, Gufic has been known and respected for innovative and high quality pharmaceutical and herbal products along with a wide range of Active Pharmaceutical Ingredients (APIs). Gufic is one of the largest manufacturers of Lyophilized injections in India and have a fully automated lyophilization plant. Its lyophilized product includes Antibiotic,

WHO Global Health Observatory data repository, Domestic general government health expenditure (GGHE-D) as percentage of gross domestic product (GDP) (%): China: 3.2%, Thailand: 2.9%, Malaysia: 2.1%

Antifungal, Cardiac, Infertility, Antiviral and proton-pump inhibitor segments. Gufic is now augmenting its global focus by deepening its presence in the priority markets of India, Germany, Switzerland, South Africa, Russia, Europe and key countries within the emerging market territories. Gufic aims at providing lifesaving drugs to people at affordable prices with no compromise in its quality.

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

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

Gufic has entered the Top 100 company ranking (source IQVMI) for the MAT sales as per June 2019 by reaching a position of 98. Also the standalone rank for the month of June 2019 is 88. ORG IMS also records the company's domestic growth of approximately 33%.

The Company operates in four division i.e., Healthcare, Criticare & Criticare Life, Ferticare & Ferticare Life and Spark.

Healthcare :

This division was first named as "Herbal" and is in existence since inception of the Company. Gufic is the leading manufacturer of specialized herbal medicines in India. The manufacturing unit of herbal products are situated in Belgaum, Karnataka. The flagship brand of the division is Sallaki and its extensions which has been the frontrunner for more than 35 years in India and many European countries. Its sole turnover for the year is more than ₹. 28 crores. Also, There are more than 40 papers published in peer reviewed medical journals, 6 articles published in JIRA issue, two TV broadcasts on German network and six symposiums on Boswellia serrata in the 'GA' annual conferences.

Spark :

It is one of the oldest division of the Company. It a high thrust division with more than two hundred of dedicated field representatives and caters of 25,000 General/Clinical practitioners, Pediatrician and Gynecologists. This division gave many first time launchers in India such as Cough syrup with oral dosing syringe ,Sertaconazole in ointment and Lactic Acid Gel with unique applicator.

Criticare & Criticare Life

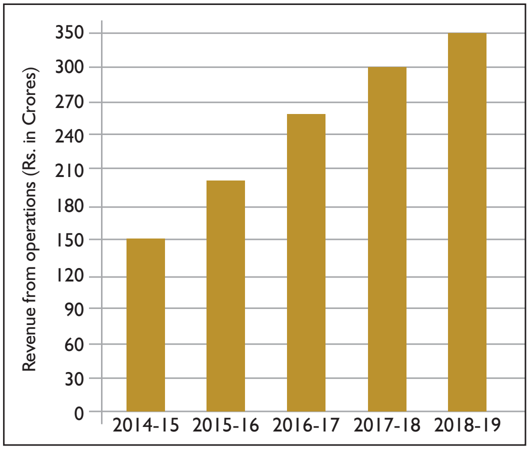
With an aim to manufacture affordable top-end Lyophilised injectable antibiotics, this division was initiated in the year 2015. This division contributes to around 40% of the Company's turnover and has penetration over more than 900 hospitals. It is the fastest growing Criticare divisions and is a third largest supplier of injectable antibiotics in India.

Ferticare & Ferticare Life

This division was formed in the year 2016. It provides comprehensive fertility care through innovative, high-quality products and caters to manufacturing of hormonal products for 60% of Indian companies. Gufic is the first Indian Company to launch Gufigest SR capsules, used for correcting menstral disorders caused due to the deficiency of this hormone in the body.

Financial performance with respect to operational performance :

During the year under review, the total revenue increased to ₹.35,494.18 lakhs in comparison to previous year's ₹.31,160.15 Lakhs, thus registering a growth of about 13.91% and net profit after tax increased to ₹. 2,194.07 lakhs from ₹. 1,647.62 lakhs, in previous year, a percentage increase of 33.17%.



The total revenue of the company for the financial year 2018-19 constituted to around 91.2% of its domestic business consisting of branded business sales, of contract manufacturing, sale of Active Pharmaceutical Ingredients and the balance 8.8 % to exports. The Company has made a significant progress in the export market by making a growth of about 25.72%. This is mainly because of the Company getting many Marketing Authorizations and export registrations transferred in its name, after the merger with Gufic Stridden Bio-Pharma Private Limited becoming effective.

The Company, during the year, launched about 10 new products in the market, which also boosted the sales of the Company. Due to launch of new products, improvisation made to the existing products and providing medicine at affordable prices to the consumer without compromising on the quality of the product, the Company has able to achieve the target of achieving a turnover of ₹. 350.76 crores. During the year under review, the total expenses of the Company increased by 12.84%.

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

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

Key Financial Indicators

PARTICULARS	Unit	2018-19	2017-18	Variance(%)
Operating profit margin (%)	%	12.97	12.06	7.55
Net profit margin (%)	%	6.25	5.33	17.24
Debtors turnover ratio	Times	3.81	4.57	(16.62)
Current ratio	Times	1.25	1.18	6.11
Return on Net Worth	%	29.09	30.40	(4.30)
Inventory turnover ratio	Times	3.72	3.92	(4.99)
Interest coverage ratio	Times	4.94	4.69	5.26
Debt equity ratio	Times	1.30	1.47	(11.84)

"I am convinced that nothing we do is more important than hiring and developing people. At the end of the day, you bet on people not on strategies."

– Lawrence Bossidy

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

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

a. Employee engagement

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

Every year, the HR organises one week of fun activities for Guficians followed by the Annual day. This year, Gufician celebrates its Annual day at ND's Film World, Karjat.

b. Marathon

Gufic contributes in Corporate Marathon to encourage its employees towards physical fitness and distress and their social well being. Symbolising the zeal and spirit of Gufic, 25 Guficians participated in the Tata Mumbai Marathon 2019, covering a distance of

6 kms, during the year under review.

C. Awards & Recognitions

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

D. Other key HR initiatives

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

During the year under review, the employees' strength of your Company increased to 1091 as compared to 1060, in the previous year.

Internal Control Framework

At Gufic, we continuously strive to integrate the entire organisation from strategic support functions like finance, information technology, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain. It is integral to the principle of governance and freedom is allowed to be exercised within a system of checks and balances. The internal audit function is further strengthened in consultation with Statutory Auditors for monitoring statutory and operational issues.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by the Internal Auditors of the Company. The issues relating to the working of the internal financial control of the Company, reported by the Auditors are addressed and looked upon , from time to time. Gufic assures maintenance of a system that provides reasonable assurance regarding the effectiveness and efficacy of operations, adequacy of safeguarding of assets, preventions and detection of frauds and so on.

Outlook

Projections growth in India for Medicine spending is 9-12 per cent 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 such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise. The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.[12]

Despite concerns about a trade war between the US and China, it is not a surprise that China is still viewed as a huge market opportunity for the pharmaceutical industry China has a large population with a growing middle class and it has become a leader in R&D innovation for medicine, particularly regenerative medicine and perhaps even gene editing based on the news from late 2018. The big challenge that companies will face is how to best navigate the Chinese regulatory and commercial landscape.

Global Data Pharma's 2019 industry outlook survey reveals that more than 50% of global industry respondents believe that drug pricing and reimbursement constraints will have the greatest negative impact on the pharmaceutical sector in 2019.

Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented. The Indian pharmaceutical market is expected to grow exceptionally by 2025 on the back of increasing consumer spending, raising healthcare insurance and rapid urbanization. Government effort steps to reduce costs and bring down healthcare expenses too will help the sector in coming time. Moreover, government's steps to reduce India's dependence on large scale import of active pharmaceutical ingredients and increasing production of active ingredients used in drugs to meet the country's need also augurs well for the pharmaceutical companies. Significant increase in exports and well controlled imports will also provide strength to the sector, supported by government's several initiatives to boost exports and domestic production. Moreover, higher spending on research and development by pharmaceutical companies too will support the sector in coming time.

12 Indian Pharmaceuticals Industry Report, July 2019 by IEBF

Threats, Risks & Concerns

The risk and concerns is associated with the pharmaceutical industries both in India and internationally with the volume and complexity of change having greatly intensified the implication of risk. Be it regulatory risk, competitive risk, new product developmental risk or litigation risk, pharma sector is associated with many concerns The Government of India is encouraging use of generic products through various initiatives. This change will definitely help people to buy medicines at affordable price but at the same time is a challenge for pharma industry to ensure access and affordability of medicines without compromising on its quality.

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

During the year under review, the Management had identified the risks and measures to mitigate or minimize them 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 endeavor to remain diversified and mitigate concentration risk.
7	Price Risk	Gufic produces and sales some products competing with numbers of players in India & abroad. Increasing competition puts pressure on our realizations. Gufic regularly works on cost control, improved yields etc.,to maintain our margins.

CAUTIONARY STATEMENT

Certain statements in the Management & Discussion Analysis describing the Company's objectives, goals, current expectations or projections may be 'forward looking statements” within the definition of applicable laws and regulations in force. The results of the statement may vary due to the risk and uncertainties involved with these statements. These risk factors include but are not limited to changes in local and global economic conditions, volatility of interest rates, new Governmental regulatory policies, the market acceptance of and demand for the product and the Company's ability to implement the strategy. Important factors that could make a difference to the Company's operations include economic and political condition in India and in the countries in which the Company operates, volatility in currency rates, changes in government regulations and policies, tax laws, statutes and other incidental factors.

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2019

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

a) We have reviewed financial statements and cash flow statement for the financial year ended March 31, 2019 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining the internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed the auditors and the audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

   iii. During the year there were no instances of any significant fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system.

For and on behalf of the Board of Directors

Pranav J. Choksi
Chief Executive Officer & Director
DIN 00001731

For and on behalf of the Board of Directors

Devkinandan B. Roonghta
Chief Financial Officer

Place : Mumbai
Date : 31st May, 2019

AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

The Members of Gufic Biosciences Limited

1. The Corporate Governance Report prepared by Gufic Biosciences Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

Managements' Responsibility

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

Auditors' Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019 referred to in paragraph 1 above.

Other matters and Restriction on Use

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

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

Deep N Shroff
Partner
Membership Number: 122592

Place : Mumbai
Date : 31st May, 2019

INDEPENDENT AUDITORS' REPORT

To

The Members of Gufic Biosciences Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **Gufic Biosciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2019, its profit including its other comprehensive income, its cashflows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. Balances of trade receivable and trade payable are subject to confirmations, verifications and adjustments necessary upon reconciliation thereof. Adjustments required upon such confirmations, if any, are not ascertainable and as a result its impact on the financial statements cannot be ascertained.
4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Emphasis of Matter:

5. The company has received an order dated September 6, 2018, from the National Company Law Tribunal for merger of Gufic Stridden Bio Pharma Private Limited (Transferor) with the company from the appointed date i.e. April 1, 2016. Pursuant to the said order the audited result for the year ended March 31, 2018 have been incorporated based on the management certified financial statements of the transferor company. (Refer Note No. 47)
6. During the year, the company has entered into transactions with a related party exceeding the threshold limit as prescribed under Rule 15(3) of the Companies Act 2013 for which post facto approval has been obtained from the shareholders as required under section 188 of the Act. (Refer Note 49)

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Revenue Recognition (Refer to Note No. 2.3 of the Significant Accounting Policies)**	
	➢ The Company adopted Ind AS 115 - Revenue from Contracts with Customers which is a new revenue accounting standard. The application and transition to this accounting standard is significant and involves management judgement/ estimates, and is an area of focus in the audit. 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.	**Our audit procedures amongst others included the following:** ➢ assessed the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards. ➢ assessed and tested the design, implementation and operating effectiveness of management's key controls over revenue recognition including those relating to sales return.

	➢ The Company provides a right of return to its customers as a customary business practice. These arrangements result in deductions to gross amounts invoiced. The initial revenue recognition is reduced taking into consideration the anticipated sales returns. Due to the Company's presence across different regions and the competitive business environment, the estimation of anticipated sales returns is material and considered to be judgmental, hence is a key audit matter.	➢ performed testing by selecting samples of customer contracts for verification of the transaction price and assessing the point of time when control has been transferred to the customers. ➢ reviewed the reasonableness of the deductions made to gross sales for anticipated sales returns including those controls over accrual rates used for calculations of provision for sales returns. ➢ performed testing by selecting samples relating to sales returns recorded during the year and comparing the parameters used in the calculation with the relevant source documents. ➢ performed historical trend analysis of the previous years' sales return to assess any provision for sales return is required as at the Balance sheet date. ➢ considered the adequacy of the disclosures in respect of revenue in terms of relevant accounting standard.
(ii)	**Trade Receivable Provisioning**	
	➢ Balance of trade receivables is material and considering company's business there is inherent risk that the company's receivable will not be realized. There are key estimates and significant judgements which are involved in assessing provisioning based on the Expected Credit Loss Method and hence considered as Key Audit Matters.	**Our audit procedures include the following substantive procedures:** ➢ understood the methodology used to calculate the provision towards the trade receivable and determined it was consistent with that applied in the prior year. ➢ we have tested the calculations of the provision made by the company which takes into account historical credit loss experience for the previous three year and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due.

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

8. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information (the report), but does not include the Standalone Financial Statements and our auditor's report thereon. The report is expected to be made available to us after the date of this auditor's report.

9. In Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

10. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

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

12. In preparing the standalone 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.

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

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

14. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

16. We communicate with those charged with governance regarding, among other matters, the planne dscope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied wit hrelevant ethical requirements regarding independence, and to communicate with them al lrelationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

20. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

21. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter described in para 3 of the basis for qualified opinion section.

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 Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the

Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements refer Note 42 & 43 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 31st May, 2019

ANNEXURE A TO THE AUDITOR'S REPORT

Annexure A referred to in Paragraph 20 Of Our Report of Even Date on The Standalone Financial Statements For The Year Ended March 31, 2019 Of Gufic Biosciences Limited:

i. **In respect of Fixed Assets:**

(a) The company has maintained its fixed asset register showing full particulars in respect of its description, original cost, year of purchase, useful life, and residual value but has not updated its records showing quantitative details and situation of the fixed assets.

(b) According to information and explanations provided to us, the fixed assets are physically verified by the management according to phased programme designed to cover all the items over a period of five years which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year. We have been informed that necessary adjustments in respect of discrepancies if any between physical asset and book record have already be made in the books upon reconciliation.

(c) According to information and explanations provided to us there are no immovable property is in the name of the company and as regards the building shown in fixed asset schedule represents capital expenditure incurred on extension/renovation of factory building acquired on lease. Hence question of title deeds of immovable properties in the name of the company does not arise.

ii. **In respect of Inventories:**

As explained to us, inventory have been physically verified by the management during the year. The discrepancies if any between physical verification of inventory as compared to book records have been be adjusted in the books of account.

iii. **In respect of Granting of Loan:**

According to the information and explanations given to us, the Company has not granted any loans to parties covered in the register-maintained u/s. 189 of the Companies Act, 2013 ("The Act"). (other than interest free security deposits or advances given for its business purpose. (Refer Note No. 52)

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

iv. In our opinion and according to information and explanations provided to us, the company has not granted any loan, made any investment or provided any securities covered under section 185 and 186 of the Act during the year under review, except loans to employees as part of condition of services.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Companies Act and the rule framed there under during the year. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.

vi. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.

vii. **In respect of Statutory dues:**

(a) According to the information and explanations given to us and according to the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues in respect of excise duty and custom duty with appropriate authorities. However, we have observed delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax and Profession tax applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except the Income Tax ₹. 18.20 lakhs, Profession Tax ₹. 13.74 lakhs, ESIC ₹. 9.24 lakhs and Provident Fund ₹. 1.19 lakhs. There are certain Income Tax / TDS demand outstanding of ₹. 24.40 lakhs, as appearing on the website of the Income Tax Department. However, in view of the company no such demand is payable and it will initiate necessary steps to get the said demand rectified.

(b) According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax, Customs Duty or Cess, Goods & Service Tax outstanding on account of any dispute except the following dues which have not been deposited with appropriate authorities on account of dispute:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961	Income Tax	270.15	2011 – 2012	Appeal preferred by the company to the Income Tax Appellant Tribunal
		14.74	2012 – 2013	Appeal preferred by the company to the Commissioner of Income Tax (Appeal) against penalty order
		7.77	2013 – 2014	Appeal preferred by the company to the Commissioner of Income Tax (Appeal) against penalty order
Central Excise Act, 1944	Central Excise Duty	8.21	2000	Departmental Authority
		93.27	2001 – 2008	Appeal preferred by the company to the Tribunal
		14.04	2008 – 2009	Appeal preferred by the company to the Commissioner Appeal
Gujarat Value Added Tax Act, 2003	Sales Tax	29.15	2010 – 2011	Appeal preferred by the company to the Commissioner Appeal
Madhya Pradesh Vat Act, 2002	Sales Tax	2.51	2015 – 2016	Appeal preferred by the company to the Commissioner Appeal Act 2002

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks.

ix. According to the information and explanations given to us, the company has obtained term loans during the year under review which has been utilized for the purpose of which it was raised. The company has not raised any moneys by way of further public offer (including debt instruments).

x. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees or by the Company have been noticed or reported during the year.

xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 31st May, 2019

ANNEXURE: B REFERRED TO IN PARA 21(f) OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF GUFIC BIOSCIENCES LIMITED

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

1. We have audited the internal financial controls over financial reporting of **Gufic Biosciences Limited** (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

   The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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

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

4. **Meaning of Internal Financial Controls over Financial Reporting**

   A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls over Financial Reporting

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

6. Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

The Company needs to strengthen the design and implementation of internal control system in respect of:

a) for review of Trade Receivables and Trade Payable, obtaining their confirmations and reconciliation of their outstanding balances with the books of accounts. This could potentially affect the balance in the trade receivable and trade payable and income and expenses account balances.

b) Reconciliation of statutory dues and its timely deposit with the appropriate authorities. This may result in levy of interest and other penal provisions of statutes if any applicable.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

7. Opinion

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

8. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2019 and these material weaknesses do not affect our opinion on the standalone financial statements of the Company, other than qualification reported by us in our Independent Audit Report.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 31ST May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	As at March 31,2019	As at March 31,2018
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	5	2,408.18	2,238.52
(b) Intangible assets	6	36.64	46.53
(c) Capital work-in-progress	7	962.62	205.03
(d) Financial assets			
(I) Investments			
a) Other investments	8	0.50	0.50
(ii) Loans	9	423.42	266.68
(iii) Other Financial Assets	10	359.71	298.97
(e) Deferred Tax Assets (net)	11	68.96	280.83
(f) Other non-current assets	12	442.60	645.72
Total Non-current Assets		**4,702.62**	**3,982.77**
Current Assets			
(a) Inventories	13	9,428.46	9,420.10
(b) Financial assets			
(I) Trade receivables	14	10,318.04	8,080.04
(ii) Cash and cash equivalents	15	366.15	373.92
(iii) Other Bank Balances	16	393.33	375.64
(iv) Loans & Advances	9	3.02	1.43
(c) Other Current assets	12	2,742.35	1,569.32
Total Current Assets		**23,251.35**	**19,820.45**
Total Assets		**27,953.97**	**23,803.22**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	778.30	778.30
(b) Other Equity	18	6,756.49	4,635.27
Total Equity		**7,534.79**	**5,413.57**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	19	1,131.17	831.92
(ii) Other financial liabilities	20	468.09	476.32
(iii) Provisions	21	185.59	226.48
Total Non-current Liabilities		**1,784.85**	**1,534.72**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	8,469.00	6,916.79
(ii) Trade and other payables			
Total outstanding dues of micro enterprises and small enterprises	23	281.65	273.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	7,498.86	7,324.32
(iii) Other financial liabilities	20	1,108.70	1,011.32
(b) Provisions	21	336.89	357.36
(c) Other current liabilities	24	519.16	712.54
(d) Current tax liabilities (Net)	25	420.07	258.98
Total Current Liabilities		**18,634.33**	**16,854.93**
Total Liabilities		**20,419.18**	**18,389.65**
Total Equity and Liabilities		**27,953.97**	**23,803.22**
Notes to Accounts	**1 to 4**		

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

As per our Report of even date attached
For S H R & Co
Chartered Accountants
FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592
Mumbai - 31st May, 2019

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, 2019

	Note No.	Year Ended 31.3.2019 ₹. in Lakhs	Year Ended 31.3.2018 ₹. in Lakhs
Revenue from Operations	26	35,076.96	30,873.98
Other income	27	417.22	286.17
Total Income (I)		**35,494.18**	**31,160.15**
Expenses			
Cost of Material Consumed	28	12,715.73	10,918.78
Purchase of Stock in Trade	29	3,984.34	6,824.11
Changes in inventories of Work-in-Progress and Stock-in-Trade	30	1,377.25	(3,317.06)
Excise Duty Collected		-	315.52
Employee benefits expense	31	4,684.90	4,461.86
Finance costs	32	1,016.12	888.08
Depreciation and amortisation expense	33	464.66	439.98
Other expenses	34	7,716.27	7,792.37
Total expenses (II)		**31,959.27**	**28,323.64**
Profit before exceptional items and tax		**3,534.91**	**2,836.52**
Exceptional Items		-	158.88
Profit before tax		**3,534.91**	**2,995.40**
Less: Tax expense			
(1) Current tax	35	1,158.77	1,227.35
(2) Deferred tax	35	182.07	120.43
		1,340.84	**1,347.78**
Profit for the period (III)		**2,194.07**	**1,647.62**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(b) Remeasurements of the defined benefit plans		**(2.24)**	(2.10)
Total other comprehensive income (IV)		**(2.24)**	**(2.10)**
Total comprehensive income for the period (III+IV)		**2,191.83**	**1,645.52**
Earnings per equity share (for continuing operation):	36		
(1) Basic (in Rs.)		2.82	2.12
(2) Diluted (in Rs.)		2.82	2.12

Notes of Accounts 1to 4

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

As per our Report of even date attached

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

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

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

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

Mumbai - 31st May, 2019

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	For Year Ended 31.03.2019		For Year Ended 31.03.2018	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash flows from operating activities				
Profit for the year		2,194.07		1,647.62
Adjustments for:				
Income tax expense recognised in profit or loss	1,340.84		1,347.78	
Depreciation	464.66		439.98	
Dividend	(0.04)		(0.08)	
Interest income on fixed deposits with banks	(26.09)		(23.78)	
Interest income on financial assets carried at amortised cost	(55.89)		(37.74)	
Interest costs on financial liabilities measured at amortised cost	1,016.12		888.08	
Non Current Security Deposits at amortised cost	54.26		33.35	
Sundry credit balances written back	(117.77)		(92.56)	
Operating profit before movements in working capital		**4,870.16**		**4,202.65**
Movements in working capital:				
(Increase)/decrease in trade and other receivables	(3,508.12)		(2,410.68)	
(Increase)/decrease in inventories	(8.36)		(3,078.00)	
Increase/ (Decrease) in trade and other payables	164.74		2,448.33	
		(3,351.74)		**(3,040.15)**
Cash generated from operations		**1,518.43**		**1,162.50**
Income taxes paid		(997.69)		(1,644.45)
Net cash generated by operating activities (A)		**520.74**		**481.95**
B. Cash flows from investing activities				
Purchase of property, plant and equipments including capital advances		(1,308.38)		(810.77)
Purchase of intangibles		-		(13.68)
Sale of property, plant and equipments		0.50		0.02
Other dividends received		0.04		0.08
Balance in earmarked accounts		(29.46)		(72.88)
Interest income on fixed deposits with banks		37.86		13.60
Net cash (used in)/generated by investing activities (B)		**(1,299.45)**		**(883.62)**
C. Cash flows from financing activities (Note 20.3)				
Proceeds from borrowings		2,468.27		2,500.90
Repayment of borrowings		(661.66)		(205.03)
Processing Fees Paid		(22.35)		(2.53)
Dividends paid on equity shares		(38.75)		(38.76)
Interest paid		(974.57)		(814.38)
Net cash used in financing activities (c)		**770.94**		**1,440.20**
Net increase in cash and cash equivalents (A + B + C)		**(7.77)**		**74.62**
Cash and cash equivalents at the beginning of the year (Note 16)		373.92		299.30
Cash and cash equivalents at the end of the year		**366.15**		**373.92**

As per our Report of even date attached
For S H R & Co — For and on behalf of the Board of Directors
Chartered Accountants
FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592
Mumbai - 31st May, 2019

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

GUFIC
BIOSCIENCES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

All amounts are in Rs. Lakhs unless otherwise stated

a. Equity share capital (Refer Note 18) (Rs. in Lakhs)

	No. of Shares	Amount
Balance at April 1, 2017	77,830,000	778.30
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	**77,830,000**	**778.30**
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	**77,830,000**	**778.30**

b. Other equity (Refer Note 18)

Particulars	Reserves and surplus					
	Capital reserve	General reserve	Retained earnings	Others (Note 19)	Other comprehensive Income	Total
Balance at April 1, 2018	**12.5**	**134.71**	**4,411.45**	**79.73**	**(3.12)**	**4,635.27**
Profit for the year	-	-	2,194.07	-	-	2,194.07
Reversal of Notional Interest on Capital Contribution	-	-	86.01	-	-	86.01
Transaction during the year	-	-	-	(63.28)	-	(63.28)
Other comprehensive income for the year, net of income tax	-	-	-	-	(2.24)	(2.24)
Dividend on equity shares	-	-	(38.68)	-	-	(38.68)
Corporate tax on dividend paid	-	-	(7.87)	-	-	(7.87)
Prior Period Income Tax Effect	-	-	(17.00)	-	-	(17.00)
Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	-	-	(29.80)	-	-	(29.80)
Balance at March 31, 2019	**12.50**	**134.71**	**6,598.19**	**16.45**	**(5.36)**	**6,756.49**

As per our Report of even date attached

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

Deep N Shroff
Partner
Membership No. 122592

Mumbai - 31st May, 2019

For and on behalf of the Board of Directors

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 -Continued..
All amounts are in Rs. lakhs unless otherwise stated

1 Corporate Information

The Standalone financial statements comprise financial statements of Gufic Biosciences Limited (the company) for the year ended March 31, 2019. The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at 37, 1st Floor, Kamala Bhavan II, Swami Nityanand Road, Andheri (East), Mumbai - 400 069 and the corporate office is located at 1st to 4th Floor, S.M. House, 11 Sahakar Road, Vile Parle (East), Mumbai – 400 057.

The Company is principally engaged in manufacturing and marketing of active pharmaceutical ingredients, generic pharmaceuticals and related services. These financial statements were authorized for issue in accordance with the resolution of the Directors on May 31, 2019 and are subject to the approval of the shareholders at the Annual General Meeting.

2 Significant Accounting Policies

2.1 Statement of Compliance

The Standalone financial statements of the company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as ammended by the Companies (Indian Accounting Standard) (Amendment) Rules, 2017.

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

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

2.2 Basis of preparation and presentation

2.2.1 Historical cost convention

The Standalone financial statements have been prepared on accrual basis and under the historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

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

The Company's Board of Directors approves the financial statements for issue on May 31, 2019. The aforesaid financial statement have been prepared in Indian Rupee (INR) 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.

2.2.2 Fair value measurement

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

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

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

2.2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS 1 Presentation of financial statements.

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

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

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

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

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

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

2.3 Revenue recognition

Revenue is measured on at the fair value of the consideration received or receivable and recognised as follows:

(i) Sale of Goods Followed till March 31, 2018

Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of products, has been recogniesd, net of discounts, sales incentives, rebates granted, returns, sales taxes and duties. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

Followed from April 1, 2019

Ind AS 115 "Revenue from contracts with customers" was issued on March 28, 2018 and supersedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and it applies, with limited exceptions, to all revenue arising from contracts with its customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of April 01, 2018 which does not require restatement of comparative period. The Company elected to apply the standard to all contracts as at April 01, 2018. There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, since it is the primary obligor in all of its revenue arrangement, as it has pricing latitude and is exposed to inventory and credit risks. Revenue is stated net of goods and service tax and net of returns, charge backs, rebates and other similar allowances. These are calculated on the basis of historical experience and the specific terms in the individual contracts.

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

Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, 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) **other Operating Revenue**

Export Incentives under various schemes are accounted in the year of export.

(iii)**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).

2.4 Foreign currencies

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

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

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

2.5 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.

2.6 Employee benefits

2.6.1 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.

2.6.2 Post-Employment Benefits:

I. Defined Contribution plans:

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

Recognition and measurement of defined contribution plans:

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

II. Defined Benefit plans:

Gratuity scheme:

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

Recognition and measurement of Defined Benefit plans:

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

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

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

III. Other Long Term Employee Benefits:

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for furture encashment. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as atthe date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

2.7 Income Tax

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,

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.

2.8 Property, plant and equipment

These are carried at cost of acquisition net of any discounts and rebates and depreciated in accordance with the policy stated below:

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 them 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 profit or loss as incurred.

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. Capital Expenditure incurred on the assets not owned by the company are amortised over a period of five years, whichever is shorter. 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.

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.

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.

2.9 Intangible assets

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 profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

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

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

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

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

2.11 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

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2017, the date of inception is deemed to be April 1 ,2016 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the compnay is classified as a finance lease. All other leases are classified as operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The Company as lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee:

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.13 Provisions

Provisions 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.

2.14 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, overdrawn bank balances, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities 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.

2.15 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.

2.16 Financial Assets

Initial recognition and measurement:

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

Subsequent measurement:

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

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

Effective interest method:

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

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

Debt instruments at amortised cost :

A 'debt instrument' is measured at the amortised cost if both the following 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 scount 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 15.**

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following 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 P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI 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 P&L.

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 P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

Derecognition

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

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the compnay'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 following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17

(d) Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables and
- All lease receivables resulting from transactions within the scope of Ind-AS 17

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

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

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

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

o All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

o Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L 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.

2.17 Financial liabilities and equity instruments

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss:

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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

Reclassification of financial assets

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

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference betweenprevious amortized cost and fair value is recognised in P&L.
FVTPL carrying	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No. change inNo 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.

2.18 Segment Reporting:

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

2.19 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.

3 Application of new Revised Ind AS

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies Indian Accounting Standards) Second Amendment Rules, 2019 introducing /amending the standards:

3.1 Ind AS 116 Leases:

Ind AS 116 Leases has been notified on March 30, 2019, and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April, 01 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of the standard and it's effect on its financials.

3.2 Ind AS 12 – Income taxes (amendments relating uncertainty over income tax treatments):

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the : (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company is evaluating the impact on its financial statements.

3.3. Ind AS 109: Prepayment Features with Negative Compensation: (TO remove as not relevent to us)

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after April 01, 2019. The Company is evaluating the impact on its financial statements.

3.4 Ind AS 19 – Plan Amendment, Curtailment or Settlement :

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company is evaluating the impact on its financial statements.

Annual amendments to Ind AS

3.5 Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is evaluating the impact on its financial statements.

3.6 Ind AS 12: Income Taxes (amendments relating to income tax consequences of dividend)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The Company is evaluating the impact on its financial statements.

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 assessement can involve complex issues, which can only be resolved over extended time periods. The recognisation of taxes that are subject to certain legal or economic limits or uncertainities is assessed individually by the managment based on the specific facts and circumstances.

vi. Defined Benefit Obligations

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

vii.Allowance for uncollected accounts receivable and advances

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

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

viii. Impairment reviews

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

management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

NOTE 5. Property, plant and equipment

₹ in Lakhs

Description of assets	Factory Building	Plant & Equipment	Plant & Equipment (R&D)	Furniture & Fixture	Vehicles	Office Equipment	Electrical Installation	Computer	Total
Deemed Cost									
As at April 1, 2017 (Note 5.3)	**121.90**	**1,749.06**	**135.33**	**19.54**	**302.02**	**106.43**	**75.09**	**79.99**	**2,589.36**
Additions		35.74	324.39		-	80.10		13.00	453.23
Disposales / reclassifications								(3.44)	(3.44)
As at March 31, 2018	**121.90**	**1,784.80**	**459.72**	**19.54**	**302.02**	**186.53**	**75.09**	**89.55**	**3,039.15**
Additions	2.70	46.75	179.96	12.61	-	246.39		136.50	624.90
Disposales / reclassifications								(5.98)	(5.98)
As at March 31, 2019	**124.60**	**1,831.55**	**639.68**	**32.15**	**302.02**	**432.92**	**75.09**	**220.07**	**3,658.08**
Accumulated Depreciation									
As at April 1, 2017	**34.73**	**217.27**	**9.36**	**4.63**	**38.22**	**26.16**	**15.75**	**25.92**	**372.05**
Depreciation expense for the year	38.80	242.30	18.89	2.97	49.30	38.21	12.43	28.13	431.03
Eliminated on disposal of assets/reclassification								(2.46)	(2.46)
As at March 31, 2018	**73.53**	**459.57**	**28.25**	**7.60**	**87.52**	**64.37**	**28.18**	**51.59**	**800.62**
Depreciation expense for the year	23.58	233.72	36.06	3.11	36.90	70.46	9.16	41.77	454.77
Eliminated on disposal of assets/reclassification								(5.48)	(5.48)
As at March 31, 2019	**97.11**	**693.29**	**64.31**	**10.71**	**124.42**	**134.83**	**37.34**	**87.88**	**1,249.90**
As at March 31, 2019	**27.49**	**1,138.25**	**575.38**	**21.44**	**177.60**	**298.08**	**37.75**	**132.19**	**2,408.18**
As at March 31, 2018	**48.37**	**1,325.23**	**431.47**	**11.94**	**214.50**	**122.16**	**46.91**	**37.96**	**2,238.52**

5.1 Impairment losses recognised in the year

There are no impairment losses recognised during the year.

5.2 Assets pledged as security

5.2.1 : Plant and Equipments, Plant & Equipments (R & D), Furniture and Fixture, office equipments, Electrical Installations and Computers having carrying value of ₹. 2203.10 lakhs (as at March 31, 2018: ₹. 1975.65 lakhs) have been pledged to secure borrowings of the Company (see note 19). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity, except items specifically pledged to others

5.2.2 : Vehicles having carrying value of ₹. 177.60 lakhs (as at March 31, 2018: ₹. 214.50 lakhs) have been hypothecation by way of first charge on the vehicles acquired under the specific facility granted.

5.2.3 : Computers having carrying value of ₹. 0.83 lakhs (as at March 31, 2018: ₹. 4.15 lakhs) have been obtained on Finance Lease and hypothecated accordingly

5.3 The Opening balance includes Fixed Asset aquired as part of business combination , Refer Note no. 47

NOTE 6. Other intangible assets

Description of assets	Computer Software	Technical Know How	Brand	Goodwill	Total
Deemed cost					
As at April 1, 2017 (Note 6.1)	**-**	**2.13**	**42.62**	**2.80**	**47.55**
Additions	13.68	-	-	-	13.68
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2018	**13.68**	**2.13**	**42.62**	**2.80**	**61.23**
Additions	-	-	-	-	-
Disposals/ reclassifications	-	-	-	-	-
As at March 31, 2019	**13.68**	**2.13**	**42.62**	**2.80**	**61.23**
Accumulated Depreciation					
As at April 1, 2017	**-**	**1.06**	**4.70**	**-**	**5.76**
Depreciation expense for the year	2.90	1.05	4.98	-	8.93
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2018	**2.90**	**2.11**	**9.69**	**-**	**14.70**
Depreciation expense for the period	4.33	0.02	4.98	0.56	9.90
Eliminated on disposal of assets/ reclassifications	-	-	-	-	-
As at March 31, 2019	**7.23**	**2.13**	**14.67**	**0.56**	**24.59**
As at March 31, 2019	**6.45**	**0.00**	**27.95**	**2.24**	**36.64**
As at March 31, 2018	**10.78**	**0.02**	**32.93**	**2.80**	**46.53**

6.1 The Opening balance includes Fixed Asset aquired as part of business combination , **Refer Note no. 47**

NOTE 7. Capital Workin Progress

Description of assets	As at March 31, 2019	As at March 31, 2018
Deemed cost		
Opening	205.03	3.60
Additions	757.59	205.03
Reclassifications	-	(3.60)
TOTAL	**962.62**	**205.03**

NOTE 8. Other investments

Non-current

Particulars	As at March 31, 2019		As at March 31, 2018	
	Qty	Amount	Qty	Amount
Non Trade				
Unquoted (at FVTOCI) (i) Equity Instruments - Saraswat Co-op Bank Ltd	4,990	0.50	4,990	0.50
TOTAL AGGREGATE UNQUOTED INVESTMENTS		**0.50**		**0.50**
TOTAL NON-CURRENT INVESTMENTS		**0.50**		**0.50**
Aggregate carrying amount of unquoted investments		**0.50**		**0.50**

NOTE 9. Loans (Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
(a) Deposit with Related Parties (Refer note 38)	422.11	266.68
(b)Loan to staff	1.31	-
Total	**423.42**	**266.68**
Current		
Loans to Staff	3.02	1.43
Total	**3.02**	**1.43**

Note: These financial assets are carried at amortised cost. No loans are due from directors or other officers of the Company either severally or jointly with any other person. **Refer Note No. 38** for dues from related parties.

NOTE 10. Other Financial Assets(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Security Deposits (at Amortised Cost)	359.71	298.97
Total	**359.71**	**298.97**

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

Particulars	Balance Sheet		Profit & Loss	
	As at March 31, 2019	As at March 31,2018	For the year ended March 31,2019	For the year ended March 31,2018
Property, plant and equipment	(290.28)	(274.17)	(1.53)	(75.37)
Borrowing Cost	(7.34)	(3.73)	(3.60)	2.06
Trade Receivables	126.08	204.53	(23.89)	84.56
Employee benefits **(net of OCI)**	89.44	186.21	(123.42)	63.91
Provision for Sales	93.01	102.90	(9.89)	(221.80)
MAT Credit	5.74	5.74	-	-
Other items	52.32	59.36	(19.74)	26.21
Deferred Tax Expense/(Income) in Statement of Profit and Loss				
Net Deferred Tax Assets/(Liabilities)	**68.96**	**280.83**	**(182.07)**	**(120.43)**

Reflected in the Balance Sheet as Follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	366.59	558.73
Deferred tax liabilities	(297.62)	(277.90)
Net	**68.96**	**280.83**

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

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Opening Balance	**280.83**	**401.25**
Tax Income during the Period recognised in Statement of Profit & Loss	(182.07)	(120.43)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	(29.80)	-
Closing Balance	**68.96**	**280.83**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
(I) Capital Advances		
Cosidered Good	191.78	265.90
Cosidered doubtful	24.82	-
	216.61	265.90
Less : Allowance for doubtful debts	(24.82)	-
	191.78	**265.90**
(ii) Others		
(a) Balances with Statutory/Revenue Authorities like excise, customs, service tax and value added tax, Goods & service tax etc.	41.32	41.39
(b) Prepaid Expenses		
- For Leave & Lisence Agreement factory building office premises	176.88	173.13
- Finance Charges	28.82	37.47
(d) Others		
- Others	3.78	127.83
Total	**442.58**	**645.72**
Current		
(I) Advances other than Capital Advances		
- Employees Imprest Advance	289.01	259.64
- to Related Parties **(Refer Note 38)**	691.24	348.35
Total	**980.25**	**607.98**
(ii) Others		
Advance to Vendors		
Unsecured, cosidered Good	370.56	381.87
Unsecured, cosidered doubtful	14.17	-
	384.73	381.87
Less : Allowance for doubtful debts	(14.17)	-
	370.56	**381.87**
Balances with Statutory/Revenue Authorities like excise, customs, service tax and value added tax, Goods and service tax etc.	1,281.80	541.44
Cenvat Recoverable	20.82	20.69
Prepaid Expenses	32.36	16.43
Others	56.55	0.91
Total	**2,742.34**	**1,569.32**

GUFIC BIOSCIENCES LIMITED

NOTE 13. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories (lower of cost and net realisable value)(As verified, valued and certified by the Management)		
a) Raw Materials	3,026.07	1,781.17
b) Work-in-Process	3,245.88	1,829.43
c) Finished Goods	1,687.76	4,248.82
d) Packing Materials	738.01	588.97
e) Stock-in-Trade	689.28	971.72
f) Consumables	41.46	-
Total	**9,428.46**	**9,420.11**

The cost of inventories recognised as an expense during the year was ₹. 18077.31 lakhs (2017 - 2018: ₹. 14425.83 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 2.11.

Included above, Stock-in-Transit

Particulars	As at March 31, 2019	As at March 31, 2018
a) Raw Materials	383.19	50.48
b) Finished Goods	16.96	564.64
Total	**400.15**	**615.13**

14. Trade receivables

(Unsecured, considered good unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
Current **(Refer note 51)**		
Considered good	7,947.85	5,721.69
having Significant increase in credit risk/credit impaired	2,816.98	3,031.17
	10,764.83	8,752.86
Allowance for doubtful debts (expected credit loss allowances)	(446.79)	(672.82)
	10,318.04	8,080.04
Total	**10,318.04**	**8,080.04**

14.1 Trade receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days. based on the assesement of recoveries any receivables which are more than 90 days are considered under "Significent increase in Credit Risk" and any receivables more than 180 days are considered as " Credit Impared”

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period as follows.

Ageing	**Expected credit loss(%)**
Within the credit period	1.37%
91 - 180 days past due	2.18%
181 - 360 days past due	9.44%
361 - 720 days past due	7.81%
721 - 1080 days past due	93.03%
More than 1080 days past due	100.00%

Age of receivable	As at March 31, 2019	As at March 31,2018
Within the credit period	7,834.01	5,665.28
91 - 180 days past due	829.15	836.81
181 - 360 days past due	1,075.75	1,281.58
361 - 720 days past due	573.98	222.38
721 - 1080 days past due	5.15	73.99
More than 1080 days past due	-	-
TOTAL	**10,318.04**	**8,080.04**

Movement in the expected credit loss allowance

	As at March 31,2019	As at March 31,2018
Balance at beginning of the year	672.82	375.37
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(226.04)	297.45
Balance at the year End	**446.78**	**672.82**

NOTE 15. Cash and cash equivalents

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

Particulars	As at March 31, 2019	As at March 31,2018
(a) Balances with Banks		
In Current Accounts	67.80	360.18
(b) Cheques in hand	266.02	-
(c) Cash on hand	32.32	13.75
Cash and cash equivalents as per balance sheet	**366.14**	**373.93**

NOTE 16. OTHER BANK BALANCES

Particulars	As at March 31, 2019	As at March 31,2018
Earmarked Balances with Banks		
- Unpaid dividend accounts	4.32	4.10
- Deposits against guarantees & other commitments	389.01	371.54
TOTAL	**393.33**	**375.64**

Other Bank Balances - Earmarked Balances with Banks includes deposit ₹ 38.29 lakhs (2017 - 2018 : ₹5.00 lakhs) which have an original maturity of more than 12 months.

NOTE 17. Equity Share Capital

Authorised Share capital	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares of Re.1 Each	100,000,000	1,000.00	100,000,000	1,000.00
Issued & subscribed capital comprises: Equity Shares of Rs.1 Each, Fully Paid Up	77,830,000	778.30	77,830,000	778.30
	77,830,000	**778.30**	**77,830,000**	**778.30**

17.1 Fully paid equity shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Equity Shares outstanding at the beginning of the year	77,830,000	778.30	77,830,000	778.30
Equity shares issued during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**77,830,000**	**778.30**	**77,830,000**	**778.30**

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% holding in the class of shares	No. of Shares held	% holding in the class of shares
Fully paid equity shares				
a) Zircon Teconica Private Ltd. (Formerly known as Zircon Finance & Leasing Pvt. Ltd.)	20,523,330.00	26.37	20,523,330.00	26.53
b) Jayesh Pannalal Choksi	18,010,259.00	23.14	18,010,259.00	23.28
c) Pranav Jayesh Choksi	7,268,626.00	9.34	6,975,826.00	9.02
d) SBI Trustee company Ltd. (through various mutual funds)	45,23,902.00	5.81	5,707,489.00	7.38
e) Gufic Private Limited	5,374,157.00	6.90	5,330,957.00	6.89

NOTE 18. Other equity excluding non-controlling interests

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve (Refer Note 18.1)		
Balance at beginning of the year	134.71	134.71
Movements		-
Balance at end of the year	**134.71**	**134.71**
Capital Reserve (Refer Note 18.2)		
Balance at beginning of the year	12.50	12.50
Movements		-
Balance at end of the year	**12.50**	**12.50**
Retained earnings		
Balance at beginning of year	4,408.33	2,809.36
Add : Profit for the year	2,191.82	1,645.52
Add: Revesal of notional interest on capital contribution	86.02	-
Less : Final Dividend on Equity Shares **(Refer Note 18.3)**	(38.68)	(38.68)
Less : Corporate Tax on Dividend	(7.87)	(7.87)
Less: Deferred Tax Effect on Reversal of Notional Interest on Capital Contribution	(29.80)	-
Less: Prior Period taxes Effect	(17.00)	-
Balance at end of the year	**6,592.83**	**4,408.33**
Others		
Contribution towards Capital	16.45	79.73
Balance at end of the year	**16.45**	**79.73**
Total	**6,756.49**	**4,635.27**

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

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

Note 18.3: The company has paid dividend of ₹ 0.05 per share on September 29, 2018 totalling to ₹ 38.68 lakhs (Previous year: ₹ 0.05 per share totalling to ₹ 38.68 lakhs)was paid to the holders of fully paid equity shares.

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

NOTE 19. Non-current Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Non current	Current	Non current	Current
Secured – at amortised cost				
(A) From Banks				
(a) Term loans **(Refer Note 19.1)**	1,093.04	143.66	381.35	161.17
(b) Vehicle Loans **(Refer Note 19.1)**	9.40	14.34	17.07	34.28
(B) From Others				
(a) Vehicle Loans **(Refer Note 19.1)**	22.42	16.63	40.61	18.30
(C) Long term maturies of finance lease obligation {Refer Note 19.1 (III)}	-	3.79	3.79	6.99
TOTAL (I)	**1,124.87**	**178.42**	**442.82**	**220.74**
Unsecured – at amortised cost				
From Directors **{Refer Note 19.1 (IV)}**	6.30	-	389.10	-
TOTAL (II)	**6.30**	**-**	**389.10**	**-**
Total Non-current borrowings	**1,131.17**	**178.42**	**831.92**	**220.74**

19.1 : Summary of borrowing arrangements

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

I. As at March 31, 2019

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and furture plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 2000 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested).	1,236.70	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 7,56,000/- (excluding interest),over a period of 1 to 24 months.	The Rate of Interest is between 9.70 % to 12.50 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (I) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 198.54 lakhs.	62.79	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,13,548 (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.01 % p.a. and shall be payable on monthly basis.

II. As at March 31, 2018

Particulars	Amount outstanding (₹. in Lakhs)	Terms of Repayment	Rate of Interest
(A) Term Loans from Bank Security (i) The loan are secured by first pari passu charge on all the present and furture plant & machineries/ equipments / air conditioners / computers and Accessories / Electric Installation & Furniture & Fixture. (ii) Further the loan is also secured by Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹ 2000 lakhs (Company in which directors are interested), situated at Navsari. (iii) It is also secured by personal guarantee of Managing Director and Chief Executive Officer and a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) from Gufic Private Limited (Company in which directors are interested). (iv) Carrying value of the fixed assets pledged is ₹ 1864.25 lakhs.	542.52	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹. 42,000/- to ₹. 7,56,000/- (excluding interest),over a period of 1 to 24 months.	The Rate of Interest is between 9.70 % to 12.50 % p.a. and shall be payable on monthly basis
(B) Vehicle Loans from Bank and Others Security (I) Are secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted. (ii) Carrying value of the fixed assets pledged is ₹ 244.33 lakhs.	110.27	Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 7,850 to ₹ 1,49,000 (including Interest), over a period of 1 to 60 months.	The Rate of Interest is between 8.18 % to 11.47 % p.a. and shall be payable on monthly basis.

III. Obligations under finance leases

Interest rates underlying the lease obligations are fixed at respective contract dates at 11.0688% (2017 - 2018 : 11.0688%)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
With One Year	3.95	3.95	7.90	7.90
After one year but not more than five years	-	-	3.95	3.95
More than five years	-	-	-	-
Total minimum lease payments	**3.95**	**3.95**	**11.85**	**11.85**
Less: Amounts representing finance charges	0.16	0.16	1.07	1.07
Present Value of minimum lease payments	**3.79**	**3.79**	**10.78**	**10.78**

IV. The company has received unsecured and interest free loan from the directors of the company. The loan are repayable after March 31, 2020 or any period thereafter as mutually decided between the directors and the company. The company has provided interest on the loan @ 11 % p.a. (2017 - 18 : 11% p.a.). Further the company has during the year repaid certain amount to its directors and have reversed the interest provided in the earlier years. Thus the company during the year has accounted for interest income of Rs. 63.28 lakhs (2017-2018: interest expenses of Rs. 65.34 lakhs) and shown the same under the head "Other equity excluding non-controlling interests" as owners contribution towards equity.

19.2 There are no breach of contractual terms of the borrowing during the year ended March 31, 2019 and March 31, 2018.

19.3 Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non–cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's consolidated of cash flows as cash flows from financing activities.

Particulars	Term loans from financial institutions
As at 31st March, 2018	**8,190.19**
Financing cash flows	1,784.26
Non-cash changes	
Interest accruals on account of amortisation	(17.44)
As at 31st March, 2019	**9,957.01**

NOTE 20. Other financial liabilities (At Amortised Cost)

₹ in Lakhs

Particulars		As at March 31, 2019	As at March 31, 2018
Non Current			
Unsecured			
(a) Security and Trade Deposits from Agents and Stockists		468.09	476.32
	Total	**468.09**	**476.32**
Current			
(a) Current maturities of long-term debt **(Refer Note 19)**		174.63	213.75
(b) Current Maturities of Finance lease of obligation **(Refer Note 19)**		3.79	6.99
(c) Interest accrued and not due on Borrowings		6.39	1.03
(d) Interest accrued and due on Borrowings		9.46	4.66
(e) Unpaid dividends **(Refer Note 20.1)**		4.07	4.13
(f) Others :-			
(i) Interest payable on Security Deposit		14.28	9.44
(ii) Employee Benefits Payable		896.09	771.32
	Total	**1,108.70**	**1,011.32**

Note 20.1 : There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.

NOTE 21. Provisions

Particulars		As at March 31, 2019	As at March 31, 2018
Non Current			
Provision for Employee Benefits (Refer Note 39)			
(i) for Gratuity		81.58	122.90
(ii) for Compensated Absences		104.01	103.58
	Total	**185.59**	**226.48**
Current			
(a) Provision for Employee Benefits (Refer Note 39)			
(i) for Gratuity		55.57	51.08
(ii) for Compensated Absences		14.80	8.98
		70.37	**60.06**
(b) Others			
(i) Provision for Sales Returns **(Refer Note 53)**		266.52	297.30
		266.52	297.30
	TOTAL (a + b)	**336.89**	**357.36**
	Total	**522.48**	**583.84**

NOTE 22. Current Borrowings

Particulars		As at March 31, 2019	As at March 31, 2018
Loans repayable on demand			
Secured - at amortised cost			
(a) Loans from banks (Refer Note (1) below)		8,469.00	6,481.44
Unsecured - at amortised cost			
(a) Foreign Currency Loan (Refer Note (2) below)		-	435.35
	Total	**8,469.00**	**6,916.79**

Note 1: Secured loans comprise of Bank Overdraft, and are secured by hypothecation of all stocks and book debts. The facilities granted to the company are further secured by Equitable / Legal mortgage of land and factory building of Gufic Private Limited to the extent of ₹. 2000 lakhs (Company in which directors are interested), situated at Navsari, against the credit facilities sanctioned to the company. The loans are secuered by personal guarantee of Managing Director and Chief Executive Officer and the loan are secured by a corporate guarantee (restricted to the exposure of ₹. 3640 lakhs) of Gufic Private Limited.

Rate of Interest @ 9.85% and repayable on demand.

Note 2: Unsecured Loan comprises of Foreign Currency Loan (Buyers Credit) of ₹. NIL (March 31, 2018 ₹. 435.35 lakhs) Foreign Currency loans carry interest rate at 3 months LIBOR plus 0.48 %

NOTE 23. Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Current (Refer Note 51)		
Total outstanding dues of micro enterprises and small enterprises	281.65	273.62
Total outstanding dues of creditors other than micro enterprises and small enterprises	7498.86	7,324.32
Total	**7,780.51**	**7,597.94**

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 31, 2019	As at March 31, 2018
I. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	202.84 and interest of ₹ 78.81 lakhs	273.62 (interest ₹ nil)
ii. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	₹ 8.76lakhs	Nil
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	Nil	Nil
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	₹ 78.81 lakhs	Nil
v. The amount of further interest remaining due & 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	₹ 87.57 lakhs	Nil

NOTE 24. Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Statutory Dues Payables (includes Excise Duty, Provident Fund, Withholding Taxes, etc.)	254.16	548.40
(b) Advances from customers	264.72	136.77
(c) Others	0.28	27.38
Total	**519.16**	**712.54**
NOTE 25. Current Tax Liabilities (Net)		
Current tax liabilities		
Provision for Income Tax (Net)	420.07	258.98
	420.07	**258.98**

NOTE 26. Revenue from operations

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
a) Sale of Products (Net of Returns and GST)	34,244.90	30,139.54
b) Other Operating Revenue		
i) Processing Charges	751.54	689.59
ii) Other Operating Revenues	80.52	44.85
Total	**35,076.96**	**30,873.98**
Disaggregation Of Revenue		
Revenue based on Geography		
- Domestic	31,202.47	27,719.54
- Export	3,042.43	2,420.00
Revenue from operations	34,244.90	30,139.54
Reconciliation of Revenue from operations with contract price		
Contract Price	35,211.31	31,019.32
Less:		
Sales Returns	938.77	866.27
Discount	27.64	13.51
Total Revenue from Operations	34,244.90	30,139.54
Contract Balances		
Trade receivables	10,318.04	8,080.04
Contract assets	-	-
Contract liabilities	264.72	136.77

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.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms which may be either on Ex factory basis or on delivery. Payment terms with customers vary depending upon the contractual terms of each contract.

Contract Liabilities		
Balances at the beginning of the year	136.77	147.45
Additional during the year	264.72	136.77
Reduction during the year	136.77	147.45
Balances at the close of the year	**264.72**	**136.77**

NOTE 27. Other Income

₹ in Lakhs

Particulars		For the year ended March 31,2019	For the year ended March 31,2018
a) Interest Income (at amortised Cost)			
Interest income earned on financial assets that are not designated as at fair value through profit or loss:			
(i) Bank deposits (at amortised cost)		26.09	23.78
(ii) Interest income on financials assets			
(a) Other deposits and receivables		55.89	37.74
(b) Advance to associates		18.13	-
	Total (a)	**100.11**	**61.52**
b) Dividend Income			
Dividends from equity investments		0.04	0.08
	Total (b)	**0.04**	**0.08**
c) Other Non-Operating Income (Net of expenses directly attributable to such income)			
Scrap Sales		17.11	27.67
Sundry Balance Written Back		117.77	92.56
Miscellaneoues Income		96.37	63.55
Excess provision written back		52.75	-
	Total (c)	**284.01**	**183.79**
d) Other gains and losses			
Net foreign exchange gains/(losses)		33.06	40.78
	Total (d)	**33.06**	**40.78**
	TOTAL (a+b+c+d)	**417.22**	**286.17**

NOTE 28. Cost of Material Consumed

(A). Consumption of Raw Material			
Opening Stock		1,778.67	2,039.94
Add: Purchases		12,023.16	9,089.25
(Less) : Closing Stock		(3,026.07)	(1,778.67)
	TOTAL (A)	**10,775.76**	**9,350.52**
(B). Consumption of Packing Material			
Opening Stock		588.97	569.15
Add: Purchases		2,089.01	1,588.08
Less : Closing Stock		(738.01)	(588.97)
	TOTAL (B)	**1,939.97**	**1,568.27**
	TOTAL(A+B)	**12,715.73**	**10.918.78**

NOTE 29. Purchases of Stock - in - Trade

Purchase of Stock - In - Trade		3,984.34	6,824.11
	Total	**3,984.34**	**6,824.11**

NOTE 30. Changes in Inventories of Construction Work-in-Progress & Stock-in-Trade

Opening stock of			
i) Work-in-progress		1,829.43	2,244.29
ii) Finished goods		4,248.81	545.74
iii) Stock-in-trade		971.72	942.87
		7,049.96	**3,732.90**
Less: Closing stock of			
i) Work-in-progress		3,245.88	1,829.43
ii) Finished goods		1,737.56	4,248.81
iii) Stock-in-trade		689.28	971.72
		5,672.71	**7,049.96**
	Net increase	**1,377.25**	**(3,317.06)**

NOTE 31. Employee benefits expense

₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Salaries and Wages	4,303.08	3,907.55
Contribution to provident and other funds **(Refer note 39)**	163.72	115.68
Staff Welfare Expenses	218.11	438.62
Total	**4,684.90**	**4,461.86**
NOTE 32. Finance costs		
interest on Financial Liabilities - borrowing carried at amortised cost	878.10	733.97
Bank and other financial charges	22.13	22.12
Interest on Owners Contribution	22.75	65.34
Interest on Income Tax	9.31	66.66
Interest to MSME	83.83	-
Total	**1,016.12**	**888.08**
NOTE 33. Depreciation and amortisation expense		
Depreciation of property, plant and equipment **(Refer note 5)**	454.77	436.03
Amortisation of intangible assets **(Refer note 6)**	9.90	3.95
Total depreciation & amortisation	**464.66**	**439.98**
NOTE 34. Other expenses		
Consumable Stores	48.19	64.43
Power and Fuel	342.88	357.87
Labour Charges	1,918.67	1,270.08
Factory Expenses	4.32	19.15
Rent	394.72	197.85
Rates and Taxes (Excluding Taxes on Income)	20.28	17.83
Repairs and Maintenance	-	-
- Building	23.14	167.45
- Machinery	30.98	80.42
- Others	90.10	51.19
Sales Tax Expenses	0.14	2.24
Printing and Stationery	145.94	96.33
Communication Expenses	69.58	67.67
Director Sitting Fees	0.30	2.65
Insurance Charges	48.08	48.29
Travelling, Conveyance and Vehicle Exps	1,993.21	2,218.45
Legal & Professional Fees	560.22	500.67
Testing and Laboratory Expenses	52.41	19.52
Transport and Forwarding	467.90	696.92
Commission and Brokerage	495.31	494.54
Sales Promotion Expenses	167.36	116.56
Advertisement	5.76	15.98
Loss on sale of Asset (Net)	-	0.96
Donation	1.04	9.05
Research & Development Expenses **(Refer note 45)**	207.75	528.82
Corporate Social Responsibility Activity **(Refer note 46)**	38.60	20.22
Bad Debts & Provision for Bad Debts	47.55	297.57
Miscellanous Expenses	541.83	429.67
TOTAL	**7,716.27**	**7,792.37**

NOTE 35. Income Taxes

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
a. Tax expense recognised in profit and loss:		
Current Tax Expense for the year	1,152.82	1,101.40
Tax expenses of prior years	5.94	125.95
Net Current Tax Expenses	**1,158.77**	**1,227.35**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	182.07	120.43
TOTAL	**1,340.84**	**1,347.78**
b. The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,534.91	2,995.40
Tax using the Company's domestic tax rate	1,235.10	1,036.56
(March 31, 2019: 34.94%, March 31, 2018: 34.61%)		
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	218.43	323.67
Incremental deduction allowed for Research and Development costs	(130.61)	(146.96)
Others	11.97	8.56
Current and Deferred Tax expense (excluding prior year taxes)	**1,334.89**	**1,221.83**

I. During the year ended March 31, 2019 and March 31, 2018 the Company has paid dividend to share holders, this has resulted in payment of dividend distribution tax to the taxation authorities. The Company believes that dividend distribution tax represents additional payment to tax authorities on behalf of shareholders. Hence, dividend distribution tax paid is charged to equity.

ii. There are no unrecognized deferred tax assets and liabilities as at March 31, 2019 and March 31, 2018.

NOTE 36. Segment information

36.1 Products and services from which reportable segments derive their revenues

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.

NOTE 37. Operating lease arrangements

37.1 The Company as lessee

37.1.1 Leasing arrangements

The Company's significant leasing arrangement are in respect of operating lease for premises. The period of agreement is generally from one year to five year and is renewable by mutual consent. The Company does not have an option to purchase the leased assets at the expiry of the lease periods.

37.1.2 Payments recognised as an expense

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Minimum lease payments	342.77	181.94
Contingent rentals	-	-
Sub-lease payments received	-	-
Total	**342.77**	**181.94**
37.1.3 Non-cancellable operating lease commitments		
Not later than 1 year	346.31	276.00
Later than 1 year and not later than 5 years	699.05	1,038.00
Total	**1,045.35**	**1,314.00**

Note 38. Related Party Disclosures

38.1 Names of the related parties and related party relationships

Particulars	Relationship as at	
	As at March 31, 2019	**As at March 31, 2018**
Jayesh P Choksi (Chairman & Managing Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Pranav J Choksi (CEO & Whole-time Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Pankaj Gandhi (Whole Time Director)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Hemal Desai (Whole Time Director) (CFO Till 26/10/2018)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Balram H. Singh (Non executive Non Independent Director) (W.E.F. 29/05/2018)	Key Management Personnel (KMP)	
Devkinandan B. Roonghta (CFO) (W.E.F. 29/10/2018)	Key Management Personnel (KMP)	
Ami N. Shah (Company Secretary)	Key Management Personnel (KMP)	Key Management Personnel (KMP)
Vipula J Choksi	Relatives of KMP	Relatives of KMP
Khushboo Desai	Relatives of KMP	Relatives of KMP
Pooja Choksi	Relatives of KMP	Relatives of KMP
Parth Gandhi	Relatives of KMP	Relatives of KMP
Rita N. Shah	Relatives of KMP	
Seema D. Roonghta	Relatives of KMP	
Shobhana S. Gandhi	Relatives of KMP	
Comfrey Pharmaceuticals Private Limited	Company in Which KMP/ Relatives of KMP can exercise influence	Company in Which KMP/ Relatives of KMP can exercise influence
Gufic Private Limited		
Gufic Chem Private Limited		
Gufic Lifescience Private Limited		
Jal Private Limited		
Motif Hotels LLP		
Zircon Teconica Private Limited (Formerly Zircon Finance and Leasing Private Ltd)		
Zire Realty Limited		
Zire Rushi Construction		
Manshi Gandhi Enterprise		
Parth Gandhi Enterprises		
Viraj Enterprise		
Shraddha Enterprise		
Prime Bio Inc.		

38.2.1 Details of related party transactions

₹ in Lakhs

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a) Remuneration		104.87	91.81
(b) Reimbursement of Expenses		-	40.50
(c) Payment of Services		3.20	-
(d) Director Sitting Fees		1.55	
Outstanding Balance as on	Cr	6.30	389.26
Outstanding Balance as on	Dr	-	0.91
38.2.2 Details of related party transactions			
(a) Payment of Service		1,734.85	27.58
(b) Purchase of Goods and reimbursement Exp		1,303.86	1,827.71
(c) Payment of rent rate and taxes		60.00	25.74
(d) Sale of Goods		652.03	3,310.61
(e) Service Rendered		9.40	996.94
(f) Interest Income		18.13	-
(g) Gurantee given		-	450.00
(h) Licence Fees Paid		-	17.21
(i) Purchase of intangible		46.77	-
Outstanding Balance as on	Cr	110.25	84.40
Outstanding Balance as on	Dr	1,891.64	595.75

Sales of goods to related parties were made at the usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amount outstanding are unsecured and will be settled in cash. No guarantee have been given or received. No expense has been recognized in the current period or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

38.3 Loans from related parties

Particulars	As at March 31, 2019	As at March 31, 2018
JAYESH P. CHOKSI	-	369.63
PRANAV J. CHOKSI	6.30	19.48

The loan is repayable on 1st August 2023 and is interest free. These loan is unsecured.

38.4 Compensation / Proffessional of key management personnel and their relatives

Given details as follows in the table

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Remuneration to Key Management Personnel	**96.42**	**83.64**
Remuneration to Relatives of Key Management Personnel	**11.66**	**8.17**

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

NOTE 39. Employee benefit plans

39.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held seperately under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The company has recognised the following amounts in the profit and loss accounts.

Particulars	For the year ended 31.03.2019 ₹ in Lakhs	For the year ended 31.03.2018 ₹ in Lakhs
Employer's contribution to provident fund & ESIC Fund	163.72	117.75

39.2 Defined benefit plans

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The board of the Fund is composed of an equal number of representatives from both employers and (former) employees. The board of the Fund is required by law and by its articles of association to act in the interest of the Fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the Fund is responsible for the investment policy with regard to the assets of the Fund.

These plans typically expose the Company to acturial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Life Insurance Corporation of India .
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019. 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.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	**Valuation as at**	
	As at March 31, 2019	**As at March 31, 2018**
Discount rate(s)	7.79%	7.83%
Expected rate(s) of salary increase	5.00%	5.00%
Average longevity at retirement age for current beneficiaries of the plan (years)*		
Males	58 & 75 years	58 years
Females	58 & 75 years	58 years
Average longevity at retirement age for current employees (future beneficiaries of the plan)(years)*		
Males	58 & 75 years	58 years
Females	58 & 75 years	58 years

* Based on Indian Assured Lives Moratlity (2006-08) Ult.table

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	18.27	24.98
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	9.63	9.96
Components of defined benefit costs recognised in profit or loss	**27.90**	**34.94**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions		
Actuarial (gains) / losses arising from changes in financial assumptions		
Actuarial (gains) / losses arising from experience adjustments	2.24	2.10
Others [describe]		
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income	**2.24**	**2.10**
Total	**30.14**	**37.04**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(178.66)	(164.55)
Fair value of plan assets	41.51	41.51
Funded status	**(137.15)**	**(123.04)**
Restrictions on asset recognised		
Net liability arising from defined benefit obligation	(137.15)	(123.04)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	164.55	179.83
Interest cost	12.88	12.95
Current service cost	18.27	24.98
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.46	(6.73)
Actuarial gains and losses arising from experience adjustments	(1.47)	(46.48)
Others [describe]	-	-
Past service cost, including losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid Directly by Employer	(16.04)	-
Others [describe]	-	-
Closing defined benefit obligation	**178.65**	**164.55**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	41.51	41.51
Interest income	3.25	2.99
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(3.25)	(2.99)
Others [describe]	-	-
Contributions from the employer	-	-
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences on foreign plans		
Benefits paid	-	-
Other [describe]	-	-
Closing fair value of plan assets	**41.51**	**41.51**

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

Sensitivity Analysis

The sensitivity analysis have been determined based on method that extrapolates the impact on defined benefit obligation as a reasonable change in key assumptions occuring at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
Impact on Defined Benefit obligation		
Delta Effect of +1% Change in Rate of Discountins	(10.88)	(9.62)
Delta Effect of -1% Change in Rate of Discounting	12.39	10.94
Delta Effect of +1% Change in Rate of Salary Increase	12.62	11.15
Delta Effect of -1% Change in Rate of Salary Increase	(11.26)	(9.95)
Delta Effect of +1% Change in Rate of Employee Turnover	1.80	1.52
Delta Effect of -1% Change in Rate of Employee Tumover	(2.09)	(1.77)

Particulars	As at March 31, 2019	As at March 31, 2018
Maturity Analysis of Projected benefit obligation for next		
1st Year	23.46	19.79
2nd Year	15.28	15.73
3rd Year	22.48	23.49
4th Year	10.61	20.42
5th Year	7.19	9.16
Thereafter	93.37	76.85

NOTE 40. Earnings per share

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Basic earnings per share	2.82	2.12
Diluted earnings per share	2.82	2.12
40.1 Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit / (loss) for the year attributable to owners of the Company	2,194.07	1,647.62
Less: Preference dividend and tax thereon	-	-
Earnings used in the calculation of basic earnings per share	**2,194.07**	**1,647.62**
Weighted average number of equity shares	77,830,000	77,830,000
40.2. Diluted Earnings Per Share		
The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective periods.		
Profit / (loss) for the year used in the calculation of basic earnings per share	2,194.07	1,647.62
Add: adjustments on account of dilutive potential equity shares		
Earnings used in the calculation of diluted earnings per share	**2,194.07**	**1,647.62**
Weighted average number of equity shares	77,830,000	77,830,000
40.3. Reconciliation of weighted average number of equity shares		
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of Basic EPS	77,830,000	77,830,000
Add: adjustments on account of dilutive potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	**77,830,000**	**77,830,000**

NOTE 41. Financial instruments

41.1 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.

41.1.1 Gearing ratio

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

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (I) Less: Cash and bank balances	9,778.59 366.15	7,969.45 373.92
Net debt	9,412.44	7,595.53
Total Equity (ii)	7,534.79	5,413.57
Net debt to equity ratio	1.25	1.40

41.2 Catagories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
(a) Other investments	0.50	0.50
(b) Cash and bank balances	366.15	373.92
(c) Trade Receivable	10,318.04	8,080.04
(d) Loans	426.44	268.11
(e) Other Financial Assets	359.71	298.97
Financial liabilities Measured at Amortised cost		
(a) Borrowings	9,600.17	7,748.71
(b) Trade Payable	-	-
(C) Other Financial Liabilities	1,576.79	1,487.64

41.3 Financial risk management objectives

The company has a board approved policy to manage the various risks that arise from its business activities.

The objective of the risk management policy document is to ensure that the company has proper and continuous risk identification and management process. This process will generally involve the following steps:

- Identifying, ranking risks inherent in the Organisation's strategy (including its overall goals and appetite for risk);
- Selecting the appropriate risk management approaches and transferring or avoiding those risks that the business is not willing or competent to manage;
- Implementing controls to manage the remaining risks;
- Monitoring the effectiveness of risk management approaches and controls;
- Learning from experiences and making improvements.

The various Risks to which the company is exposed and the steps taken to mitigate or minimise the same are given below:

41.4 Market risk

The Companies activities primarily expose it to the interest rates risk as discussed below:

41.5 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company’s long term borrowings have fixed rate of interest and are carried at amortised costs. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the financial statement of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Particulars	March 31, 2019	March 31, 2018
Borrowings bearing fixed rate of interest	66.58	121.05
Borrowings bearing variable rate of interest	9,729.44	7,473.21
	9,796.03	7,594.26

41.5.1 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. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. 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 100 basis points higher/lower and all other variables were held constant, the company's (Contracted Interest Rate on all the borrowing)

I) profit for the year ended March 31, 2019 would decrease/increase by Rs. 85.92 lakhs (2017 - 2018: decrease/increase by Rs. 59.62 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

41.6 Credit risk management

Credit risk refers to the risk that a counterparty 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 potentional 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.

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.

Exposure to the Credit risks

Particulars	March 31, 2019	March 31, 2018
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	**10318.04**	**8080.04**

41.7 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 41.7.2 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

41.7.1 Liquidity and interest risk tables

The 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.

Commentary:

The tables below include the weighted average effective interest rate and the carrying amount of the respective financial liabilities as reflected in the standalone balance sheet as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to key management personnel.

	Upto 1 year	1 to 3 years	3 to 5 years	Total
March 31, 2019				
Non Derivative				
Trade payable	7,780.51	-	-	7,780.51
Borrowings	8,037.11	1,160.85	580.63	9,778.59
Other Financial Liabilities	1,398.37	-	-	1,398.37
	17,215.99	**1,160.85**	**580.63**	**18,957.47**
March 31, 2018				
Non Derivative				
Trade payable	7,597.94	-	-	7,597.94
Borrowings	7,365.15	477.39	126.91	7,969.45
Other Financial Liabilities	1,266.90	-	-	1,266.90
	16,229.99	**477.39**	**126.91**	**16,834.29**

41.7.2 Financing facilities

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Secured bank overdraft facility:		
i) amount used	8,000.00	6,000.00
ii) amount unused	-	-
	8,000.00	**6,000.00**
Secured bank loan facilities with various maturity dates through to March 31, 2019 and which may be extended by mutual agreement:		
i) amount used	1,288.91	551.36
ii) amount unused	1,253.75	220.95
	2,542.66	**772.31**

41.8 Fair value measurements

The investment of the company are not readily marketable. Further the company has invested in the securities for the purpose of obtaining the credit facilities. The company has to returned the securities back to the lender in the event the credit facilities are repaid / closed by the company. Thus in the case the cost of the security represents the fair value.

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

	As at March 31, 2019 Fair value	As at March 31, 2018 Fair value
Financial assets		
Financial assets at amortised cost:	**11,836.67**	**9,396.68**
(a) Trade receivables	10,318.04	8,080.04
(b) Cash and cash equivalent	366.15	373.92
(c) Other Bank Balances	393.33	375.64
(d) Loan and Advances -Non Current	783.13	565.65
(e) Loan and Advances - Current	3.02	1.43
Financial liabilities		
Financial liabilities held at amortised cost:	**11,176.96**	**9,236.35**
(a) Long Term Borrowings	1,131.17	831.92
(b) Short Term Borrowings	8,469.00	6,916.79
(c) Trade Payables	-	-
(d) Other Financial Liabilities- Non Current	468.09	476.32
(e) Other Financial Liabilities- Current	1,108.70	1,011.32

NOTE 42. Commitments for expenditure

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	447.52	315.33
Total	**447.52**	**315.33**

NOTE: 43. Contingent liabilities

43.1 Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Other money for which the company is contingently liable		
(i) Letter of Credit	374.14	678.71
(ii) Bank Gurantee	136.12	112.78
(iii) Excise Duty	108.86	108.86
(iv) Income tax	289.41	417.41
(v) Sales Tax	31.66	29.15

(I) The above claims are pending before various Authorities / court. The Company is confident that the cases will be successfully contested.

(ii) These represent demands raised by Income-tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested.

NOTE 44. Payments to auditors

₹ in Lakhs

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
As Auditors		
a) For audit	13.20	7.25
b) Tax Audit	-	0.70
c) Limited Review	2.50	0.80
In other Capacity		
a) Certification Work & Other Capacity	0.26	1.04
b) Representation before Statutory Authority	4.85	1.90
Reimbursement of Expenses & Service Tax / Goods & Service Tax	1.26	0.63
Total	**22.08**	**12.32**

NOTE 45.

The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research, which has been renewed in the FY 17 - 18. During the year it has incurred expenditure of ₹. 387.71. lakhs (including fixed assets of ₹. 179.96 lakhs) (Previous Year : ₹. 853.21 lakhs (including fixed assets of ₹.324.39 lakhs)) and the same has been shown under the head other expenses..

NOTE 46. CSR Expenditure

(a)Gross amount required to be spent by the company during the Financial Year 18 - 19: ₹ 38.60 lakhs (2017-18: ₹ 20.22 Lakhs)

(b) Amount spent during the year

₹ in Lakhs

Particulars	In cash	Yet to be paid	Total
(I) On Construction / Acquisition of any assets			
(ii) On purposes other than (i) above	38.60	-	38.60
Total	**38.60**	**-**	**38.60**

NOTE 47.

The Scheme of Arrangement between Gufic Strident Bio-Pharma Private Limited ("the Transferor"), and the Company ("the Scheme"), inter-alia envisaged merger of the business of the transferor into the Company. The scheme was approved by Hon'ble National Company Law Tribunal, Mumbai Bench on September 6, 2018 and became effective on September 25, 2018 upon completion of all the formalities.

Consequent to the amalgamation prescribed by the Scheme, all the assets and liabilities of the transferor compnay were transferred to and vested in the Company with effect from April 01, 2016 ("the Appointed Date"). The amalgamation was accounted under the "pooling of interest" method prescribed under Ind AS 103 - Business Combinations, as prescribed by the Scheme.

Accordingly all the assets, liabilities, and other reserves of the transferor as on April 01, 2016 were transferred to the Company as per the Scheme.

Particular		value recognised on acquisition (in lakhs)
Current Assets		
Inventories		37.49
Trade Receivable		184.93
Cash and Cash Equivalents		10.61
Other Current Assets		39.29
Non Current Assets		
Fixed Assets		65.88
Deferred Tax Assets		9.34
	Total (A)	**347.54**
Current Liabilities		
Trade Payable		225.36
Other Current Liabilities		49.51
Short Term Provision		0.87
Non - Current Liabilities		
Long term Borrowings		101.58
	Total (B)	**377.32**
Accumulated Balance in Retained Earnings (C)		31.78
Net Identifiable Assets acquired (A-B+C)		**2.00**
Consideration Transferred		**4.80**
Goodwill Arising on acquisition		**2.80**

Particular	March 31, 2019 (in lakhs)
Consideration paid in Cash	4.80
Less: Cash and Cash equivalent balance acquired	(10.61)
	(5.81)

47.3: Impact of acquisitions on the resulf of the company

From the date of acquisition, the company has contributed 455.53 lakhs of revenue and 174.64 lakhs to the profit before tax of the company. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been 809.18 lakhs and the profit before tax of the company would have been 201.67 lakhs.

Note 48. Post implementation of Goods and Service Tax ("GST") with effect from July 01, 2017, revenue from contracts with customers is disclosed net of GST. Revenue from contracts with customers for the previous year included excise duty which was subsumed in GST. Revenue from contracts with customers for the year ended March 31, 2018 includes excise duty for the period ended June 30, 2017. Accordingly, revenue from contracts with customers for the year ended March 31, 2019 are not comparable with year ended March 31, 2018.

Note 49. During the year, the company has entered into transactions with a related party exceeding the threshold limit as prescribed under Rule 15(3) of the Companies Act 2013 for which company has obtained necessary post facto approval from the shareholder through Postal Ballot before March 31, 2019

Note 50. In the opinion of the management inventories of ₹. 9428.46 Lakhs (2017 - 2018: ₹. 9420.10) 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 51. Balance of Trade Receivable and Trade Payable balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.

Note 52. The company has given security deposit of Rs. 470 Lakhs to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of Rs.470 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 Rs. 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 53. ProvisionMovement of Provisions (Current and Non current)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Right of Return		
Balances at the beginning of the year	297.30	938.16
Additional provision during the year	938.77	866.27
Reduction during the year	(969.55)	(1,507.13)
Balances at the close of the year	**266.52**	**297.30**

Note 54. Authorisation of Financial Statements

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors on May 31, 2019 and are subject to approval of the shareholders at the Annual General Meeting.

Note 55. Figures for the previous year have been rearranged/recompanyed as and when necessary in terms of current year's companying.

As per our Report of even date attached
For S H R & Co
Chartered Accountants
FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff
Partner
Membership No. 122592

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

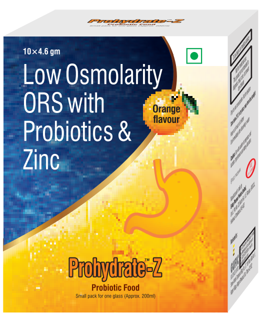
Pranav J. Choksi (DIN 00001731)
Chief Executive Officer & Whole Time Director

Mumbai - 31st May, 2019

D. B. Roonghta
Chief Financial Officer

Ami Shah
Company Secretary

PHARMA DIVISION PRODUCTS



HEALTHCARE DIVISION PRODUCTS

GUFIC FertiCare

A Comprehensive Fertility Care

GUFIC BIOSCIENCES LIMITED

CIN: L24100MH1984PLC033519

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

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results -

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (In lakhs)
	1.	Turnover / Total income	35494.18	35494.18
	2.	Total Expenditure	31959.27	31959.27
	3.	Net Profit/(Loss) After Tax	2194.07	2194.07
	4.	Earnings Per Share	2.82	2.82
	5.	Total Assets	27953.97	27953.97
	6.	Total Liabilities	27953.97	27593.97
	7.	Net Worth	7534.79	7534.79
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:** Balance of Trade Receivable and Trade Payable are subject to confirmations, verification and adjustments necessary upon reconciliation therof. Adjustments required upon such confirmations, if any, are not ascertainable and as a result its impact on the financial statement cannot be ascertained.

b. **Type of Audit Qualification:** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion : Qualified Opinion

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing: Appearing for last one year

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's view : -

e. For Audit Qualification(s) where the impact is not quantified by the auditor:-

(i) Management's estimation on the impact of audit qualification: –

(ii) If management is unable to estimate the impact, reasons for the same:

The Company has sought confirmations from the parties of trade receivables as well as payables, however only few parties responded to the same. The company is in the process of seeking further confirmation and its reconciliation with the books of accounts of the balances in Trade Receivable, loans & advance, Employee Advance, Trade Payable and Security and Trade Deposits from Agents and Stockiest. It is an ongoing excise and as and when the reconciliation is done the necessaryentries have been passed in the accounts.

(iii) **Auditors' Comments on (i) or (ii) above:**

Signatories :

- **Mr. Pranav J. Choksi – Chief Executive Officer**
- **Mr. D. B. Roonghta –Chief Financial Officer**
- **Mr. Shrirang Vaidya -Audit Committee Chairman**
- **M/s. SHR & Co., Chartered Accountants -Statutory Auditor**

Place: Mumbai

Date: 15/06/2019