



Regd. Office: 37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
Corporate office : “Dorr Oliver House”, 2nd Floor, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai -400 099.
E-mail : info@guficbio.com / website : www.gufic.com / CIN. L65990MH1984PLC033519.

Monday, 29th May, 2017

Dear Member,

You are cordially invited to attend the 33rd Annual General Meeting of the Members of the Company to be held on Tuesday, 05th September, 2017 at 2.30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057, 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.,
Dorr Oliver House”,
2nd Floor, B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai -400 099,
Maharashtra, India
(Tel.: 91 22 67261000, Fax: 91 22 67261067).
email: mgr_legal@guficbio.com

Thanking you,

Yours truly,

A handwritten signature in black ink, appearing to read 'Jayesh P. Choksi', is written over a horizontal line.

Jayesh P. Choksi
Chairman & Managing Director



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E-mail : gufic@guficbio.com / website : www.gufic.com / CIN: L65990MH1984PLC033519.

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of Gufic Biosciences Limited will be held on Tuesday, 05th September, 2017 at 2.30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057, 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, 2017, including the Audited Balance Sheet as at 31st March, 2017, 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 of Rs. 0.05 per equity share amounting to Rs. 38,67,500/- for the year ended 31st March, 2017.
3. To appoint a director in place of Mrs. Hemal M. Desai (DIN: 07014744), who retires by rotation at this Annual General Meeting in terms of Section 156(2) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. 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 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the resolution passed by the Members at the 30th Annual General Meeting held on 26th September, 2014 appointing M/s. SHR & Co., Chartered Accountants (Registration No. ICAI FRN 120491W), as Statutory Auditors of the Company to hold office until the conclusion of the 35th Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. SHR & Co., as Statutory Auditors of the Company for the financial year ending March 31, 2018 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."

SPECIAL BUSINESS:

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 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), the Cost Auditor M/s. Kale & Associates, Cost Accountants, Mumbai appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 be paid the remuneration as set out in the explanatory statement under Item No. 5 annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is 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."

6. 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 149 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Mr. Gopal M. Daptari (DIN 07660662), who was appointed as an Additional Director of the Company at the Board Meeting held on November 24, 2016 and who holds office upto the date of the ensuing 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 as such for the term of three consecutive years with effect from his first date of appointment i.e., November 24, 2016.

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 an

SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approvals, from the Registrar of Companies, and such other approvals by appropriate statutory authorities, as may be necessary, the existing Articles of Association of the Company be and is hereby replaced with a new set of Articles of Association made in accordance of the Companies Act, 2013 and the new set of Articles of Association be and is hereby approved and adopted in substitution of the existing Articles of Association of the Company with effect from the date of this 33rd Annual General Meeting.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons (hereinafter individually & jointly referred to as the 'applicants') forming part of the 'Promoter' category, from 'Promoter & Promoter Group category' to 'Public category':

1. Mrs. Vipula Jayesh Choksi
2. Ms. Dhyuti Jayesh Choksi

FURTHER RESOLVED THAT on approval of the SEBI Board/ Stock Exchange upon application for reclassification of

the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to the said resolution."

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 provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder and in super-session of the special resolution passed at the 30th Annual General Meeting in this regard, the consent of the Members of the Company be and is hereby accorded to keep and maintain Statutory Registers of the Company, as required under Section 88 of the Act and copies of annual return filed under Section 92 of the Act, at "SM House", 11 Sahakar Road, Vile Parle (E), Mumbai – 400 057 with effect from November 01, 2017, which shall be the Corporate office of the Company with effect from the said date.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary, be and is hereby authorised to do all such act, deeds or things as may be necessary to give effect to the said resolution."

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

"RESOLVED THAT pursuant to section 188 of the Companies Act, 2013, read with the rules notified thereunder (including any statutory modifications or amendments or re-enactments thereof, for the time being in force) together with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), on behalf of the Company to ratify or enter into the material contracts/arrangements/transactions with

- a. **Gufic Private Limited;**
- b. **Gufic Lifesciences Private Limited;**
- c. **Gufic Stridden Bio-pharma Private Limited;**
- d. **Gufic Chem Private Limited and**
- e. **Jal Private Limited ,**

related Parties as defined under Section 2(76) of the Companies Act, 2013 and SEBI Listing Regulations, the transactions as set out in the explanatory statement under Item No. 10 in the Annexure to this notice, on such terms and conditions as may be mutually agreed upon between the Company and related Parties as mentioned above for an amount not exceeding in aggregate Rs. 100 crores, for three consecutive financial year i.e., 2016-17, 2017-18 and 2018-19 for each related party.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to

finalize the terms and conditions as may be considered necessary, expedient or desirable in order to give effect to this Resolution."

By order of the Board of Director

Ami N. Shah

Company Secretary & Executive – Legal
Membership No. A39579

Place : Mumbai
Date : 29th May 2017

Regd Office :
37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069 CIN : L65990MH1984PLC033519

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND 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.
2. The proxy form, in order to be effective, must be received by the Company not less than 48 hours before commencement of the meeting. Proxy form is sent herewith. 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 given in para 6 of the SS2 - Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. 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.
5. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment/re-appointment as Director under Item No. 3 and 6 of the Notice, are also annexed.
6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from 30th August, 2017 to 05th September, 2017 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year ended 31st March, 2017, if approved by the Members.
7. The dividend on Equity Shares, if declared 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.
8. 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.

9. 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.

10. 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 2009-10 shall be transferred to Investor Education and Protection Fund at an appropriate time in the current financial year. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents. The unclaimed dividend upto financial year 2008-09 has been transferred to the Investor Education and Protection Fund. During the year, the Company has requested those members, whose dividends for financial years from 2010-2011 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

11. 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.

12. 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.

13. Voting through electronic means

1. 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).

2. 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.

3. 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.

4. The remote e-voting period commences on 2nd September, 2017 (9:00 am) and ends on 4th September, 2017 (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 29th August, 2017, 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.

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

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "remote e voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote evoting.pdf".

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select Electronic Voting Event Number (EVEN) of Gufic Biosciences Limited.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e mail gajanan@athavale.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)

USERID _____

PASSWORD/PIN _____

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
7. If you are already registered with NSDL for remote e voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "physical User Reset password?" option available on www.evoting.nsdl.com

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).

8. 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).
9. 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 August 29, 2017.
10. 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. August 29, 2017 may obtain the login ID and password by sending a request at www.evoting@nsdl.co.in.

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.

11. 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.
12. 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.
13. Mr. Gajanan Athavale, Practicing Company Secretary (Membership No. F9177) 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.
14. 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 "Ballot Paper" 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.
15. 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 along with 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. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be made available for inspection at the AGM.
17. Route Map showing directions to reach to the venue of the 33rd AGM is given at the end of this Notice a per the requirement of the Secretarial Standards-II on General Meeting.

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

ITEM NO. 5

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 May 29, 2017, 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 2017-18 to conduct the Cost Audit of the Company's manufacturing plants situated at Navsari Gujarat, at a remuneration of Rs. 60,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses.

The resolution contained in Item No. 5 of the accompanying Notice, accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2017-18.

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. 5 of the Notice.

ITEM NOS. 6

Mr. Gopal M. Daptari, an Advocate by profession, was appointed as an Additional Independent Director by the Board of Directors at the Board Meeting held on November 24, 2016, whose term expires at the ensuing Annual General Meeting.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190

of the Companies Act, 2013.

The Company have also received declaration from Mr. Gopal M. Daptari 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 fulfills the conditions specified in the said Act for regularization as Independent Directors. 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. Gopal M. Daptari for appointment as an Independent Director. The brief profile of Mr. Daptari, 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 and details of remuneration paid/payable is provided in the Corporate Governance report forming part of the Annual Report for 2016-17.

The Board recommends the resolution for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives except Mr. Gopal M. Daptari are concerned or interested, financially or otherwise, in the resolution at item No. 6 of the Notice.

ITEM NOS. 7

The Articles of Association of the Company as currently in force was adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted from time to time, over the past several years. Considering that substantive sections of the Companies Act, 2013 which deal with the general working of the Companies stand notified, it is proposed to adopt new set of Articles of Association in line with the provisions of the Companies Act, 2013 including the Rules framed thereunder and to make certain other changes thereto. The Articles of Association as on date along with the proposed amendments are available for inspection by the members at the Corporate Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto and on the date of the Annual General Meeting and on the website of the Company.

Your Directors recommend the passing of the Resolution in Item No. 7 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except to the extent of the rights or powers provided, if any, under the revised Articles of Association to them or their relatives.

ITEM NOS. 8

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015'), effective from December, 2015, has provided a regulatory mechanism for re-classification of promoters as Public Shareholders subject to fulfillment of certain conditions as provided therein. In this regard, the Company have received application from 1. Mrs. Vipula Jayesh Choksi, wife of Mr. Jayesh P. Choksi, Chairman & Managing Director and mother of Mr. Pranav J. Choksi, CEO & Whole Time Director of the Company; 2. Ms. Dhyuti Jayesh Choksi, daughter of Mr. Jayesh P. Choksi, Chairman & Managing Director and sister of Mr. Pranav J. Choksi, CEO & Whole Time Director of the Company, for re-classifying them from 'Promoter & Promoter Group' Category to 'Public' Category.

Both the above persons are independent in nature and is in no way related to any of the business carried out by the Company. Further they do not hold any key managerial position or

representations of the Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at their meeting held on 29th May, 2017, have approved all the applications for reclassification received by the Company from the above applicants to change their status in the Company from "Promoter & Promoter Group category" to "Public category", subject to the approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons.

None of the concerned persons, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their shareholding does not exceed 10% of the total share capital of the Company. Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

Your Directors recommend the passing of the Resolution in Item No. 8 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except that Mr. Jayesh P. Choksi and Mr. Pranav J. Choksi may be deemed to be concerned or interested in the resolution since the proposed outgoing Promoter Group members are related to them.

Item No. 9

The Board of Directors had taken approval from the Members of the Company by way of special resolution, at the 30th Annual General Meeting held on September 26, 2014, for keeping and maintaining of certain registers and documents required to be kept at registered office of the Company under Section 94 of the Companies Act, 2013 read with the Rules made thereunder, at the Corporate office of the Company situated at 2nd floor, Dorr Oliver House, B.D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400099.

The Company shall be shifting its Corporate office to 'SM House', 11 Sahakar Road, Vile Parle (E), Mumbai – 400 057, with effect from November 01, 2017 and hence requires the keeping and maintaining of the said registers and documents, at the new Corporate office. The Board of Directors seeks approval of the Members at the Annual General Meeting by passing of the Resolution in Item No. 9 of the Notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution.

ITEM NOS. 10

Gufic Biosciences Limited has existing and prospective contracts / agreements / transactions with the following related party :

- a. Gufic Private Limited.
- b. Gufic Lifesciences Private Limited;
- c. Gufic Stridden Bio-pharma Private Limited.
- d. Gufic Chem Private Limited.
- e. Jal Private Limited

As part of its regular business, the Company enters into commercial transactions on an ongoing basis with the said related parties, for purchase and sale of goods, rendering and availing of services related to business mainly for products, sales support, systems, knowhow, technologies, and royalty; sale, purchase or leasing of properties etc. The said contracts / agreements / transactions are in the business interest of the Company considering manufacturing support, sales support and effective utilisation of resources.

The proposed related party transactions of the Company together with the transactions already entered with the abovementioned related party are expected to exceed the materiality threshold as prescribed in Regulation 23 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. Thus, these transactions would require the approval of the members by way of an Ordinary Resolution.

The proposed transactions with the said related parties play a significant role in the Company's business operations. These transactions are critical to the business interest of the Company considering the domestic / international / export

potential strategic value to the Business, technology support, administrative support, sales support, manufacturing support, requirements of third-party customers, strategic outsourcing, strategy based on location and customers and similar reasons. Accordingly, the Board recommends the Resolution for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Jayesh P. Choksi, Mr. Pranav Choksi and Mr. Pankaj Gandhi being director / shareholder of the said companies are concerned or interested, financially or otherwise, in the said Resolution.

By order of the Board of Director

Ami N. Shah
Company Secretary & Executive – Legal
Membership No. A39579

Place : Mumbai
Date : 29th May 2017

Details of the Directors seeking appointment/re-appointment at 33rd 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

Name of Director	Mrs. Hemal Milan Desai	Mr. Gopal Madhavdas Daptari
DIN	07014744	07660662
Date of Birth	02.04.1966	29.10.1949
Age	51 Years	68 Years
Qualification	Cost Accountant from the Institute of Cost & Works Accountants of India (ICWAI)	B.A(Hons) LLB
Experience	About 28 years	About 40 years
Expertise in specific functional areas	She is associated with the Company for more than 17 years and has immensely contributed to the growth of the Company. She is the head of the Accounts and Finance Department. Due to her rich knowledge in the field of finance, accounts and taxation, she continues to provide valuable guidance for the betterment of the Company.	Mr. Daptari is an Advocate by Profession He has about 40 years of experience in this profession and has an expertise in Labour and Industrial Laws related matters.
Terms & Conditions of Appointment /Re-Appointment	Mrs. Hemal M. Desai is a Chief Financial Officer & Whole Time Director of the Company. As per Section 152 of the Companies Act, 2013, she is liable to retire by rotation and offers herself for on the same terms and conditions as appointed as a whole Time Director for a term of five years w.e.f September 30,2017	He is appointed as an Independent Director of the Company with effect from 24.11.2016 for a term of three consecutive years. The remuneration payable to him is specified in the Corporate Governance Section of the Annual Report.
Date of First Appointment on the Board	13.11.2014	24.11.2016
Shareholding in the Company	Mrs. Desai holds 10 equity shares of the Company	NIL
Relationship between Directors inter-se	There is no inter-se relationship between Mrs. Desai and the other Board of Directors of the Company	There is no inter-se relationship between Mr. Daptari and the other Board of Directors of the Company
Directorships in other Companies	Nil	NIL
No. of Meetings of Board attended during the year	ENTITLED TO ATTEND : 5 ATTENDED : 5	ENTITLED TO ATTEND : 2 ATTENDED : 2
Membership / Chairmanship of committees of all public limited companies including Gufic Biosciences Limited	NIL	Member of Audit Committee of M/s. Gufic Biosciences Limited

The particulars of the Contract/arrangement/transaction for item no. 10 are as under:

Name of the related party	Gufic Pvt. Ltd.	Gufic Lifesciences Pvt. Ltd.	Gufic Stridden Bio-Pharma Pvt. Ltd.	Gufic Chem Pvt. Ltd.	Jal Pvt.Ltd
Name of the Director or Key Managerial Personnel who is related, if any and nature of relationship	Jayesh P. Choksi – Chairman & Managing Director Pranav J. Choksi – CEO & Whole Time Director Its also one of the promoter of the Company	Jayesh P. Choksi – Chairman & Managing Director Pranav J. Choksi – CEO & Whole Time Director	Jayesh P. Choksi – Chairman & Managing Director Pranav J. Choksi – CEO & Whole Time Director	Jayesh P. Choksi – Chairman & Managing Director Pranav J. Choksi – CEO & Whole Time Director	Jayesh P. Choksi – Chairman & Managing Director Pranav J. Choksi – CEO & Whole Time Director
Nature, material terms, monetary value and particulars of the contract or arrangement	Commercial transactions on an ongoing basis with the said related parties, for purchase and sale of goods ,rendering and availing of services related to business mainly for products, sales support, systems, knowhow, technologies, and royalty; sale, purchase or leasing of premises etc				
Material Terms of contracts /arrangements/ transactions	Terms and conditions for transaction between the Company and the above related party a. Delivery of materials – Mainly FOB b. Services – On satisfactory completion c. Leasing of property – Rent as per the agreement entered into by the party d. Indirect taxes as applicable Currency – INR				
Duration of these transactions	These transactions are undertaken from time to time depending on needs of business. Sale and purchase of goods are against specific orders. Services and leasing of properties are based on Agreements for a period, as mutually agreed between the parties.				
The value of each type of transactions in the last 2 years	This information forms part of the Notes to the Audited financial statements to the extent they are executed in the respective years.				
Estimated Monetary value of transactions	Not exceeding Rs.100 crore , per related party, in the three consecutive financial year from 2017-18. This includes contracts or arrangements entered into for delivery/receipt of products which are likely to continue beyond a financial year and hence not fully comparable to the executed projects value reported in the audited financial statements. The annual value of the transactions proposed is estimated on the basis of the Company's current level of business operations and future business projections.				
Whether the transactions have been approved by the Audit Committee	Yes.				
Any other information relevant or important for the members to make a decision on proposed transaction	The company, over and above the standard products, operates in manufacture of core pharmaceutical products like tablets, capsules injections, bulk drugs, etc., through loan licensing agreement, third party agreement, tri-parties agreement, etc. The amount sought to be approved takes this aspect into consideration. The enabling Resolution will permit the company to accept large value orders for such major projects which is executable over several years.				



CIN. L65990MH1984PLC033519

Regd. Office: 37, First Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
Corp. Office: 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099, 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 **33rd ANNUAL GENERAL MEETING** of the Company held on Tuesday 05th September, 2017 at 2:30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057.

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, 2017 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, 2017 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

EVSN (Electronic Voting Sequence Number)	User ID	PAN / SEQUENCE NUMBER

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 33rd Annual General Meeting of the Company, to be held on Tuesday, 5th September 2017 at 2:30 p.m.at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057 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 31 st March, 2017.		
2.	Approval of Final Dividend for the financial year ending March 31, 2017		
3.	Appointment of Mrs. Hemal M. Desai (DIN: 07014744), who retires by rotation and being eligible, offers herself, for re-appointment as a director		
4.	Ratification of the Appointment of M/s. SHR & Co, Chartered Accountants (FRN 120491W) as Statutory Auditor of the Company for the financial year 2017-18		
	SPECIAL BUSINESS		
5.	Ratification of Remuneration of M/s. Kale & Associates, Cost Auditor of the Company		
6.	Appointment of Mr. Gopal M. Daptari as an Independent Director of the Company for a term of three consecutive years. w.e.f November 24, 2016		
7.	Adoption of new sets of Articles of Association in accordance with the Companies Act, 2013 read with the Rules framed thereunder		
8.	Approval of Re-classification request received from Mrs. Vipula Choksi and Ms. Dhyuti Choksi from 'Promoter & Promoter Group Category' to 'Public' Category		
9.	Approval for keeping and Maintaining registers and documents as required under Section 94 of the Companies Act, 2013 to a place other than the registered office of the Company.		
10.	Approval of Related Party Transactions		

Signed this day of 2017

Signature of shareholder:

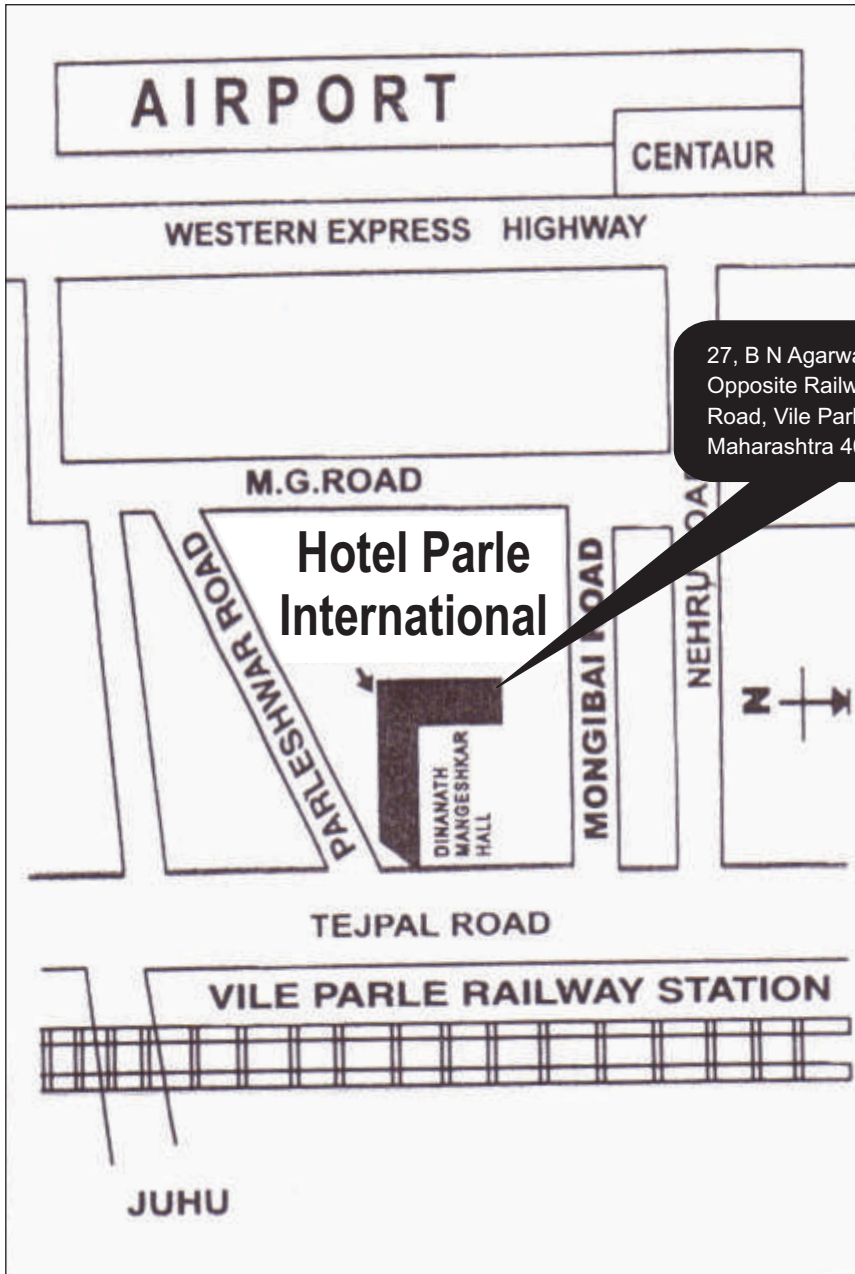
Signature of Proxy holder(s):

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 33rd 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 33rd Annual General Meeting





R&D

PAR EXCELLENCE



GUFIC
BIOSCIENCES LIMITED

33RD ANNUAL REPORT 2016-2017

GUFIC CRITI CARE / CRITI CARE LIFE DIVISION PRODUCTS



BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	(Chairman & Managing Director)
Mr. Pranav J. Choksi	(Whole-time Director & Chief Executive Officer)
Mr. Pankaj J. Gandhi	(Whole-time Director)
Mrs. Hemal Desai	(Chief Financial Officer & Whole-time Director)
Mr. Sharat S. Gandhi	(Independent Director)
Mr. Gopal M. Daptari	(Additional Independent Director)
Mr. Jagdish D. Shah	(Independent Director)
Mr. Shreyas Patel	(Independent Director)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Ami N. Shah

STATUTORY AUDITOR

S H R & Co (FRN. 120491W)

COST AUDITOR

Kale & Associates (FRN. 101144)

SECRETARIAL AUDITOR

Gajanan Athavale (M. No. F9177)

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. L65990MH1984PLC033519

CORPORATE OFFICE

2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400 099, 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

33rd Annual General Meeting

DAY & DATE

Tuesday, 5th September, 2017

TIME

2.30 PM.

VENUE

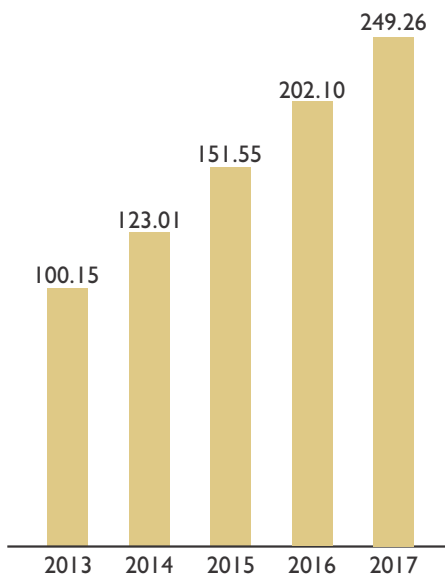
Hotel Parle International,
B. N. Agarwal Market,
Next to Dinanath Mangeshkar Hall,
Vile Parle (E), Mumbai - 400 057.
Maharashtra, India

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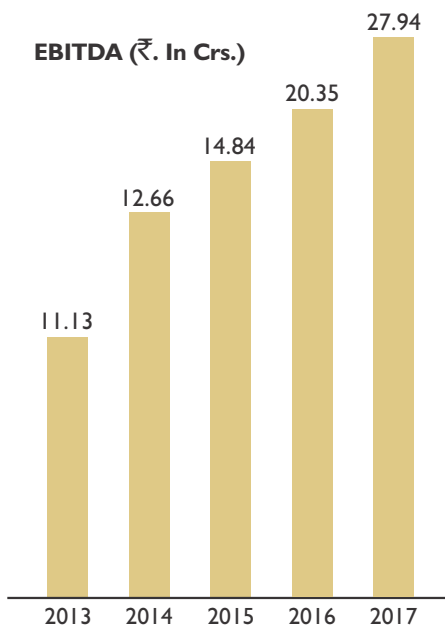
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FINANCIAL HIGHLIGHTS

Revenue from Operation (₹. in Crs.)



EBITDA (₹. In Crs.)



The above graph shows the performance of the Company in the last five years through its sales and Earnings before Interest, Depreciation and Amortization. The graph reflects the growth of the Company which is going upwards year over year and thus shows the commitment of the Company to grow high. With total revenue at ₹ 249.27 crores and EBITDA of ₹ 2794.59 crores, the Company have been able to post a growth of 23.28% and 37.35% respectively.

Chairman's Message

Dear Stakeholders,

It gives me immense pleasure to share that your Company Gufic has crossed the last year's record and achieved total revenue of about Rs. 250.00 crores and this was possible due to the proper planning, implementing of strategies at right time, employees' efforts and your tremendous support and trust on us.

Your belief in the Company, motivates us to outperform the targets year over year and bring the best in the Company.

This year was challenging for the pharma industry, including us, due to increase in competition, changes in Government regulations and geopolitical uncertainties. In this challenging business environment, your Company managed to deliver resilient performance during the financial year 2016-17. Revenue has crossed an all-time high of ₹ 250 crores. The total revenue increased by 23.35 % and PAT by 55.83 %, as compared to previous year, mainly as a result of effective launching of more than 34 new health care products and launch of two new divisions viz., CRITICARE LIFE and FERTICARE.

Your Company has invested towards enhancement and development of the Research & Development, in last many years which focuses towards development of new formulations and life-saving drugs and improvising and updating the process used for existing products. As a result, the Company in the financial year 2016-17, was granted with two process patents from the Intellectual Property India, The Patent Office, India for innovation of new formulations viz., Tigecycline and Anidulafungin. The Company is in the process of filing patents for these formulations in countries such as Russia, Europe and South Africa. The Company has applied for 4 more patents in this financial year and awaiting review form the IPR office. Apart from Patents, Gufic also uses its innovative R and D to improve efficiency, quality and purity whereby making healthcare affordable by launching molecules at a fraction of current market prices and hence increasing access to medicine.

To widen its reach and meet the health care needs of the people throughout the world, Gufic continues to enter into licensing agreements with both Indian and international companies. Gufic continue to provide life-saving drugs without compromising the quality of the product at affordable price both in India and international market

Gufic believes in team building and team spirit and hence continue to nurture and upskill the human capital to prepare for the next level of growth and success. We are providing such a work culture for our employees which brings the best in them and that results in the growth of the Company.

Gufic believes in the concept of "Plan and Act" and following the same, no decision is made and no step is taken without proper planning and implementation. The growth of the Company is based on the accurate decision of the Management and proper implementation by the employees. The whole process is a group task and your Company is fortunate to yield better results year after year.

I would like to take this opportunity to thank each and every employee as well as those who work with us across the value chain for their unstinting support and hard work in the service of our Company. I would also like to thank you, our shareholders, for your continued trust in the business.

Last but not the least I would like to state that I am excited about the future of the Company, as there are many areas still to cover, many hearts still to touch and many lives still to save.

Yours truly,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 33rd Annual Report of the Company, together with the Audited Financial Statements for the financial year ended 31st March, 2017.

FINANCIAL SUMMARY :

The financial performance of the Company, for the year ended March 31, 2017 is summarized below :

₹ in Lakhs

Particulars	2016-17	2015-16
Total Revenue	25023.32	20286.01
Total Expenses	23221.58	19250.19
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	2794.59	2034.62
Profit After Tax (PAT)	1141.35	732.43
Transfer to General Res.	134.71	134.71
Earning Per Share (EPS)	1.48	0.95

FINANCIAL HIGHLIGHTS :

During the year under review, the total revenue increased to ₹ 25,023.32 lakhs in comparison to the previous year revenue of ₹ 20,286.01 lakhs and net profit after tax increased to ₹ 1141.35 lakhs from ₹ 732.43 lakhs, in previous year.

During the year under review, your Company has posted a growth in terms of revenue by 23.35 % and profit after tax by 55.83 %. Your Company experienced success by achieving the target of ₹ 250 crores total revenue as on March 31, 2017.

The EBITDA of your Company increased from ₹ 2034.62 lakhs to ₹ 2794.59 lakhs, thus experiencing growth of 37.35 %. Your Company strives to ensure overwhelming results year after year.

TRANSFER TO RESERVES:

During the financial year 2016-17, ₹134.71 Lakhs was transferred to General Reserve.

DIVIDEND :

Your Directors are pleased to recommend an Equity Dividend of ₹ 0.05 (5%) per equity share of ₹.1 each for the financial year ended March 31, 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting.

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.

SHARE CAPITAL:

The paid up equity capital as on March 31, 2017 was ₹ 773.50 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.

The Board of Directors of the Company had approved scheme of amalgamation of M/s. Gufic Stridden Bio-Pharma Private Limited, a private limited Company registered under the Companies Act, 1956 with the Company. The Company received Observation Certificate from the Stock exchanges in which the shares of the Company are listed viz., Bombay Stock Exchange and National Stock Exchange. The Company is in the process of applying to the National Company Law Tribunal, for the further procedure for the Scheme of Amalgamation.

FINANCE:

Cash and cash equivalents as at March 31, 2017 was ₹ 552.46 lakhs. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters, which 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 this report. There has also been no change in the nature of business of the Company.

FIXED 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:

The particulars of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 have been

disclosed in the Notes to the financial statements forming part of the Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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, 2017, 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:

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 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 of Directors on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the web link: <http://gufic.com/wp-content/uploads/2016/09/Corporate-Social-Responsibility-Policy.pdf>

Your Company's vision is to set a global benchmark in value creation and corporate citizenship and the Company's long-term Corporate Social Responsibility (CSR) objective is to improve the quality of life of the people. 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 Bombay Stock Exchange 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 at Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 bearing Scrip Code **GUFICBIO**.

The listing fees for the year 2017-2018 has already been paid by the Company.

CONSERVATION OF ENERGY:

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- No specific investment has been made in reduction in energy consumption.
- As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

CONSERVATION AND CONSUMPTION OF ENERGY:

I. (A) CONSERVATION OF ENERGY		Year ended	Year ended
Details of conservation of energy are as follows:		31.03.17	31.03.16
Power & Fuel Consumption			
(a) Electricity			
Purchased Units	Kwh	5455160	4008310
Total amount	₹ in Lakhs	217.85	230.33
Rate per unit (average)	₹	3.99	5.75
(b) Furnace Oil			
Quantity	Kgs	5700	NIL
Total Cost	₹. In Lakhs	1.70	NIL
Average Cost	₹	29.79	NIL
(c) Briquettes			
Quantity	Kgs	1563830	1802015
Total Cost	₹. In Lakhs	82.92	93.72
Average Cost	₹	5.30	5.21
(B) CONSUMPTION PER UNIT OF PRODUCTION			
Since the Company manufactures several formulations and bulk drugs in the same factory it is not practical to Apportion consumption of Electricity and Furnace Oil to unit of Product.			

TECHNOLOGY ABSORPTION:

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Earnings in foreign currency :	₹ 1485.07 lakhs
Out-go in foreign currency :	₹. 159.41 lakhs

DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Pankaj J. Gandhi (DIN 00001858) was re-appointed as a Whole Time Director of the Company w.e.f September 07, 2016 for a further period of five years and the same was confirmed and approved by the Members at the 32nd Annual General Meeting (AGM) held on September 28, 2016.

Mr. Ashok M. Tarale (DIN 00009948), Independent Director resigned from the Board of Directors of the Company with effect from November 14, 2016, due to his health issues. The Board place on record their appreciation of the valuable services rendered by Mr. Tarale, during his tenure as a Director.

The Board of Directors appointed Mr. Gopal Daptari (DIN 07660662) as an Additional Independent Director of the Company at its meeting held on November 24, 2016, who holds office up to the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a Member, as required under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director. The Board of Directors recommends to the Members of the Company, appointment of Mr. Gopal Daptari as an Independent Director for a period of three years with effect from the first day of his appointment as a Director i.e, November 24, 2016.

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, Mrs. Hemal M. Desai (DIN 07014744), Whole Time Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

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 as per 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.

FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS :

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities in the Company.

The details of the familiarization programme imparted to Independent Directors have been posted on the website of the Company. The link can be accessed at <http://gufic.com/wp-content/uploads/2016/08/Familiarisation-of-Independent-Director.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 applicable Rules and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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.

REMUNERATION POLICY

For the purpose of selection of any Director, the Nomination & Remuneration Committee identifies persons of integrity who possesses relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, 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 summary of Remuneration Policy of the Company is disclosed in the Corporate Governance Report, which forms a part of this Report.

MEETINGS

During the year under review, five Board Meetings and five 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.

DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The directors have prepared the annual accounts on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system 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-TRANSACTIONS.pdf>

Prior omnibus approval was obtained for Related Party Transactions 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. During the year under review, all Related Party Transactions were placed before the Audit Committee for review and approval.

The related party transactions entered into by the Company , for the financial year 2016-17, are well within the limits as approved by the members at the last Annual General Meeting held on September 28, 2016.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large and thus disclosure in Form AOC-2 is not required.

Your Company for its business transaction, have entered or may propose to enter into transactions relating to purchase, transfer or receipt of products, goods, active pharmaceuticals ingredients, materials, services, other obligations and also leasing of property with some of the Related Party as defined within the meaning of Section 2(76) of the Companies Act, 2013. The current and future transactions may be deemed to be 'material' in nature as defined in Regulation 23 of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015, as they may exceed 10 % of the annual turnover of the Company based on future business projections. Thus, in terms of Regulation 23(4) of SEBI (Listing Obligation Disclosure Requirement) Regulations, 2015, these transactions would require the approval of the members through Ordinary Resolution. A resolution for approval of the Related Party Transactions has been included in the Notice convening the ensuing AGM of the Company. Your Directors recommend to approve the same

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

The Company does not have any holding , subsidiary, joint venture and associate company. Hence, the statement in Form AOC- I 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. The details of the policy is made available on the website of the Company i.e. www.gufic.com

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 Official.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code can be accessed on the website of the Company at the web link : <http://gufic.com/wp-content/uploads/2016/08/Code-of-Conduct-Insider-Trading.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:

M/s. S H R & Co., Chartered Accountants, Mumbai (FRN: I 2049 I W), were appointed as the Statutory Auditor of the Company for a period of five years at the 30th Annual General Meeting of the Members of the Company. In terms of provisions of Section 139 (1) of the Companies Act, 2013, the continuation of their appointment as Statutory Auditors to audit the financials of the Company for the financial year 2017-18 shall be subject to ratification by the Members at the ensuing Annual General Meeting. They have confirmed that they are eligible for auditing the financials of the Company for the financial year 2017-18, as required under Section 141 of the Companies Act, 2013 and the Rules framed thereunder and have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India, as required under Regulation 33 of the Listing Regulations, 2015. The Board recommends the ratification of their appointment as Statutory Auditor of the Company for the financial year 2017-18.

b. COST AUDITOR:

M/s Kale & Associates, Cost Accountants, Mumbai, (Firm Registration No. 101144) were appointed as Cost Auditor to audit the cost records of the Company for the financial year 2016-17. The Cost Audit Report of the Company in XBRL format for the financial year 2016-17 was duly filed with the Ministry of Corporate Affairs.

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. The Board, has on recommendation of Audit Committee, appointed M/s. Kale & Associates, to audit the cost records of the Company for the financial year ending March 31, 2018. As required under the Act and the Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members at a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s. Kale & Associates is included in the Notice convening 33rd Annual General Meeting. The Board recommends the ratification of their remuneration at the ensuing AGM.

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 2016-17. The Secretarial Audit report is annexed herewith as "Annexure B"

d. INTERNAL AUDITOR:

M/s. B. Bhushan & Associates, Chartered Accountants were the internal auditors of the Company for financial year 2016-17.

On 19th May, 2017, M/s. B. Bhushan & Associates placed their resignation as Internal Auditors of the Company. The Board of Directors placed on record their appreciation for the valuable services during their tenure as Internal Auditors, which helped the Company to improve its internal financial control to its fullest.

The Board of Directors of the Company has appointed M/s. Mittal & Agarwal, Chartered Accountants (Firm Registration No.

0131025W) as Internal Auditors of the Company for the period May 01, 2017 to March 31, 2018.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT :

The observation made in the Auditors' Report read together with relevant notes thereon explanation to the same are as below as per Section 134 of the Companies Act, 2013.

With reference to point no. 7 of Independent Auditor's Report:-

The Company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of ₹ 124.04 lakhs in the financial year 2014-15. The said employee is under police custody. The case is still pending at the Court of law and hence the issues are sub-judice. The Company is expecting to recover the amount from the employee and hence in view of the management no provision is required to be made.

With reference to point no. 8 of Independent Auditors' Report,

Advances and Debts recoverability is a common feature of any running business. The amount mentioned in point 8 of the report keep varying depending on the strategies adopted for the year for growth of company as a whole.

Company has already initiated process of identifying Trade Receivable and Advances which are non-recoverable in nature and will make necessary provision upon completion of process. However, during the Financial Year 2016-17, it has made necessary provision or transferred amount to bad debts in respect of debtors which are not recoverable in nature amounting to ₹ 46,51,377/-

Due to increase in the sale revenue, the recoverable amount from the debtors have also increased. The Management is expecting to recover the balance amounts by the debtors in the near future.

In 2015-16, the trade receivables for more than six months were 2.22 % to the sales revenue whereas, in 2016-17, the ratio decreased to 1.23%. The decrease reflects the efforts taken by the Management to reduce the debts.

As required under section 204 (1) of the Companies Act, 2013, the Company has obtained a secretarial audit report. The Secretarial Audit Report does not contain any adverse remark or qualifications, except compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company ensures compliance with all the provisions of the applicable Acts, in the future.

EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure C".

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 its shareholders, who are yet to register their e-mail addresses to take necessary for registering same so that we all can become a part of the initiative and contribute towards a Greener environment.

BUSINESS RISK MANAGEMENT :

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 2016-17, were minimized to its best.

HUMAN RESOURCES :

At Gufic, we value our employees and believe that they are the valuable assets of the Company and play a crucial role in the success and overall growth of the Company.

Your Company ensures strategic alignment of Human Resource practices to business priorities and objectives.

In today's competitive business world, attracting and retaining skilled employees have become difficult. Your Company has managed to retain many professional and skilled employees due to the work culture and environment adopted by the Company. Your Company continued to conduct various employee benefit, recreational and team building programs, social gatherings to foster team spirit.

During the year under review, the employees' strength of your Company increased to 1023 as compared to 846, in the previous year.

Your Directors would also like to take this opportunity to express their appreciation for the hard work and commitment of the employees of the Company and looks forward for the sustained relationship between the Company and the employees. The Company has a firm belief that the human resources improves the company's bottom line with its knowledge.

On the Industrial front, your Company enjoyed cordial relationship with workers and employees at all levels.

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- D".

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. Your Company has obtained a certification from M/s. S H R & Co., Chartered Accountant (FRN: 120491W) , on our 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.

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year under review, no complaints were received by any employee of the Company pertaining to sexual harassment.

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.

ACKNOWLEDGEMENTS :

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers 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: 29th May, 2017

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

ANNEXURE TO DIRECTORS REPORT :

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company has framed a CSR Policy in compliance with the provision of Section 135 of the Companies Act, 2013 read with the rules made thereunder.

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 is posted on the website of the Company and can be accessed at the web-link given as under :**Web Link: <http://gufic.com/wp-content/uploads/2016/05/Corporate-Social-Responsibility-Policy.pdf>**

2. Composition of CSR committee

Name of the Members	Designation
Mr. Sharat Gandhi	Chairman
Mr. Jagdish Shah	Member
Mr. Shreyas Patel	Member
Mr. Jayesh Choksi	Member
Mr. Pranav Choksi	Member

3. Average net profit of the company for last three financial years:
Average net profit: ₹. 797.52 Lakhs
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) The company is required to spend ₹. 15.95 Lakhs
5. Details of CSR spend for the financial year :
 - a. Total amount spent for the financial year: 6.80 Lakhs
 - b. Amount unspent if any: ₹. 9.15 Lakhs
 - c. Manner in which the amount spent during the financial year is detailed below:

GUFIC BIOSCIENCES LIMITED

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budgets) projects or program me wise (₹. Lakhs)	Amount spent projects or programme wise (₹. Lakhs)	Amount spent: Direct or through implementing agency*
I.	Medical Assistance (For polio patients and preventing more polio cases)	Promoting Health Care Including Preventive Healthcare	Mumbai, Maharashtra	6,80,000	6,80,000	*The Rotary club of Mumbai Golden Hearts

*Details of implementing agency

- 6 In case, the Company has failed to spend the two percent of the average net profits of the last three financial years or any thereof, the company shall provide the reasons for not spending the amount in its Board report -

The Company is committed towards the betterment of the society. The CSR Committee met with few NGO's in the financial year 2016-17 , however after analyzing the projects the Company wish to undertake and the projects the NGO's were contributing to, they could not identify the suitable NGO partner for undertaking the CSR activity. Hence, the CSR Committee decided not to contribute the remaining amount to CSR activity in the financial year 2016-17 and search for a suitable CSR activity to contribute in the next financial year, as per the provisions of the Companies Act and the rules framed thereunder.

The CSR activities are scalable which coupled with new initiatives may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

7. Responsibility Statement :

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

For and on behalf of the Board of Directors

For and on behalf of the CSR Committee

Jayesh Choksi
Managing Director
DIN 00001729

Sharat S. Gandhi
Chairman of CSR Committee

Place : Mumbai
Date : 29th May, 2017

ANNEXURE B

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2017

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

To,

The Members,
Gufic Biosciences Limited (CIN L65990MH1984PLC033519)
Mumbai

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 L65990MH1984PLC033519) (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 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 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (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 **[(disclosure under regulation 30(2) & (3))];**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. 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;**
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable;**
 - e. SEBI (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable;**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable.

(Vi) The management has identified and confirmed the following laws as specifically applicable to the Company:

- a. Pharmacy Act, 1948.
- b. Drugs and Cosmetics Act, 1940.
- c. Homoeopathy Central Council Act, 1973.
- d. Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
- e. Narcotic Drugs and Psychotropic Substances Act, 1985.
- f. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
- g. The Medicinal & Toilet Preparations (Excise Duties) Act, 1955.
- h. Petroleum Act, 1934.
- i. Poisons Act, 1919.
- j. Food Safety and Standards Act, 2006.
- k. The Food Safety and Standards Rules, 2011
- l. Insecticides Act, 1968.
- m. Biological Diversity Act, 2002.
- n. The Indian Copyright Act, 1957.
- o. The Legal Metrology Act, 2009.
- p. The Legal Metrology (Packaged Commodities) Rules 2011
- q. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
- r. Trademarks Act, 1999.
- s. The Patents Act, 1970.
- t. The Hazardous Wastes (Management and Handling) Rules, 1989;
- u. **Other Laws:**
 - (a) Registration under Bombay Shop and Commercial Establishment Act, 1958.
 - (b) The Public Liability Insurance Act, 1991.
 - (c) Minimum Wages Act, 1948
 - (d) Payment of Gratuity Act, 1972.
 - (e) Registration and Payments made under the Professional Tax Act, 1975.
 - (f) Employee's Provident Funds and Miscellaneous Provisions Act, 1952.
 - (g) Industrial Disputes Act, 1947.
 - (h) Trade Unions Act, 1926.
 - (i) Factories Act, 1948.
 - (j) Registration cum Membership certificate from the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL).
 - (k) The Industrial Employment (Standing Orders) Act, 1946.
 - (l) Industries (Development and Regulation) Act, 1951.
 - (m) Registrations Certificate of Import Export Code (IEC) obtained from the Director General of Foreign Trade.
 - (n) Apprentices Act, 1961.
 - (o) Child Labour (Prohibition and Regulation) Act, 1986.
 - (p) Contract Labour (Regulation and Abolition) Act, 1970.
 - (q) Employee's State Insurance Act, 1948.
 - (r) The Maternity Benefit Act, 1961.
 - (s) All other state and local body Act, rules & regulations and directions issued as those are applicable

However, the Company was to comply with the applicable provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the rules notified thereunder and for the time being in force.

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

- a. The Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India in terms of section 118(10) of the Companies Act, 2013; and
- b. The Listing Agreements entered into by the Company with Stock Exchanges (BSE & NSE) and regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, etc. mentioned above.

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, related to the regularization, re-appointments of the Whole-time Directors, Managing Director, Director by the shareholders at the 32nd Annual General Meeting of the Company, 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary / appropriately.

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

- a. The Board of Directors at their 4th meeting of the financial year 2016-2017, unanimously approved the Scheme of Amalgamation between the Company and the M/s. Gufic Stridden Bio-Pharma Private Limited, in terms of applicable provisions of section 391-394 of the Companies Act, 1956.
- b. Opinion expressed in points # 7 & 8 under the heading of "basis for qualified opinion" of the report dated 29 May 2017 by the Independent Auditors on the audited standalone financials as at 31 March 2017.
- c. Opinion expressed in point # 6 of Report by the statutory auditors on the Internal Financial Controls in terms of the provisions of Section 143(3)(l) of the Companies Act, 2013, dated 29 May 2017, under the heading "Qualified Opinion".
- d. Impact of pending litigations as referred in note # 34 to the standalone audited financials as at 31 March 2017.

For Gajanan D. Athavale
Company Secretaries

Gajanan D. Athavale
Proprietor

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

Place: Mumbai

Date: 29th May, 2017

This report is to be read with our letter dated 29 May 2017, 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 2017**

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

To,
The Members,
Gufic Biosciences Limited (CIN L65990MH1984PLC033519)
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Gufic Biosciences Limited (CIN L65990MH1984PLC033519) (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: Mumbai
Date: 29th May, 2017

ANNEXURE C
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON
31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i. CIN:	L65990MH1984PLC033519
ii. Registration Date:	23/07/1984
iii. Name of the Company:	GUFIC BIOSCIENCES LIMITED
iv. Category / Sub-Category of the Company:	Company Limited by Shares / Non Govt Public Company
v. Address of the Registered office and contact details:	37, First, Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India. Tel: (022) 6726 1000 • Fax: (022) 6726 1067 Email ID: mgr_legal@guficbio.com
vi. Whether listed company:	YES
vii. Name, Address and Contact details of Registrar and Transfer Agent:	LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 Park, LBS Marg, Vikhroli (west) Mumbai – 400 083, Tel No. (022) 4918 6000, • Fax: (022) 4918 6060, Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / service	NIC code of the product / service	% to total turnover of the company
I.	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	24231	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)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	28273358	Nil	28273358	36.55	28273358	Nil	28273358	36.55	0.00
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	Nil	25854287	33.43	0.00
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)	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
(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)	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
B. Public Shareholding									
I. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	53379	Nil	53379	0.07	0.07
c) Central Govt/ State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
I) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign portfolio investors	Nil	Nil	Nil	Nil	100000	Nil	100000	0.13	0.13
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	153379	Nil	153379	0.20	0.20
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9922231	10500	9932731	12.84	9055965	10500	9066465	11.72	-1.12
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9295422	201547	9496969	12.28	9961912	194547	10156459	13.13	0.85
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2516110	Nil	2516110	3.25	2085983	Nil	2085983	2.69	-0.56
c) Others (specify)									
Non Resident Indians (Repat)	197598	Nil	197598	0.25	177999	Nil	177999	0.23	-0.02
Non Resident Indians (Non Repat)	84814	Nil	84814	0.11	266638	Nil	266638	0.34	0.23
Market Maker	17707	Nil	17707	0.02	17530	Nil	17530	0.02	-0.01
Clearing Members	548497	Nil	548497	0.71	623699	Nil	623699	0.81	0.10
Hindu Undivided Family	427929	Nil	427929	0.56	674203	Nil	674203	0.88	0.32
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies-DR	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	23010308	212047	23222355	30.02	22863929	205047	23068976	29.82	-0.20
Total Public Shareholding (B)=(B)(1)+(B)(2)	23010308	212047	23222355	30.02	23017308	205047	23222355	30.02	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	77137953	212047	77350000	100	77144953	205047	77350000	100	

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Zircon Finance & Leasing Pvt. Ltd.	2052330	26.53	Nil	2052330	26.53	Nil	0.00
2	Jayesh P. Choksi	18010259	23.28	Nil	18010259	23.28	Nil	0.00
3	Pranav J. Choksi	6975826	9.02	Nil	6975826	9.02	Nil	0.00
4	Gufic Private Limited	5330957	6.89	Nil	5330957	6.89	Nil	0.00
5	Vipula J. Choksi	2885273	3.73	Nil	2885273	3.73	Nil	0.00
6	Dhyuti J. Choksi	402000	0.52	Nil	402000	0.52	Nil	0.00

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

Sr.N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N. A.	N. A.	N. A.	N. A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	N. A.	N. A.	N. A.	N. A.
	At the end of the year	N. A.	N. A.	N. A.	N. A.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sambhav Properties Pvt Ltd	7745949	10.01	7745949	10.01
2	Jagdish N. Master	1400000	1.81	1535000	1.98
3	The master clock and watch works pvt ltd	214406	0.28	228406	0.29
4	Nirmal Suresh Patel	175080	0.23	209824	0.27
5	Viraf F. Chinoy	0	0	207000	0.27
6	Seema Anil Shah	134159	0.17	134159	0.17
7	JM Financial Service Ltd.	2350	0.003	128412	0.17
8	Bankim Hamir	66706	0.09	110774	0.14
9	Silver Stallion Ltd.	0	0	100000	0.13
10	One Up Financial Consultants Private Limited	182500	0.24	12500	0.02

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 2016		Cumulative Shareholding during the year 2017	
		No. of shares	% of total shares of the company	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	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	23.28	18010259	23.28
2	Mr. Pranav J. Choksi – Executive 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	Nil	Nil
	At the end of the year	6975826	9.02	6975826	9.02
3	Mrs. Hemal M. Desai – Whole Time Director & Chief Financial Officer				
	At the beginning of the year	10	0.00	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	10	0.00

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	93,763,907	28,227,813	35,500,000	157,491,720
ii) Interest due but not paid	-	-	1,347,983	1,347,983
iii) Interest accrued but not due	925,353	-	-	925,353
Total (i+ii+iii)	94,689,260	28,227,813	36,847,983	159,765,056
Change in Indebtedness during the financial year				
* Addition	127,343,751	60,714,197	9,000,000	197,057,948
* Reduction	157,028,889	25,333,709	5,000,000	187,362,598
Net Change	(29,685,138)	35,380,488	4,000,000	9,695,350
Indebtedness at the end of the financial year				
i) Principal Amount	64,160,799	63,608,301	39,500,000	167,269,100
ii) Interest due but not paid	-	-	2,858,144	2,858,144
iii) Interest accrued but not due	545,872	-	-	545,872
Total (i+ii+iii)	64,706,671	63,608,301	42,358,144	170,673,116

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 P. Choksi (MD)	Pranav J. Choksi (WTD & CEO)	Hemal Desai (WTD & CFO)	Pankaj Gandhi (WTD)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,83,208	19,83,204	8,14,788	8,07,120	75,88,320
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	25,600	19,600	45,200
	(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	16,800	16,800	16,800	16,800	67,200
	Total (A)	40,00,008	20,00,004	8,57,188	8,43,520	77,00,720
	Ceiling as per the Act	Rs. 188.931 Lakhs				

B. Remuneration to other directors

(In ₹)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. Sharat S. Gandhi	Mr. Shreyas Patel	Mr. Jagdish Shah	Mr. Ashok Tarale*	Mr. Gopal M. Daptari	
1.	Independent Directors Fee for attending board committee meetings	25,000	20,000	15,000	5,000	10,000	75,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	25,000	20,000	15,000	5,000	10,000	75,000
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)	25,000	20,000	15,000	5,000	10,000	75,000

*Resigned w.e.f 14.11.2016

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

(In ₹.)

SN	Particulars of Remuneration	CS	Total
1		Ms. Ami N. Shah	
	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,62,400	4,62,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	-as % of profit	Nil	Nil
	others, specify...	Nil	Nil
5	Others, please specify	12,600	12,600
	Total	4,75,000	4,75,000

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: 29th May, 2017

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

ANNEXURE D

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

Disclosures required with respect to Section 197(12) of the Companies Act, 2013

The ratio of the remuneration of each director to the median employee's remuneration (MRE) and such other details in terms of section 197(12) read with rule 5 (1) of the Companies (appointment and remuneration of Managerial personnel) rules, 2014.

I. Remuneration to Whole Time Executive Director & Key Managerial Personnel :

S. No.	Name	Designation	% increase remuneration in the year ended March 31, 2017	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Mr. Jayesh P. Choksi,	Chairman & Managing Director	11.11%	16.82:1
2.	Mr. Pranav J. Choksi,	Chief Executive Officer & Whole Time Director	33.33%	8.52:1
3.	Mrs. Hemal M. Desai,	Chief Financial Officer & Whole Time Director	10.35%	3.29:1
4.	Mr. Pankaj J. Gandhi	Whole Time Director	25.99%	3.39:1
5.	Ms. Ami N. Shah	Company Secretary	N.A*	N.A

*Ms. Ami Shah was appointed as a Company Secretary w.e.f March 22, 2016, hence the percentage increase is not applicable to her for this year.

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.

2. The percentage increase in the median remuneration of the employees for the financial year 2016-17 was 20.78 %

3. The Company has 1023 permanent Employees on the rolls of Company as on 31st March, 2017

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase in the remuneration for all employees other than managerial personnel was 14%, while the average increase in the managerial remuneration was 26%. The increase is due to the direct and valuable contribution of the senior managerial personnel in driving the Company's performance and increase in the Managerial Remuneration has been recommended to the Board of Directors by the Nomination & 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.

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

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

Place: Mumbai
Date: 29th May, 2017

For and on behalf of the Board of Directors

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

REPORT ON CORPORATE GOVERNANCE

In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company submits the Corporate Governance Report for the year ended 31st March, 2017.

I. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic values the importance of Corporate Governance and always strives towards high level of transparency and accountability. The Company always commits to values and ethical business conduct. Gufic envisages in creating and enhancing long term sustainable value for the stakeholders i.e. the customers, investors, creditors, vendors and communities where we operate, through ethically driven business process and managing the organisation in a subtle way. The Company is a firm believer that timely and accurate disclosure of information regarding the financial data, performance, ownership of the organisation forms an important part of the Corporate Governance.

Accordingly, we always strives to improve the Corporate Governance practices to meet shareholder's expectations.

Gufic endeavours to make a powerful management which brings in further transparency, integrity and accountability towards the stakeholders which would yield better results and opportunities to both the Company and the stakeholders. Your Company always strives to fulfil the trust, hope and efforts the stakeholders have put in the Company and give out the best results.

Accordingly, all mandatory requirements of Corporate Governance laid down by the SEBI Listing Regulations, 2015 has been duly complied by your Company.

The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. BOARD OF DIRECTORS:

(A) Composition and size of the Board

The Board of Directors comprises of Eight (8) Directors. The Board has an optimum combination of four Executive and four Non-Executive Directors. The Company has one woman Executive Director on the Board. The Managing Director is an Executive Non-Independent Director and 4 Non-Executive Directors on the Board are holding Directorship in Independent capacity. Your Directors have rich and varied experience in the field of accounts, medicines, law and business development, which makes the Management of the Company strong and makes decision making process easy and accurate. The Board also ensures compliance of the applicable provisions of the laws in force.

(B) Non executive directors' compensation and disclosures

All non-executive directors are independent directors in the Company. No fees or compensations are paid to them, which requires previous approvals of shareholders in a general meeting, except reimbursement of expenses incurred by them on behalf of the Company and traveling expenses for attending the board meeting.

The Non-Executive Directors are entitled to payment of sitting fees only, which is within the limits as 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

Five (5) Board Meetings were held during the financial year 2016-17 and the gap between two Board Meetings did not exceed the limit as prescribed under Companies Act, 2013 read with the Rules framed thereunder and the new SEBI Listing Regulations. The Board meetings were held on May 30, 2016; August 12, 2016; November 14, 2016; November 24, 2016 and February 14, 2017. The names of the members of the Board, No. of Board Meeting held during the financial year 2016-17, their attendance at the Company's Board Meetings, Last Annual General Meeting, the number of Directorship and Chairmanship / Membership in the Companies are given below:

Name of the Director	Category	No. of Board Meeting held & attended during 2016-2017		No. of Shares held in the Company	Whether attended Last AGM Companies	*No. of Directorship in other Companies	No. of Chairmanship / Membership in Committees	
		Held	Attended				Chairmanship**	Membership**
Mr. Jayesh P Choksi	Promoter & Managing Director	5	5	180,10,259	Yes	1	Nil	3
Mr. Pranav J. Choksi	Promoter, CEO & Whole-Time Director	5	5	69,75,826	Yes	Nil	Nil	3
Mr. Pankaj J. Gandhi	Whole-Time Director	5	5	0	Yes	Nil	Nil	Nil
Mrs. Hemal M. Desai	CFO & Whole-Time Director	5	5	0	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non-Executive Independent Director	5	5	0	Yes	Nil	3	1
Mr. Ashok M. Tarale*	Non Executive Independent Director	5	1	0	No	Nil	Nil	2
Mr. Shreyas K. Patel	Non Executive Independent Director	5	4	0	No	Nil	1	3
Mr. Jagdish D. Shah	Non-Executive Independent Director	5	3	0	Yes	Nil	Nil	4
Mr. Gopal M. Daptari**	Non-Executive Independent Director	5	2	0	No**	Nil	Nil	1

#Mr. Ashok M. Tarale resigned as a Director of the Company w.e.f November 14, 2016 and hence automatically on the same date ceased to be the Member of the Committee of the Company, in which he was holding Membership.

##Mr. Gopal M. Daptari was appointed as an Additional Non-Executive Independent Director of the Company w.e.f November 24, 2016 and hence he was not entitled to attend the last Annual General Meeting held on September 28, 2016 as a Director of the Company.

*The above list of other directorships does not include Directorships in Private, Foreign and Section 25 Companies.

**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.

(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 other Directors are related to one another.

(E) Compliance as to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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 met 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 usually held in Mumbai, where the registered office of the Company is situated.

(F) INDEPENDENT DIRECTOR FAMILIARISATION PROGRAMME

A formal letter of appointment explaining the roles, responsibilities and duties to be undertaken by him/her is given to the Independent Director, at the time of appointment.

The details of the familiarization programme imparted to Independent Directors have been posted on the website of the Company. The link can be accessed at:

<http://gufic.com/wp-content/uploads/2016/08/Familiarisation-of-Independent-Director.pdf>

3. COMMITTEE OF THE BOARD:

(A) Audit Committee

1) Terms of Reference:

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;
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- Review 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;

ii) Composition:

The Audit Committee comprises of six Directors, out of which four are Independent Directors. The Committee currently comprises of Mr. Sharat S. Gandhi – Chairman, Mr. Jagdish D. Shah- Member, Mr. Shreyas K. Patel – Member, Mr. Jayesh P. Choksi – Member and Mr. Pranav J. Choksi – Member. The Company Secretary acts as the Secretary to the Committee.

In the financial year 2016-17, five Audit Committee Meetings were held on May 30, 2016, August 12, 2016, November 14, 2016, November 24, 2016 and February 14, 2017 and the member attendance during the year were as follows :

Name of the Members	Category	No. of Meetings Entitled To Attend	No of Meetings Attended
Mr. Sharat Gandhi	Independent Director	5	5
Mr. Jagdish Shah	Independent Director	5	3
Mr. Shreyas Patel	Independent Director	5	4
Mr. Ashok Tarale *	Independent Director	2	1
Mr. Gopal Daptari**	Independent Director	1	1
Mr. Jayesh Choksi	Managing Director	5	5
Mr. Pranav Choksi	Executive Director	5	5

*Member upto November 14, 2016

**Member w.e.f November 24, 2016

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

(B) Nomination & Remuneration Committee:

In compliance with the provisions of section 178 of the 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. To identify the persons, who are qualified to become Directors of the Company or who may be appointed in Senior Management.
2. To recommend to the Board, appointment and removal of the Director[s] and evaluation of each Director's performance,
3. To formulate criteria for determining qualifications, positive attributes and independence of a Director,
4. To review on annual basis the compensation to the Non-Executive Directors, Key Managerial Personnel and Senior Management Personnel and recommend to the Board the remuneration and incentive payable to each of them,
5. Ensure that level and composition of remuneration is reasonable and sufficient, its relationship with performance is clear and meets appropriate performance benchmarks, and
6. To develop and review the succession plan for the Board.

Composition of NRC Committee :

The committee currently comprises of three Independent Directors viz. Mr. Sharat S. Gandhi – Chairman, Mr. Jagdish Shah- Member and Mr. Shreyas Patel – Member. During the financial year 2016-17, the committee met three times i.e., May 30, 2016, November 14, 2016 and February 14, 2017. The attendance record of the members at the meeting were as follows:

Name of the Members	No. of Meetings Entitled To Attend	No of Meetings Attended
Mr. Sharat Gandhi	3	3
Mr. Jagdish Shah	3	2
Mr. Shreyas Patel	3	2
Mr. Ashok Tarale ^	1	1

^ Member upto November 14, 2016

The Company Secretary acts as the Secretary to 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, 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 performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Remuneration of Directors :

The details of remuneration for the year ended March 31, 2017 to the Executive Directors are as follows

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹.	Perquisites / Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options
1	Mr. Jayesh P. Choksi	39,83,208	-	16,800	0
2	Mr. Pranav J. Choksi	19,83,204	-	16,800	0
3	Ms. Hemal M. Desai	8,14,788	25,600	16,800	0
4	Mr. Pankaj J. Gandhi	8,07,120	19,600	16,800	0

No stock options were given to the Executive Directors for the financial year 2016-17.

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 Non-Executive Directors during the financial year 2016-17. 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.

REMUNERATION POLICY

The Remuneration Policy has been approved by the Board of Directors on the recommendation of the Nomination & Remuneration Committee.

Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve better results.

The policy's salient features can be summarized as under :

Criteria of selection of Non-Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Nomination & Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Criteria for making payment to the Non-Executive Directors

- The Non-Executive Directors shall be 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, which shall be within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- They shall also be entitled to travelling and other expenses they incur for attending to the Company's affairs, including attending Board and Committee Meetings.

The criteria for making payment to non-executive directors is posted on the website of the Company at www.gufic.com

Managing Director & Executive Directors - Criteria for selection / appointment.

For the purpose of selection of the Managing Director (MD) & Executive Directors (ED) of the Company, the Nomination & Remuneration Committee shall identify persons of integrity who possesses relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director (MD) & Executive Directors (ED)

At the time of appointment or re-appointment, the MD & ED shall be paid such remuneration as may be mutually agreed between the Company (which includes recommendation of the N&R Committee and approval of the Board of Directors) and the MD & ED and which are within the overall limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. The remuneration factor may comprise of fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component may be based on their performance evaluation

Remuneration Policy for the Senior Management Employees

The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty etc.

C. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is constituted in lines with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

The composition of the Committee comprises of five directors out of which three are Non-Executive Independent Directors and two are Executive Directors. The Stakeholders' Relationship Committee looks into the grievances of the security holders of the Company, including but not limited to complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, and redress the same.

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

During the year under review, the committee met four times. The attendance at the Shareholders/Investors Grievance Committee is given below;

Name of the Members	Category	Designation	No of Meetings Attended
Mr. Shreyas K. Patel	Independent Director	Chairman	3
Mr. Jagdish D. Shah	Independent Director	Member	3
Dr. Sharat S. Gandhi	Independent Director	Member	4
Mr. Jayesh P. Choksi	Managing Director	Member	4
Mr. Pranav J. Choksi	Executive Director	Member	4

During the financial year 2016-17, the Stakeholder Committee Meetings were held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2016-2017

Complaints pending at beginning of the year	NIL
Complaints received during the year	4
Complaints resolved during the year, to the satisfaction of the Members	4
Complaints pending at the end of the year	NIL

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has a Corporate Social Responsibility Committee in lines with the provisions of the Companies Act, 2013. The Committee comprises of five members viz., Mr. Sharat Gandhi – Chairman, Mr. Jagdish Shah – Member, Mr. Shreyas Patel –

Member, Mr. Jayesh Choksi – Member and Mr. Pranav Choksi – Member.

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 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 committee met Two times during the financial year ended March 31, 2017 viz., on May 30, 2016 and February 14, 2017. The attendance record of the members at the meeting were as follows

Name of the Members	Category	Designation	No of Meetings Attended
Mr. Shreyas K. Patel	Independent Director	Chairman	1
Mr. Jagdish D. Shah	Independent Director	Member	2
Dr. Sharat S. Gandhi	Independent Director	Member	2
Mr. Jayesh P. Choksi	Managing Director	Member	2
Mr. Pranav J. Choksi	Executive Director	Member	2

INDEPENDENT DIRECTORS MEETING:

During the year under review, one separate Independent Directors Meeting without the presence of the Executive Directors was held on February 14, 2017, 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 Non 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
2013-2014	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	26th September, 2014, 2.30 p.m.	1. Approval u/s 180(1)(a) & 180(1)(c) of the Companies Act, 2013 2. Approval for keeping statutory Registers and /or records at the Corporate Office of the Company
2014-2015	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	30th September, 2015, 2.30 p.m.	1. Approval of related party transactions 2. Approval under section 180(1)(a) of the Companies Act, 2013
2015-2016	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	28th September, 2016, 2.30 p.m.	1. Re-Appointment of Mr. Pankaj J. Gandhi as a Whole Time Director for a term of five years w.e.f September 07, 2016 2. Approval u/s 180(1)(a) of the Companies Act, 2013 3. Approval of related party transactions

All the resolutions including special resolutions , set out in the respective notices , in the last three annual general meetings , were duly passed and approved by the shareholders.

During the year under review, no special resolution was passed through postal ballot and no special resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting.

B. MEANS OF COMMUNICATION :

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges, immediately 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 official news releases 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 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 approval of the Board 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 :

The CEO and CFO certification, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, forms part of this Annual Report.

E. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	05 th September, 2017 at 2.30 PM at Hotel Parle International, Vile Parle East, Mumbai – 400 057.
Financial year	1st April 2016 to 31st March, 2017
Date of Book Closures	As mentioned in the Notice to the Annual General Meeting
Financial Calendar: Results for quarter ended 30th June, 2016 Results for quarter ended 30th September, 2016 Results for quarter ended 31st December, 2016 Results for quarter ended 31st March, 2017	Second Week of August, 2016 Third Week of November, 2016 Third Week of February, 2017 Fifth Week of May, 2017
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	Bombay Stock Exchange Limited (Stock code: 509079) 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (Stock Code: GUFICBIO) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Demat ISIN	INE742B01025 (NSDL & CDSL)
Stock Code	BSE - 509079 NSE -GUFICBIO
Name Address Telephone No Fax Email of Registrar & Share Transfer Agents	Link Intime (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	L65990MH1984PLC033519
STATUS	Active

The annual listing fees for the financial year 2017-18 to the Stock Exchanges on which the shares of the Company are listed, has been paid before the due date

F. LIST OF SHARE HOLDERS CATEGORY WISE as on 31st March 2017

CATEGORY	DEMATERIALIZED		PHYSICAL		TOTAL		% ISSUED CAPITAL
	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	No. of Shares	No. of Shares holders	
Corporate Bodies (Promoter Co)	25854287	2	0	0	25854287	2	33.4251
Clearing Member	623699	188	0	0	623699	188	0.8063
Other Bodies Corporate	9055965	252	10500	1	9066465	253	11.7214
Directors	24986095	3	0	0	24986095	3	32.3026
Hindu Undivided Family	674203	330	0	0	674203	330	0.8716
Market Maker	17530	13	0	0	17530	13	0.0227
Non Resident Indian (Repat)	177999	120	0	0	177999	120	0.2301
Non Resident (Non-Repat)	266638	42	0	0	266638	42	0.3447
Financial Institutions	34378	1	0	0	34378	1	0.0444
Foreign Portfolio Investors (Corporate)	100000	1	0	0	100000	1	0.1293
Non Nationalized Bank	19001	1	0	0	19001	1	0.0246
Public	12047885	12797	194547	45	12242432	12842	15.8273
Promoters (other than Body Corporate & Directors)	3287273	2	0	0	3287273	2	4.2499
TOTAL	77144953	13752	205047	46	77350000	13798	100

G. Market Highs and Lows for the period April 2016 to March 2017

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2016	43.90	38.10	238071	43.90	38.15	638200
May, 2016	45.50	39.00	743020	45.45	43.25	1661878
June, 2016	51.00	40.60	989985	50.95	39.75	2846803
July, 2016	45.80	40.90	257726	45.65	41.00	890949
August, 2016	43.05	38.25	382347	42.95	38.00	785698
September, 2016	43.70	33.30	873415	43.50	32.10	1416738
October, 2016	59.60	33.50	3143589	59.75	33.90	6239477
November, 2016	59.90	40.90	1292955	57.40	40.10	3476801
December, 2016	59.00	45.00	1301610	59.00	44.75	2752494
January, 2017	66.50	52.10	2674888	66.40	52.35	6949595
February, 2017	64.40	56.00	1009906	63.85	56.50	2370076
March, 2017	72.50	54.15	4017233	72.50	54.15	9419421

On March 31, 2017, the closing price of the shares of the Company on BSE was ₹ 66.35/- and NSE was ₹ 66.40/-

H. Distribution of Shareholding (As on 31st March 2017)

Shares - Range From- To	No. of shareholders	% of total shareholders	Total shares for the range	% of Issued Capital
1 – 500	10145	73.53	1990613	2.57
501 – 1000	1791	12.98	1565199	2.02
1001 – 2000	831	6.02	1329323	1.71
2001 - 3000	315	2.28	828513	1.07
3001 – 4000	141	1.02	514494	0.67
4001 – 5000	166	1.20	804277	1.04
5001 – 10000	232	1.68	1741848	2.25
10001 & ABOVE	177	1.28	68575733	88.66
TOTAL	13798	100	77350000	100

I. ADDRESS FOR CORRESPONDENCE

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

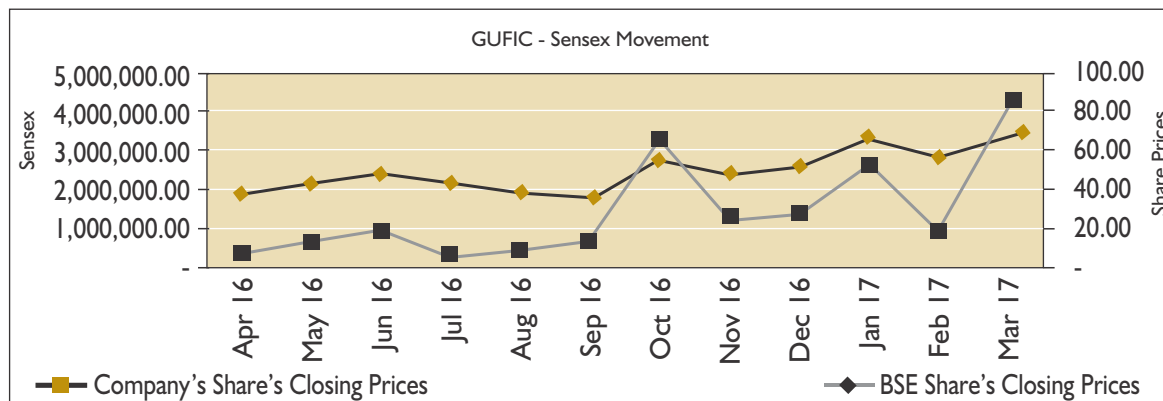
Registrar & Share Transfer Agent

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

Company

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

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



K. SHARE TRANSFER SYSTEM:

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

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

L. DEMATERIALISATION OF SHARES AND LIQUIDITY

99.73 % of total equity capital shares are held in dematerialised form with CDSL and NSDL as on March 31, 2017. 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.

M. OUTSTANDING GDRs / ADRs / WARRANTS / ANY OTHER CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs/ ADRs/ Warrants or Any other convertible instruments, as on date

N. 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 fluctuations in commodity prices.

O. 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

P. OTHER DISCLOSURES:

- During the year under review besides the transactions reported in Notes to Accounts (Refer note No.30) 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.
- During the last three years, there were 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 in the website of the Company www.gufic.com and have also been provided in the Directors' Report.
- iv) 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.
- v) 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 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- vi) The Company has no subsidiary, associate or joint venture company, hence policy on material subsidiary is not applicable to the Company
- vii) 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>

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

- i) The Company has an Executive Chairman.
- ii) The quarterly/half yearly results are not 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 auditors report 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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May, 2017

Jayesh Choksi
Chairman & Managing Director
DIN 00001729

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

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel. The Code of Conduct is available on the website of the Company www.gufic.com. In accordance with Schedule V of the SEBI Listing 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 Gufic Biosciences Limited

Place: Mumbai
Date: 29th May, 2017

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

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure And Developments

Indian Pharma Industry – an overview

India's pharmaceutical market is the fourth largest in the Asian Pacific region. It amounted to INR1,183 bn (USD18bn) in 2016. According to BMI Research, a Fitch group company, expects this to grow to INR1,917bn (USD27bn) by 2021 and INR2,978bn (USD41bn) by 2025 with a compound annual growth rate of 9.7% in local currency terms and 8.8% in US dollar terms for a 10-year period. On a per-capita basis, spending remains low at USD13 while medicine expenditure as a proportion of total healthcare spending stood at 15%. Prescription drug sales continue to be a mainstay amounting to 86% of total medicine sales in 2016. Within the prescription drug market, generic drugs continue to dominate as the business environment continues to favour it.

The potential behind India's pharmaceutical sales will be the country's large population which has a sizeable and growing elderly segment. Between 2000 and 2020, the country's population will have grown from 1.05bn in 2000 to 1.39bn by 2020, an increase of 32%. This will in turn see a growing elderly population (aged above 65 years old) which is projected to rise from 73mn in 2015 to 109mn by 2024. This will serve as a key driver for the demand of medicine. (BMI Research, Fitch group company).

The investment in pharmaceutical sector in India has increased tremendously. According to the India Brand Equity Foundation, the Indian pharmaceuticals market increased at a CAGR of 17.46 per cent during 2005 to 2016 with the market increasing from US\$ 6 billion in 2005 to US\$ 36.7 billion in 2016 and is expected to expand at a CAGR of 15.92 per cent to US\$ 55 billion by 2020. By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size. India's cost of production is significantly lower than that of the US and almost half of that of Europe. It gives a competitive edge to India over others.

According to the Economic Survey 2016-17, the projection of India's real GDP growth is 7.1% for financial year 2016-2017, and in the next financial year 2017-18, it could reach to 6.75-7.5%. Over the medium run, the implementation of the Goods and Services Tax (GST), follow-up to demonetization, and enacting other structural reforms should take the economy towards its potential real GDP growth of 8 per cent to 10 per cent.

As per the research on Indian Pharmaceutical Industry by IBEF, 70 per cent of market share (in terms of revenues), generic drugs still form the largest segment of the Indian pharmaceutical sector. India supply 20 per cent of global generic medicines market exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. Over the Counter (OTC) medicines and patented drugs constitute 21 per cent and 9 per cent, respectively, of total market revenues of US\$ 20 billion

Pharma Sector Overview – Global

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, global 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.

The world prescription drug market was expected to grow more in 2017 as compared to the last year, due to the depreciation of the USD against other foreign currencies, especially yen. Also, the political rhetoric on drug price gouging was likely to go up in 2017 particularly in the US after the latest presidential elections. As per a study, it is estimated that the global prescription drug market may rise to USD 810bn in 2017.

The total global spends for pharmaceuticals through 2021 will increase by \$367 billion on a constant-dollar basis, according to Quintiles IMS. Spending is measured at the ex-manufacturer level before adjusting for rebates, discounts, taxes and other adjustments that affect net sales received by manufacturers. The impact of these factors is estimated to reduce growth by \$127 billion, or approximately 35% of the growth forecast through 2021.

The US will continue as the world's largest pharmaceutical market and pharmaceutical emerging markets will make up nine of the top 20 markets. The forecasted growth in US over the next five years will be accounted at 53% while China will continue to maintain its position as the second largest market, contributing to about 12% of the growth.

The global spending growth will mainly increase in developed countries due to innovations in oncology, Auto-immune and diabetes treatment. As per market study, developed market spending growth will be driven by original brands while pharma emerging markets will continue to be fueled by non-original products that make up an average 91% of pharmerging market

volume and 78% of spending. Specialty medicines are projected to increase their share in globally, particularly in developed markets. Specialty medicines' share of global spending has risen to less than 20% ten years ago to 30% in 2016 and to 35% by 2021, approaching half of total spending in US and European markets, according to the study.

In the US, the market of generics has increased on a great scale. This has resulted into increasing penetration of generics and channel consolidation will lead to significant decline in patient out-of-pocket costs despite rising costs of brand prescriptions. With rising income levels, penetration of healthcare services and expansion of healthcare insurance schemes, the Indian Pharmaceutical Market is expected to grow in double digits. However, an uncertain regulatory environment can have a considerable impact on the growth prospects. While other emerging markets continue to grapple with challenges of slowed economic growth and weakening currencies, Government support in expanding healthcare infrastructure will be critical in driving volume growth. Given the volatility in economic growth in these markets, countries are adjusting their healthcare policies leading to significant volatility in demand.

Market of Interest for Gufic

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. In terms of revenue, pharmaceuticals market will be dominated by the Branded generics, constituting nearly 80 per cent of the market share (in terms of revenues).

As per the study on the Indian Pharmaceuticals industries by the CARE Ratings, the Indian Pharmaceutical Industry (IPI) is ranked third globally in terms of volume and thirteenth in terms of value and the lower market share in terms of value can be attributed to the predominance of IPI in generic medicines which command lower prices. It is estimated that the growth of the industry size will grow at a compounded annual growth rate (CAGR) of about 13.6% from around USD 33 billion in 2016 to about USD 55 billion by 2020. Increase in the penetration of health insurance, improve access to healthcare facilities, rising prevalence of chronic diseases and rising per capita income, may drive growth in domestic pharma market.

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 speciality 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.

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.

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. (Source :IBEF)

Indian pharmaceutical industries have been facing many challenges since many years. The Indian pharmaceutical industry growth is projected to be in single digit this fiscal (2016-17) due to several headwinds, according to a study. Due to slowing

growth in the US, intense competition and regulatory overhang, the aggregate growth of the Indian pharma industry is expected to be in single digit in 2017, as per the study by leading credit rating agency ICRA.

According to the study, revenue growth from the US slumped to 12 per cent in the first nine months (April-December) of this fiscal (2016-17) from 15 per cent in the last fiscal (2015-16). Aggregate revenue of leading firms grew 9 per cent annually for the third quarter (October-December) of FY 2017, while the nine-month growth was 8.9 per cent and as against 10.1 per cent growth in FY 2016.

Other challenge that Indian Pharma sector faces is 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 2017 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.

These trends will compound the challenges Pharma already faces, but they'll also provide some major opportunities.

Export Market

India's export market grew year over year by 9.46% during FY16 to USD 16.89 billion from USD 14.33 billion during FY15. US continues to be the largest market contributing about 33% of the total Indian Export market during FY16 as against 28% during FY15, followed by South Africa (3.58%) and U.K(3.31%). During CY2016 Indian Pharma companies have managed to secure US FDA final approval for 201 ANDAs out of the total 598 approvals granted by the health regulator of the country.

The exports from India towards the highly regulated markets (including USA and UK) has increased to 36% during FY16 (FY15: 31%) which shows the competency of the Indian Pharma companies and the improving compliance aspects with highly regulated markets.

Research & Development (R&D)

India accounts for almost 10% of global drug production by volume and is increasingly focusing on indigenous R&D. The R&D investment by the Indian Pharma companies primarily pertains to development of generic drugs to regulated markets. The R&D investment by the top 25 companies grew year over year by 24% to Rs.11.71 billion during FY16 from Rs.9.43 billion during FY15.

Gufic has a strong, skillful and experienced team of Research & Development focused towards developing new products, improvising existing products and developing specialized drug delivery systems. 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 and also for herbal treatment for chronic ailments. In 2016-17, Company has received two process patents on its invention on formulation viz., Anidulafungin and Tigecycline.

Government Initiatives

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Mr Ananth Kumar, Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

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

- The government is planning to set up eight mini drug-testing laboratories across major ports and airports in the country to monitor the standards of imported and exported drugs and reduce the overall time spent on quality assessment.
- The government is working on steps to reduce India's dependence on large scale import of active pharmaceutical ingredients (APIs). The government is quite seized of the issue of the country's dependence on import of API
- The health ministry is planning to set up an online portal to regulate and plug gaps in the sale of medicines in India through

all platforms, including e-pharmacies. The objective of such regulation would be to ensure availability of right drugs that meet the standards of quality to every person in need of medicines, curbing anti-microbial resistance and also regulating supply of medicines through online/internet. The ministry proposes to establish a 'robust e-enabled' structure to regulate the sales of medicines through an autonomous body.

- The Finance Minister Arun Jaitley in his Union Budget 2017-18 proposed to amend the Drugs and Cosmetics Rules to ensure availability of drugs at reasonable prices and promote use of generic medicines.

As a reflection of this healthcare policy, the government has been actively encouraging the establishment of *Jan Aushadhi* stores in the country, a scheme that was first launched in 2008. Seeking to provide generic drugs at low cost, the programme received government support in the FY2016/17 budget with a plan to open 3,000 new stores. While we do not believe this target will be met - there were 432 *Jan Aushadhi* stores in India according to the Bureau of Pharma PSUs of India as of October 2016 - further expansion will serve to benefit the growth trajectory of the generic drug sector.

Since Gufic focuses mainly of high end injectables and life saving molecules, majority of our products do not fall under the scheme. However in the interest of the people of India and our honorable Prime ministers vision, we continue to use our innovative strengths to bring down the cost of our drugs at a fraction of the prices in the market and help the mass population avail the benefit via affordability of the best quality medicines.

BUSINESS REVIEW

Segment wise Performance

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

Gufic is one of the most respected names in India's specialty pharmaceutical business marked by a history of industry outperformance. The sales of the Company can be increased to an extent

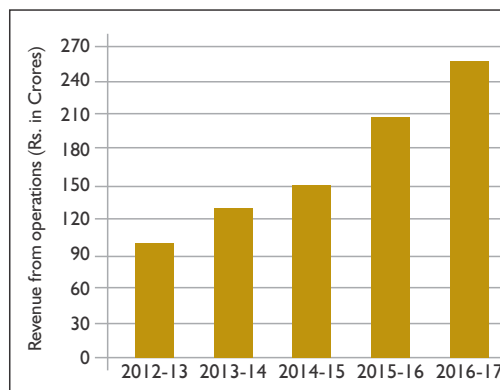
- Total revenues of the Company increased by 23.35%
- Sales of Formulation Division increased by 17.97%
- Sales of Bulk Drug Division increased by 69.71
- Sales of Consumer Division reduced by 16.49%

The increase in all the three segments of the Company indicates the performance of the Company during the year.

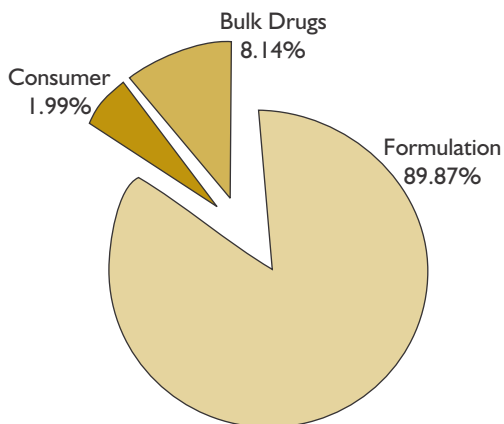
Financial performance with respect to operational performance:

During the year under review, the total revenue increased to ₹ 25,023.32 lakhs in comparison to previous year's ₹ 20,286.01 Lakhs and net profit after tax increased to ₹ 1141.35 lakhs from ₹ 732.43 lakhs, in previous year.

The Company, during the year, also launched about 34 new products in the market, which also boosted the sales of the Company. Due to launch of new products, increase in revenue and introduction of new divisions in the Company, the Company increased its human resources by 20%. During the financial year 2016-17, the employee benefit expenses increased to ₹ 4104.25 lakhs as against ₹ 3195.08 lakhs, in the previous year.

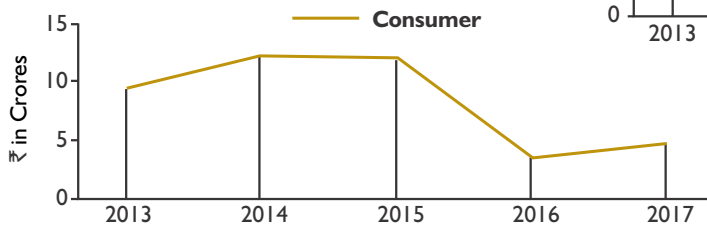
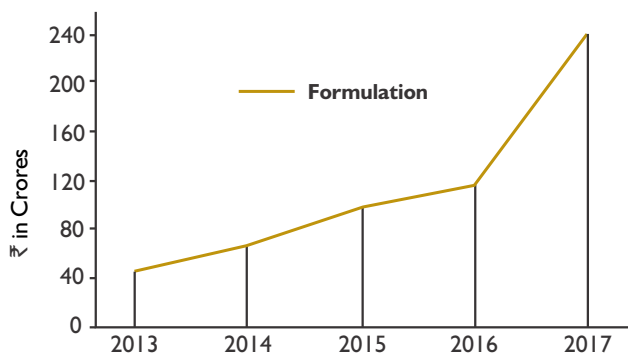
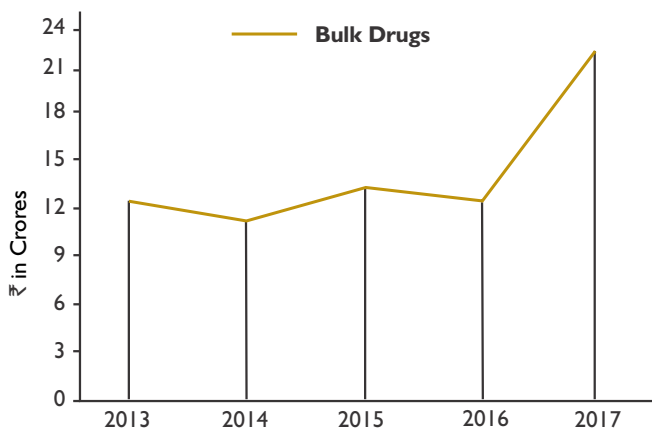


SEGMENT WISE PERFORMANCE



Sales ₹ in Crores

Segment	2017	2016	2015
Pharma			
A. Formulation	232.53	197.11	125.18
B. Bulk Drugs	21.05	12.40	14.04
Consumer	5.17	4.43	12.19
Total	258.76	213.95	151.41



HUMAN RESOURCES DEVELOPMENT



“You can have the best strategy and the best building in the world, but if you don’t have the hearts and minds of the people who work with you, none of it comes to life.”

– Renee West

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.

Bearing the above in mind, Gufic has always strived to achieve the best for its employees. The Company, on a regular basis, organizes social gatherings, outings, employee performance based awards to motivate the employees. During the year, the Company has also introduced medi-claim policies for its employees as one of the small steps towards the health and financial security of the employees along with their dependent family members. Also, your Company have sponsored its employees for specialized educational courses, seminars and programmes to enhance their knowledge and skills in the areas of their expertise.

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.

During the year under review, the employees' strength of your Company increased to 1023 as compared to 846, 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. 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

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.

Despite of number of challenges faced by pharma sector, Gufic achieved significant progress in the financial year 2016-17. In 2017-18, Gufic will strive to achieve its target to increase its revenue growth, reduce avoidable expenses, spread its market globally, enhance its R&D team and launch new products and divisions. The Company aims to file many process patents in the year to come.

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 Union Health Ministry in India plans to amend the Drugs And Cosmetics Act and make prescription of generic medicines mandatory. 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.

India's pharmaceutical pricing regime will always create risk for multinational pharmaceutical firms. This is a key factor weighing on the sector's growth. Since the introduction of the Drug Price Control Order 2013, substantial price revisions have been enacted. Revisions have also become more frequent over the course of 2016, with a price revision occurring every month since February. As of October 11 2016, 589 revisions have been implemented for 2016, a number comparable to the full year total of 2015, which stood at 677.

In 2016, India's demonetization policy had accentuated the operational risks facing pharmaceutical firms operating in the country. Risks for the sector was acute in the short term as the ban on large- denomination currency notes imposed payment barriers to patients in a market that is heavily reliant on out-of-pocket spending. Over the long term, the effects of the demonetization policy on the broader economy represent the primary channel through which the measure can alter India's pharmaceutical sales growth trajectory.

The product liability risk is also main concern for pharma sector, as the business is exposed to potential claims for product liability. These risks are sought to be managed by appropriate laboratory and clinical studies for each new product, compliance with Good Manufacturing Practices and independent quality assurance system. The Company also has an insurance cover for product liability.

The Government of India has finalized the framework for GST making it effective from 01st July, 2017. This would merge all significant taxes currently applicable to the Company's business operations into a single tax. While this is expected to bring in greater transparency across all the economic activities and reduce multiple tax levies and administration, there is likely to be a significant short-term impact on the operations of the Company, on account of lack of clarity and differences in interpretations by various stakeholders.

RISK MANAGEMENT

In our quest to be consistently progressive and increasingly profitable, Gufic has adopted prudent risk management measures and mechanisms to mitigate environmental, operational and business risks. The Company believes that it has created the requisite framework to handle varied economic, financial, geo-political and social risks and is continually evolving proactive strategies to counter them. Price erosion within the global generic industry, specifically in the advanced markets has been a constant threat faced by all generic players. Our consistent investments in manufacturing and our strategy to remain a vertically integrated pharmaceutical business built around the Company's strengths in API and Intermediates will continue to be a critical differentiator and will play a crucial role in strengthening our competitive positioning for our global formulations business. Gufic would also continue to focus on value added products and niche therapy segments to grow and build value.

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.

We'll close this section of our annual report with a quote from William Ford Jr. who said, "A good company delivers excellent products and services, and a great company does all that and strives to make the world a better place." Through our various initiatives, we at Gufic hope to become and remain a part of the latter category for many more decades to come.



CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2017

We, Mr. Pranav J. Choksi, Chief Executive Officer & Whole Time Director and Mrs. Hemal M. Desai Chief Financial Officer & Whole Time Director, of Gufic Biosciences Limited, certify that:

- a) We have reviewed financial statements and cash flow statement for the financial year ended March 31, 2017 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 fraud which we have become aware. The management and its employees have a significant role in the Company's internal control system.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

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

Hemal M. Desai
Chief Financial Officer &
Whole Time Director
DIN 07014744

Place : Mumbai
Date : 29th May, 2017

AUDITORS' REPORT ON CORPORATE GOVERNANCE

Independent Auditors Certificate on Corporate Governance to the Members of the Company Gufic Biosciences Limited

1. This certificate is issued in accordance with the terms of our engagement with Gufic Biosciences Limited.
2. We, S H R & CO, Chartered Accountants, the Statutory Auditors of Gufic Biosciences Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance 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.

Restriction on use

10. This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 29th May, 2017

INDEPENDENT AUDITORS' REPORT

To;

To the Members of Gufic Biosciences Limited

Report on the Financial Statements

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

Management Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

7. *Amount of ₹ 124.04 lakhs (2015 – 2016: ₹ 124.04 lakhs) has been shown as recoverable under the head other non-current assets relating to misappropriation done by the marketing employee of the company in earlier year. However, no provision has been made against the said amount as the management has initiated steps for the recovery of the said amount and is confident of recovery. In our opinion the recovery of the amount is doubtful and consequently the profit is over stated by ₹ 124.04 lakhs (2015 – 2016: ₹ 124.04 lakhs) with consequential impact on Shareholders Fund and other non-current assets which are over stated by the said amount. (Refer Note 56)*
8. *We are unable to express our opinion on recoverability of debts of ₹ 209.08 lakhs (2015 – 2016 ₹ 185.45 lakhs) and advances of ₹ 68.37 lakhs shown under the head long term loans and advances as at Balance sheet date (2015 - 2016: ₹. 68.46 lakhs), which are outstanding for more than one year. In the absence of appropriate evidences, we are unable to ascertain its recoverability and its impact on the accounts of the company. However, in the opinion of the management no provision is required in respect of such debts since they are good and recoverable in nature (Refer Note 55).*

Qualified Opinion

9. *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 specified in para 7 and possible effects of the matter specified in para 8 in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements, read together with notes to the accounts thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - a. *in case of balance sheet of the state of affairs of the Company as at March 31, 2017,*
 - b. *in the case of Profit and Loss Account, of the profit for the year ended on that date; and*
 - c. *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Emphasis of Matter

10. In the absence of information, we have relied upon the segment wise report prepared by the management based on the

nature of product, risk and returns and organization structure. The figures have been regrouped and reclassified wherever necessary by the management.

11. The company has introduced implementation of ERP system in stages and only certain modules are operational, accuracy of which are yet to be tested. The audited financial amounts for year ended March 31, 2017 has been compiled from various sources by the management, including introduced ERP Modules. We have relied on management representation that it has taken enough care and diligence to ensure that the presented data and accounts, so compiled, are true & correct. (Refer Note No. 57)
12. We did not participate in physical counting of the Inventory and its valuation. The Company has appointed an internal auditor, an independent firm of Chartered Accountants to carry out physical verification and valuation of inventories and also to conduct audit of stock records maintained by the company. We have relied upon certificate issued by them in this regard. (Refer Note No. 51 & 52)

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143 (3) of the Act, we report that:
 - (a) *We have sought and except for the matters described in the para 8 of the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.*
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) *The matter described in the Basis for Qualified Opinion paragraph 7 & 8 above in our opinion, may have an adverse effect on the functioning of the Company.*
 - (f) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) 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"; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 33 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.
 - (iv) The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016, refer Note 34 to the standalone financial statements. As per the information and explanation provided to us and based on the representation received from the management, the said disclosure are in accordance with the books of accounts maintained by the Company.

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

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 29th May, 2017

ANNEXURE TO THE AUDITOR'S REPORT

Annexure Referred to in Paragraph 13 of Our Report of Even Date On The Standalone Financial Statements For The Year Ended March 31, 2017 of Gufic Biosciences Limited:

i. In respect of Fixed Assets :

- (a) The company has 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 a 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 properties 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. 51 & 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. In respect of guarantees given the company has complied with the provision of section 186 of the Act.
- 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, 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 – Dividend Distribution Tax ₹ 15.75 lakhs, Income Tax ₹ 446.34 lakhs, Sales tax ₹.89.93 lakhs, Profession Tax ₹15.73 lakhs, ESIC ₹ 20.47 lakhs and Provident Fund ₹ 69.43 lakhs.*
- (b) According to the information and explanations given to us, there are no dues of Wealth Tax, Service Tax, Customs Duty or Cess outstanding on account of any dispute except following dues have not been deposited with appropriate authorities on account of dispute:

Name of the Statute	Nature of	Amount	Period to which	Forum where matter is pending
	Dues	(₹ in Lakhs)	it relates	
Income Tax Act, 1961	Income Tax - TDS	94.79	2007 - 2008 to 2012 - 2013	Departmental Authority
		18.52	2013 - 2014	
		5.73	2014 - 2015	
		26.30	2015 - 2016	
		8.22	2016 - 2017	
	Income Tax	45.82	1999 - 2000 to 2009 - 2010 & 2012 - 2013	Departmental Authority
		282.91	2010 - 2011 & 2011 - 2012	Appeal preferred by the company to the Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Central Excise Duty	8.21	2000	Departmental Authority
		86.61	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

- viii. We have relied on the representation and confirmation received from the bank that the company has not defaulted in repayment of dues to a bank.
- ix. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. 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 : 29th May, 2017

ANNEXURE: B REFERRED TO IN PARA 14(g) 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, 2017 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") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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, 2017:

The company did not have an appropriate internal control system:

- a) *for review of debtors, other recoverable including loans and advances and creditors outstanding balances, obtaining their confirmations and reconciliation of their outstanding balances with the books of accounts. This could potentially affect the balance in the trade receivable, other recoverable, trade payable, income and expenses account balances.*
- b) *for timely payment of statutory due, which could potentially give rise to liabilities.*

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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
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, 2017 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 : 29th May, 2017

GUFIC BIOSCIENCES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	₹ in Lakhs	As at 31.3.2017 ₹ in Lakhs	As at 31.3.2016 ₹ in Lakhs
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
a) Share Capital	2	773.50		773.50
b) Reserves and Surplus	3	3,717.18		2,622.38
			4,490.68	3,395.88
(2) NON-CURRENT LIABILITIES				
a) Long-term Borrowings	4	677.59		766.40
b) Deferred Tax Liabilities (Net)	5	52.55		112.11
c) Other Long Term Liabilities	6	804.93		438.87
d) Long-term Provisions	7	228.78		139.05
			1,763.85	1,456.43
(3) CURRENT LIABILITIES				
a) Short-term Borrowings	8	4,696.72		3,228.20
b) Trade Payables	9			
(A) Total Outstanding due of micro and small enterprise		-		8.94
(B) Total Outstanding dues of creditors other than micro and small enterprise		3,973.71		5,253.30
c) Other Current Liabilities	10	2,076.05		1,409.97
d) Short-term Provisions	11	780.92		467.20
			11,527.40	10,367.61
	TOTAL		17,781.93	15,219.92
II. ASSETS				
1) NON-CURRENT ASSETS				
a) Fixed Assets	12			
i) Tangible Assets		2,199.00		2,212.54
ii) Intangible Assets		1.08		2.13
		2,200.08		2,214.67
b) Non-current Investments	13	0.93		0.93
c) Long-term Loans and Advances	14	831.66		743.71
d) Other Non-current Assets	15	333.12		309.49
			3,365.79	3,268.80
2) CURRENT ASSETS				
a) Inventories	16	6,301.63		5,026.31
b) Trade Receivables	17	5,303.82		5,622.80
c) Cash and Cash Equivalents	18	552.59		615.89
d) Short-term Loans and Advances	19	2,258.10		686.12
			14,416.14	11,951.12
	TOTAL		17,781.93	15,219.92
Notes to Accounts	I			

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

Deep N Shroff

Partner

Membership No. 122592

For and on behalf of the Board of Directors

Jayesh P. Choksi

Chairman & Managing

Director

Pranav J. Choksi

Chief Executive Officer

& Whole Time Director

Mumbai - 29th May, 2017

Hemal Desai

Chief Financial Officer

& Whole Time Director

Ami Shah

Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Note No.	₹ in Lakhs	Year Ended 31.3.2017 ₹ in Lakhs	Year Ended 31.3.2016 ₹ in Lakhs
INCOME				
Revenue from operations	20		24,926.85	20,219.88
Other Income	21		96.47	66.13
Total Revenue			25,023.32	20,286.01
EXPENDITURE				
a) Cost of Materials Consumed	22	7,773.05		7,626.86
b) Purchase of Stock-in-Trade	23	5,451.60		4,280.95
c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	(1,145.63)		(1,709.85)
d) Employee Benefits Expenses	25	4,104.25		3,195.08
e) Finance Costs	26	624.53		620.12
f) Depreciation and Amortisation Expenses		368.32		378.68
g) Other Expenses	27	6,045.46		4,858.35
Total Expenses			23,221.58	19,250.19
Profit Before Tax			1,801.74	1,035.82
Tax Expense				
a) Current Tax		652.80		346.02
b) Deferred Tax		(59.56)		(42.63)
c) Tax adjustments of earlier years		67.15		-
			660.39	303.39
Profit for the Year			1,141.35	732.43
Earnings per equity share Basic & Diluted (Refer Note 33)			1.48	0.95
Notes to Accounts	I			

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

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman & Managing
Director

Pranav J. Choksi
Chief Executive Officer
& Whole Time Director

Mumbai - 29th May, 2017

Hemal Desai
Chief Financial Officer
& Whole Time Director

Ami Shah
Company Secretary

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE PERIOD YEAR ENDED MARCH 31, 2017

	Year Ended ₹ in Lakhs	31.03.2017 ₹ in Lakhs	Year Ended ₹ in Lakhs	31.03.2016 ₹ in Lakhs
A. Cash flow from operating Activities				
Net Profit Before tax		1,801.74		1,119.10
<i>Adjustment for:</i>				
Depreciation	368.32		378.68	
Interest	624.53		536.84	
Profit on Sale of Assets	-		(5.65)	
Dividend	-		(0.04)	
Interest Received	(17.69)		(25.62)	
		975.16		884.22
Operating profit before Working Capital Changes		2,776.90		2,003.31
Adjustment for:				
Inventories	(1,275.32)		(1,346.17)	
Trade Receivables	318.98		(2,284.40)	
Loans and Advances	(1,683.56)		838.66	
Trade Payables & Provisions	(203.72)		660.45	
		(2,843.62)		(2,131.46)
Cash Generated from Operations		(66.72)		(128.15)
Income Tax Paid		(373.00)		(265.34)
Dividend Tax Paid		-		(38.24)
Net Cash Generated from Operating Activity (A)		(439.72)		(431.73)
B. Cash Flow From Investing Activities				
Interest Received		17.69		25.62
Sale of Fixed Assets		-		20.08
Purchase of Fixed Assets		(349.90)		(97.08)
Dividend Received		-		0.04
Net Cash From Investing Activities (B)		(332.21)		(51.34)
C. Cash Flow from Finance Activities				
Long-term Borrowings (Net)		(88.81)		(383.94)
Short-term Borrowings (Net)		1,468.52		1,437.78
Dividend Paid		(38.68)		(38.68)
DDT Paid		(7.87)		-
Interest Paid		(624.53)		(536.84)
Net Cash From Finance Activity (C)		708.63		478.32
Net Increase in Cash or Cash equivalent (A+B+C)		(63.30)		(4.75)
Cash and Cash Equivalent at Beginning of the year		615.89		620.65
Cash and Cash Equivalent at the end of the year		552.59		615.90

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
Chairman & Managing
Director

Pranav J. Choksi
Chief Executive Officer
& Whole Time Director

Mumbai - 29th May, 2017

Hemal Desai
Chief Financial Officer
& Whole Time Director

Ami Shah
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2017

NOTE PARTICULARS

I SIGNIFICANT ACCOUNTING POLICIES:

1.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS: The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 2013.

1.2 USE OF ESTIMATES : The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

1.3 FIXED ASSETS: Fixed Assets are stated at cost of acquisition or construction (net of cenvat credits). All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use.

Subsidy received as contribution towards cost of capital investment project is considered as Capital Reserve.

1.4 INVESTMENTS:

Recognition and Measurement : Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

Non Current investments which are intended to be held for more than a year, from the date of acquisition, are considered as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

1.5 INVENTORIES: Inventories are valued at lower of cost or net realisable value.

- (i) Raw-materials and packing materials are valued on First in First Out basis.
- (ii) Work-in process and Finished Goods are valued at cost and includes element of production overheads.
- (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.

1.6 REVENUE RECOGNITION:

- (i) Sale is recognised on despatch of goods. Export sales are accounted for on basis of the dates of bill of lading. Sales are net of trade discounts, sales tax, sales returns and remissions. Excise Duty recovered is presented as reduction from gross turnover.
- (ii) Provision is made for the non salable returns of goods from the customers estimated on the basis of historical data of such returns. Such provision for non salable returns is reduced from sales for the year.
- (iii) Export benefits under duty exemption scheme is being accounted in the year of exports.
- (iv) Revenues from services are recognized when such services are rendered.
- (v) Dividend is accounted when right to receive is established.
- (vi) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

1.7 DEPRECIATION/ AMORTISATION: Depreciation on assets is provided on Straight Line Method, pro-rata to the period of use, based on the useful life of the assets as prescribed under the 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.

Brands and Technical Know-how are ammortised 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.

1.8 FOREIGN CURRENCY TRANSACTIONS: Foregin Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange difference arising on settlement and conversion of foregin currency transactions

are recognised as income or expenses in the period in which they arise, except those relating to fixed assets which are adjusted in the cost of assets.

1.9 EMPLOYEE BENEFITS:

i) Defined Contribution Plan:

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.

ii) Defined Benefit Plan:

Gratuity

The company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contribution are based on actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are recognised in the statement of profit and loss.

iii) Other Long Term Benefits:

Compensated Absences

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 future encashment. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

1.10 BORROWING COSTS: Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take substantial period of time to get ready for the intended use are capitalised. Other borrowing costs are charged to the profit and loss account.

1.11 EARNINGS PER SHARE: Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.12 TAXATION: Tax Expenses comprises of current tax and deferred tax.

Current Tax is provided on taxable income using applicable tax rates and tax laws.

The deferred tax for timing difference between the book and tax profits/losses for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of Balance Sheet date.

Deferred tax assets arising on account of unabsorbed depreciation and brought forward losses are recognised to the extent there is virtual certainty that the assets can be realised in future.

Advance Taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same governing taxation laws.

1.13 IMPAIRMENT OF ASSETS: The Company assesses at each balance sheet date for possible impairment in carrying value of assets based on external and internal sources of information and indications. In case of recoverable amount of assets / cash generating unit is less than carrying amount, impairment loss is recognised in the Profit & Loss Account for difference in carrying value of assets / cash generating units and recoverable amount.

1.14 PROVISION AND CONTINGENT LIABILITIES :

i) Provision in respect of present obligation arising out of past events is made in accounts when reliable estimates can be made of the amount of obligation and it is probable that an outflow of resources will be required to settle the obligation.

ii) Contingent liabilities are disclosed by way of note to the financial statements after careful valuation by the management of the facts and legal aspects of matter involved. Contingent Assets are not recognised in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE 2 : SHARE CAPITAL

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
(a) AUTHORISED: 10,00,00,000 Equity Shares of ₹1 Each (Previous Year 10,00,00,000 Equity Shares of ₹1 Each)	1,000.00 1,000.00	1,000.00 1,000.00
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP: 7,73,50,000 Equity Shares of ₹1 Each, Fully Paid Up. (Previous Year 7,73,50,000 Equity Shares of ₹1 Each)	773.50 773.50	773.50 773.50

2.1: RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD :

Equity Shares	31st March, 2017		31st March, 2016	
	No of Shares	₹ in Lakhs	No of Shares	₹ in Lakhs
Shares outstanding at the Beginning of the year	7,73,50,000	773.50	7,73,50,000	773.50
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	7,73,50,000	773.50	7,73,50,000	773.50

2.2: TERMS / RIGHTS ATTACHED TO SHARES: The Company has only one class of equity shares having a par value of ₹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.

2.3: DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES :

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	%	No of Shares	%
a) Zircon Finance and Leasing Pvt. Ltd.	2,05,23,330	26.53%	20,523,330	26.53%
b) Jayesh Pannalal Choksi	18,010,259	23.28%	18,010,259	23.28%
c) Sambhav Properties Pvt Limited	7,745,949	10.01%	7,741,550	10.01%
d) Pranav Jayesh Choksi	6,975,826	9.02%	6,975,826	9.02%
e) Gufic Private Limited	5,330,957	6.89%	5,330,957	6.89%

NOTE 3 : RESERVE AND SURPLUS :

Particulars		As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
a) General Reserve :	A	134.71	134.71
b) Capital Reserve	B	12.50	12.50
c) Surplus in the Statement of Profit and Loss			
Balance at the beginning of the Year		2,475.17	1,789.29
Add : Profit for the Year		1,141.35	732.43
Less : Appropriations			
(a) Proposed Dividend		38.68	38.68
(b) Dividend Tax		7.87	7.87
Balance at the end of the Year	C	3,569.97	2,475.17
TOTAL (A+B+C)		3,717.18	2,622.38

The Board of Directors at its meeting held on May 29, 2017 has recommended a final dividend of ₹ 0.05 per equity shares. This proposal is subject to approval of shareholders at the ensuing Annual General Meeting

GUFIC BIOSCIENCES LIMITED

Notes forming part of the Financial Statements for the year ended on March 31, 2017

NOTE 4 : LONG-TERM BORROWINGS

Particulars	As at March 31, 2017		As at March 31, 2016	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
I. Secured				
(A) From Bank				
(a) Term Loan	219.55	256.64	428.21	257.46
(b) Vehicle Loans	45.11	31.40	37.49	17.34
(B) From Other				
(a) Term Loan From a Company	-	-	-	-
(b) Vehicle Loans	59.95	12.03	1.37	0.70
TOTAL (I)	324.61	300.07	467.07	275.50
II. Long term maturities of finance lease Obligations				
Finance Lease from a Company	10.78	6.27	17.05	5.62
TOTAL (II)	10.78	6.27	17.05	5.62
III. Unsecured				
From Directors	342.20	-	282.28	-
TOTAL (III)	342.20	-	282.28	-
TOTAL (I+II+III)	677.59	306.34	766.40	281.12

4.1 : Additional information to secured / unsecured

The long term portion of term loans are shown under long term borrowings and current maturities (payable within twelve months) of long term borrowings are shown under the current liabilities as per disclosure requirement of the Schedule III.

4.2 : Details of securities and Terms of payment

I. From Bank - Term Loan : 4 (I)(A)(a)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Term Loan	138.30	81.25	-	-	219.55
(ii) Rate of Interest	12.5% to 13.65%				
(iii) Details of Security				TOTAL	219.55
(a) Secured by way of hypothecation of plant & machineries/ equipments / air conditioners / computers / electric installation and furniture and fixture to the Bank.					
(b) The facilities granted to the company are further 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, against the credit facilities sanctioned to the company					
(c) The loans are secured by personal guarantee of Managing Director and Chief Executive Officer.					
(d) Further the loan are secured by a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) of Gufic Private Limited.					
(iv) Other Terms:					
Amount disbursed under the term loan shall be repaid in monthly installements varying from ₹ 42,000/- to ₹ 7,56,000/-, over a period of 1 to 24 months					

2. From Bank - Vehicle Loan : 4 (1)(A)(b)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Vehicle Loan	25.39	10.53	7.41	1.78	45.11
(ii) Rate of Interest	8.90% to 11.47%				
(iii) Details of Security				TOTAL	45.11
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					
(iv) Other Terms:					
Amount disbursed under the term loan shall be repaid in monthly installments varying from ₹ 7,850/- to ₹. 82.000 (including Interest), over a period of 1 to 60 months.					

3. Term Loan From Company : 4 (1)(B)(b)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Vehicle Loan	13.82	15.05	16.39	14.69	59.95
(ii) Rate of Interest	8.18% to 9.69%				
(iii) Details of Security				TOTAL	59.95
(i) Secured against the Assets specifically purchased against the said loan.					
(iv) Other Terms					
The same is to be repaid in 60 Equated Monthly Installments of ₹ 0.39 Lakh & 1.49 Lakh (including Interest).					

4. Term Loan From Company : 4 (II)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Finance Lease	6.99	3.79	-	-	10.78
(ii) Rate of Interest	11.70%				
(iii) Details of Security				TOTAL	10.78
(i) Secured against the Assets specifically purchased against the said loan.					
(iv) Other Terms					
Amount disbursed under the term loan shall be repaid in 14 quarterly installments of ₹ 1,97,543/- (Including interest)					

5. Unsecured Loans :

Unsecured loans from Directors & Related Parties are interest free and repayable after March 2017 or any period there after as mutually decided.

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Notes forming part of the Financial Statements for the year ended on March 31, 2017

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 5 : DEFERRED TAX LIABILITIES (NET)		
Opening Balance	228.61	242.19
Difference Between book and income tax depreciation	(25.48)	(13.58)
Total (A)	203.13	228.61
Deferred Tax Assets:		
Expenses Disallowes		
a) Gratuity	80.33	47.12
b) Leave Encashment	41.97	18.78
c) Other Disallowances	24.90	46.65
d) Rent	3.38	3.95
Total (B)	150.58	116.50
Deferred Tax Liability (Net)	Total (A - B)	
	52.55	112.11
NOTE 6 : OTHER LONG TERM LIABILITIES		
(a) Trade Payable	400.16	72.47
(b) Others - (UnSecured)		
(i) Security and Trade Deposits from Agents and Stockists	395.00	355.00
(ii) Other	9.77	11.40
	804.93	438.87
NOTE 7 : LONG-TERM PROVISION		
Provision for employee benefits (Refer Note 28)		
i) Gratuity	122.75	96.54
ii) For Compensated Absences	106.03	42.51
	228.78	139.05
NOTE 8 : SHORT-TERM BORROWINGS		
Secured		
Loans repayble on Demand		
From Bank		
(i) Rupee Loan	4,402.83	3,055.13
(ii) Foreign Currency Loan-Buyers Credit	293.89	173.07
	4,696.72	3,228.20

8.1: Details of Security:

(a) For Rupee Loan

(I) Details of Security:

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 secured by personal guarantee of Managing Director and Chief Executive Officer and the loan are secured by a corporate guarantee (restricted to the exposure of ₹ 3640 lakhs) of Gufic Private Limited.

(II) Rate of interest and other terms

The Rupee Loan Carries interest @ 14.00% and repayable on demand

(b) Foreign Currency Loan- Buyers credit

(I) Rate of Interest

Foreign Currency Loan Carries interest @ 3M LIBOR+ 0.48 %

NOTE 9 : TRADE PAYABLES	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
Trade payables (Refer Note 52):		
(A) Total Outstanding Due to Micro, Small and Small Enterprises	-	8.94
(B) Total Outstanding dues of creditors other than micro and small enterprise	3,973.71	5,253.30
	3,973.71	5,262.24

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 total amount due to supplier as at March 31, 2017 covered under MSMED Act, amounts to ₹ Nil (2015 - 16 : ₹ 8.94 lakh). 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.

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 10 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long-Term Debt (Refer Note 4)	300.07	275.50
b) Current Maturities of Finance Lease Obligation	6.27	5.62
c) Interest accrued but not due on Borrowings	1.21	0.42
d) Interest accrued and due on Borrowings	4.77	8.17
e) Unpaid Dividends	4.21	4.52
f) Other Payables		
(i) Tax Deducted at Source and Other Statutory Dues	510.21	331.24
(ii) Interest payable on Security Deposit	28.58	13.48
(iii) Advances from Customer	147.45	64.42
(iv) Unpaid Dividend Distribution Tax	17.87	8.59
(v) Employee Related Liabilities	1,037.88	681.45
(vi) Others	17.53	16.56
TOTAL	2,076.05	1,409.97
NOTE 11 : SHORT-TERM PROVISIONS		
a) Provision for Employee Benefits (Refer Note 28) :		
(i) Gratuity	66.91	39.32
(ii) For Compensated Absences	11.62	9.12
TOTAL (A)	78.53	48.44
b) Others:		
(i) Provision for Income Tax (Net)	655.84	372.21
(ii) Proposed Dividend to Equity Shareholders @ ₹ 0.05 Per Share	38.68	38.68
(iv) Tax on Proposed Dividend	7.87	7.87
TOTAL (B)	702.39	418.76
TOTAL (A+B)	780.92	467.20

GUFIC BIOSCIENCES LIMITED

NOTE 12 : FIXED AND INTANGIBLE ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				Accumulated Depreciation & Impairment				NET BLOCK			
	Balance as at April 1, 2016 (₹)	Additions (₹)	Disposals/ Adjustments (₹)	Borrowing Cost Capitalised (₹)	Effect of foreign currency exchange (₹)	Balance as at March 31, 2017 (₹)	Balance at April 1, 2016 (₹)	Eliminated on disposal of assets (₹)	Prior Period Adjustment (₹)	Balance as at March 31, 2017 (₹)	Balance as at March 31, 2016 (₹)	
A. TANGIBLE ASSETS												
(a) Factory Building not Owned by the	408.53 (408.53)	22.07	-	-	-	430.60 (408.53)	309.03 (275.96)	34.73 (33.08)	-	343.77 (309.03)	86.83 (99.50)	99.50 (132.57)
(b) Plant and Equipment	3,192.19 (3,182.43)	77.23 (9.76)	-	-	-	3,269.41 (3,192.19)	1,549.34 (1,311.58)	219.41 (237.76)	-	1,768.75 (1,549.34)	1,500.67 (1,642.85)	1,642.85 (1,870.85)
(c) Plant and Equipment (R & D)	126.76 (93.07)	52.31 (33.69)	-	-	-	179.07 (126.76)	14.41 (8.45)	7.22 (5.97)	-	21.64 (14.41)	157.43 (112.34)	112.34 (84.62)
(d) Furniture and Fixtures	60.26 (59.37)	0.09 (0.89)	-	-	-	60.36 (60.26)	40.82 (35.33)	4.63 (5.49)	-	45.45 (40.82)	14.90 (19.45)	19.45 (24.05)
(e) Vehicles	216.00 (263.96)	151.57	(47.97)	-	-	367.56 (216.00)	88.52 (89.27)	34.71 (32.79)	(33.54)	123.24 (88.52)	244.33 (127.47)	127.47 (174.69)
(f) Office Equipment	413.60 (407.97)	18.01 (5.63)	-	-	-	413.61 (413.60)	325.19 (298.58)	26.16 (26.61)	-	351.34 (325.19)	80.27 (88.41)	88.41 (109.39)
(g) Other	145.19 (145.19)	-	-	-	-	145.19 (145.19)	70.05 (51.33)	15.75 (18.72)	0.05	85.85 (70.05)	59.34 (75.14)	75.14 (93.86)
(2) Computers	154.82 (107.71)	28.90 (47.11)	-	-	-	183.72 (154.82)	107.43 (90.22)	24.65 (17.21)	-	132.08 (107.43)	51.63 (47.38)	47.38 (17.49)
TOTAL Tangible Assets	4,717.34	350.18	-	-	-	5067.52	2,504.80	367.27	-	2,872.11	2,195.40	2,212.54
B. INTANGIBLE ASSETS												
Computer Software	26.28 (26.28)	-	-	-	-	26.28 (26.28)	26.28 (26.28)	-	-	26.28 (26.28)	-	-
Brand	249.25 (249.25)	-	-	-	-	249.25 (249.25)	249.25 (249.25)	-	-	249.25 (249.25)	-	-
Technical Know How	138.56 (138.56)	-	-	-	-	138.56 (138.56)	136.42 (138.56)	1.06 (1.06)	-	137.48 (136.42)	1.08 (2.13)	2.13 (3.19)
TOTAL Intangible Assets	414.09	-	-	-	-	414.09	411.96	1.06	-	413.01	1.08	2.13
TOTAL Fixed Assets	5,131.43	350.18	-	-	-	5,481.61	2,916.75	368.32	-	3,285.13	2,196.48	2,214.68
Previous year	(5,082.32)	(97.08)	(47.97)	-	-	(5,131.43)	(2,571.61)	(378.68)	(33.54)	(2,916.75)	(2,214.67)	(2,510.71)
C. Capital Working Progress												
(a) Capital Work in Progress	-	3.60	-	-	-	3.60	-	-	-	-	3.60	-
(b) Capital Work in Progress R&D	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Working Progress	-	3.60	-	-	-	3.60	-	-	-	-	3.60	-
TOTAL										TOTAL	2,200.08	2,214.68

(*) - Note: Figures in bracket indicates previous years figures

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 13 : NON-CURRENT INVESTMENTS		
A. Non - Trade		
Unquoted		
(i) Investment in Equity Instruments :		
4990 (2015 - 2016 : 4990) shares of ₹10 each, full paid up in Saraswat Co-op Bank Ltd.	0.50	0.50
(ii) Investment in Government Securities :		
National Savings Certificate	0.43	0.43
Aggregate Value of Unquoted Investments	0.93	0.93
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
a) Capital Advances	109.80	48.69
b) Deposits		
(i) Others	215.62	189.27
(ii) Related Parties (Refer Note 53)	420.00	420.00
c) Other Loans and advances		
(i) Advance Tax	2.79	2.79
(ii) Loans to Employee	0.20	-
(iii) DEPB Licences Receivable	28.15	28.15
(iv) Sales tax	41.32	41.03
(v) other	13.78	13.78
TOTAL	831.66	743.71
NOTE 15 : OTHER NON-CURRENT ASSETS		
(i) Trade Receivables (Refer Note 55)	209.08	185.45
(ii) Others (Refer Note 56)	124.04	124.04
TOTAL	333.12	309.49
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)		
(As verified, valued and certified by the Management)		
a) Raw Materials	2,021.72	1,931.39
b) Work-in-Process	2,244.29	1,662.66
c) Finished Goods	545.25	535.78
d) Packing Materials	547.50	508.14
e) Stock-in-Trade	942.87	388.34
TOTAL	6,301.63	5,026.31
NOTE 17 : TRADE RECEIVABLES		
(Unsecured, Considered Good) (Refer Note 55)		
Outstanding exceeding six months	97.22	264.06
Other	5,206.60	5,358.74
TOTAL	5,303.82	5,622.80
NOTE 18 : CASH AND CASH EQUIVALENTS		
(i) Cash and Cash Equivaigents		
a) Balances with banks		
In Current Accounts	53.22	209.18
b) Other Bank Balance		
Cheques in Hand	193.85	180.39
c) Cash on Hand	40.20	38.71
A	287.27	428.28
(ii) Earmarked Balances with Banks:		
In Unclaimed Dividend Accounts	4.20	4.52
In Fixed Deposit (Pledged against LCs and guarantees)	261.12	183.10
B	265.32	187.62
TOTAL (A+B)	552.59	615.89

GUFIC BIOSCIENCES LIMITED

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Loans and Advances to Related Parties (Refer Note 54)	1,717.74	262.24
b) Others		
(i) Advance to Suppliers	189.62	214.21
(ii) Loan to Employees	212.46	126.43
(iii) Advance to Employees (for expenses)	209.79	120.04
(iv) Prepaid Expenses	16.71	22.88
(v) Cenvat Recoverable	92.49	44.97
(vi) Duty Drawback Receivable	7.44	8.54
(vii) Others	21.64	5.85
TOTAL	2,258.10	686.12
NOTE 20 : REVENUE FROM OPERATIONS		
a) Sale of Products (Net of Returns and Sales Tax)	25,875.69	20,752.62
b) Processing Charges	528.45	643.08
c) Other Operating Revenues	12.89	14.72
Less: Excise Duty Collected	(1,490.18)	(1,190.54)
TOTAL	24,926.85	20,219.88
Sale of Product Formulation (Manufacturing)		
i) Tablets	2,997.36	2,312.01
ii) Capsules	425.60	330.83
iii) Ointment	83.51	346.57
iv) Syrups/Suspension	498.40	221.00
v) Injection	12,906.15	12,037.82
vi) Powder	32.20	27.00
vii) Lotion	380.45	504.61
TOTAL (A)	17,323.67	15,779.84
Formulation (Trading)		
i) Tablets	432.58	623.65
ii) Capsules	85.51	60.32
iii) Syrups/Suspension	100.16	126.38
iv) Injection	3,279.16	614.87
v) Other	2,032.01	2,390.57
TOTAL (B)	5,929.42	3,815.79
Bulk Drugs (Manufacturing)		
i) Chemicals	2,105.43	759.36
TOTAL (C)	2,105.43	759.36
Sanitary Napkins (Manufacturing)		
	517.17	397.63
TOTAL (D)	517.17	397.63
TOTAL (A+B+C+D)	25,875.69	20,752.62
NOTE 21 : OTHER INCOME		
a) Interest Income	17.69	25.62
b) Dividend Received	-	0.04
c) Other Non-operating Income		
i) Scrap Sales	17.01	11.89
ii) Sundry Balances Written Back (Net)	-	14.49
iii) Miscellaneous Income	1.40	4.01
iv) Profit on Sale of Asset	-	5.65
v) Net profit on Foreign currency transaction and translation (Net)	58.39	-
TOTAL	96.47	66.13

Particulars	As at March 31,2017 ₹ in Lakhs	As at March 31,2016 ₹ in Lakhs
NOTE 22 : COST OF MATERIALS CONSUMED		
A). Consumption of Raw Material		
Opening stock	1,931.39	2,382.25
Add: Purchases	6,526.45	6,062.66
Less: Closing stock	2,021.72	1,931.39
TOTAL (A)	6,436.12	6,513.52
(B). Consumption of Packing Material		
Opening stock	508.14	420.96
Add: Purchases	1,376.29	1,200.52
Less: Closing Stock	547.50	508.14
TOTAL (B)	1,336.93	1,113.34
TOTAL (A+B)	7,773.05	7,626.86
NOTE 23 : PURCHASE OF STOCK-IN-TRADE		
PURCHASE OF STOCK-IN-TRADE	5,451.60	4,280.95
	5,451.60	4,280.95
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year :		
Finished Goods	545.25	535.78
Work-In-Process	2,244.29	1,662.66
Stock-In-Trade	942.87	388.34
TOTAL	3,732.41	2,586.78
Inventories at the Beginning of the year :		
Finished Goods	535.78	202.40
Work-In-Process	1,662.66	545.28
Stock-In-Trade	388.34	129.25
TOTAL	(1,145.63)	(1,709.85)
NOTE 25 : EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	3,468.99	2,569.76
b) Contribution to Provident and Other Funds	101.73	100.35
c) Staff Welfare Expenses	533.53	527.42
TOTAL	4,104.25	3,197.53
NOTE 26 : FINANCE COSTS		
(a) Interest Expenses		
i) Interest on Term Loan	84.55	124.07
ii) Interest on OD Facility	448.72	340.50
iii) Interest to Others	42.05	64.76
TOTAL (A)	575.32	529.33
(b) Other Borrowing Costs	3.85	7.51
TOTAL (B)	3.85	7.51
(c) Other (Interest on Income Tax)	45.36	83.28
TOTAL ©	45.36	83.28
TOTAL (A+B)	624.53	620.12

GUFIC BIOSCIENCES LIMITED

Particulars	As at March 31, 2017		As at March 31, 2016	
	₹ Lakhs	₹ Lakhs	₹ in Lakhs	₹ in Lakhs
NOTE 27 : OTHER EXPENSES				
Consumable Stores		51.86		50.25
Power and Fuel		350.57		357.40
Labour Charges		1,041.15		778.20
Factory Expenses		6.60		4.47
Rent		1.22		1.91
Rates and Taxes (Excluding Taxes on Income)		12.45		1.66
Repairs and Maintenance				
Building	17.29		53.95	
Machinery	56.03		57.74	
Others	52.64		33.93	
		125.96		145.62
Sales Tax Expenses		32.56		19.57
Printing and Stationery		86.90		51.56
Communication Expenses		72.45		83.85
Office Rent		116.34		123.83
Director Sitting Fees		0.69		0.60
Insurance Charges		51.60		33.42
Travelling, Conveyance and Vehicle Expenses		1,775.84		1,280.87
Legal & Professional Fees		546.96		478.23
Miscellaneous Expenses		425.34		285.25
Net loss on Foreign Currency Transaction and Translation		-		51.41
Testing and Laboratory Expenses		179.08		194.15
Transport and Forwarding		477.42		351.58
Commission and Brokerage		391.13		285.43
Marketing Expenses		-		-
Sales Promotion Expenses		0.49		19.61
Advertisement		9.16		37.72
Discount		74.75		105.30
Donation		8.77		1.17
Research & Development Expenses (Refer Note No. 47)		152.86		68.09
Corporate Social Responsibility Activity (Refer Note No. 48)		6.80		18.83
Bad Debts		46.51		28.37
		6,045.46		4,855.90

NOTE 28 : DISCLOSURE RELATING TO EMPLOYEE BENEFIT - AS PER REVISED AS 15

(I) Defined Contribution Plan

During the year ended March 31, 2016, the company has recognised the following amounts in the profit and loss account.

	For the year ended 31.3.2017 ₹ in Lakhs	For the year ended 31.3.2016 ₹ in Lakhs
Employer's contribution to Provident fund & ESIC Fund	101.73	97.90

(ii) Defined Benefit plan

A. The Company has Defined Benefit Gratuity Plan. Every employee who has completed five years or more of service is entitled to gratuity on term not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India.

B. Details of Defined Benefit Plan as per Independent actuarial valuation report as at March 31, 2016 is as under:

	For the year ended 31.3.2017	For the year ended 31.3.2016
I. Actuarial assumptions		
Discount rate	7.20%	8.06%
Expected return on plan assets	7.20%	8.06%
Salary escalation	5.00%	5.00%
Attritration Rate	3.00%	3.00%

Particulars	For the year ended 31.3.2017 ₹ in Lakhs	For the year ended 31.3.2016 ₹ in Lakhs
II. Components of employer expense		
Current service cost	13.28	12.70
Interest cost	12.60	10.38
Expected return on plan assets	-	-
Actuarial losses/(gains)	(2.32)	(38.08)
Total expense recognised in the Statement of Profit and Loss	23.55	15.00
III. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	179.83	156.28
Fair value of plan assets	41.51	41.51
Funded status [Surplus / (Deficit)]	(138.32)	(114.77)
Net asset / (liability) recognised in the Balance Sheet	(138.32)	(114.77)
IV. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	156.28	169.72
Interest Cost	12.60	13.58
Current service cost	13.28	12.70
Liability Transfer in	-	-
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	(2.32)	(39.73)
Present value of DBO at the end of the year	179.83	156.27
V. Change in fair value of assets during the year		
Plan assets at beginning of the year	41.51	39.96
Expected Return on Plan Assets	3.35	3.20
Contributions	-	-
Transfer from other Company	-	-
Benefit Paid	-	-
Actuarial gain/(loss) on Plan Assets	(3.35)	(1.65)
Plan assets at the end of the year	41.51	41.51
VI. Actual Return on Plan Assets:		
Expected Return on Plan Assets	3.35	3.20
Actuarial gain/(loss) on Plan Assets	(3.35)	(1.65)
Actual Return on Plan Assets	-	1.55
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Others - Insurer Managed Funds	100%	100%

The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

Experience Adjustments

Present value of Defined Benefit Obligation as at March 31, 2017	179.83	156.28
Fair Value of Plan Assets as at March 31, 2017	41.51	41.51
Funded status [Surplus/(Deficit)]	(138.32)	(114.77)
Experience adjustment on Plan Liabilities	(35.54)	(39.21)
Experience adjustment on Plan Assets Gain / (Loss)	(3.35)	(1.65)

(iii) Other Long Term Benefits:

Compensated Absences (Unfunded)

The company has made provision of ₹ 95.81lacs on March 31, 2017 (2015-16: ₹ 51.62) based on independent actuarial valuation report.

GUFIC BIOSCIENCES LIMITED

NOTE 29 : SEGMENT REPORTING AS - 17

₹ in Lakhs

Sr. No.	Particulars	Formulations		Bulk Drugs		Consumer		Total	
		For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016
1	SEGMENT REVENUE								
	Sales and Services (Net of returns)	23,253.08	19,711.12	2,105.43	1,240.62	517.17	443.96	25,875.68	21,395.70
	Add: Unallocated Income (Including other Income)							109.36	80.85
	TOTAL SEGMENT REVENUE	23,253.08	19,711.1	2,105.43	1,240.62	517.17	443.96	25,985.04	21,476.55
2	SEGMENT RESULTS	5,066.54	3,892.95	1,266.64	217.11	51.56	42.18	6,384.74	4,152.23
	Less: Unallocated Expenses							3,590.15	2,117.61
	Financial Charges							624.53	536.84
	Depreciation							368.32	378.68
	Tax Provision							660.39	386.67
	PROFIT AFTER TAX							1,141.35	732.43
3	OTHER INFORMATION								
	Segment Assets	9,296.97	11,707.18	1,928.22	835.90	376.85	637.76	11,602.04	13,180.84
	Add: Unallocated Assets							6,179.89	2,039.08
	Total Assets							17,781.93	15,219.92
	Segment Liabilities	2,894.58	4,968.44	129.35	98.30	92.30	29.26	3,116.23	5,096.00
	Add: Unallocated Liabilities							10,175.02	6,728.04
	Total Liabilities							13,291.25	11,824.04
	Capital Expenditure								
	Capital Expenditure Incurred	318.71	93.08	9.41	4.00	--	--	328.12	97.08
	Unallocated Capital Expenditure							25.66	--
	Depreciation	256.88	263.84	62.46	66.84	13.19	46.94	332.53	377.62
	Unallocated Depreciation							35.79	1.06
									₹ in Lacs
4	ADDITIONAL INFORMATION			In India		Out of India		Total	
				For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016	For the year ended 31.3.2017	For the year ended 31.3.2016
	a. Revenue by Location of Customer			24,851.76	20,424.57	1,552.38	971.13	26,404.14	21,395.70
	b. Segment Assets by Location of the Supplier			17,457.34	15,087.65	324.59	132.27	17,781.93	15,219.92
	c. Capital Expenditure by Location of the Supplier			323.68	97.08	30.10	--	353.78	97.08

NOTE 30: RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

Related party transactions

A. Details of related parties

Description of relationship

Key Management Personnel (KMP)

Relatives of KMP

Company in which KMP / Relatives of KMP can exercise

Names of related parties

Jayesh P. Choksi (Chairman & Managing Director)
Pranav J. Choksi (Whole-time Director & CEO)
Pankaj Gandhi (Whole-time Director)
Hemal Desai (Chief Financial Officer & Whole-time Director)

Vipula J. Choksi
Parth Gandhi
Khushboo Desai
Pooja Choksi

Comfrey Pharmaceuticals Private Limited influence
Gufic Private Limited
Gufic Chem Private Limited
Gufic Lifesciences Private Limited
Gufic Stridden Bio-Pharma Private Limited
Jal Private Limited
Motif Hotels Private Limited
Zircon Finance and Leasing Private Limited
Zire Realty Limited
Zire Rushi Construction
Manshi Gandhi Enterprises
Parth Gandhi Enterprises
viraj Enterprise
Shraddha Enterprise

B. Related Party Transactions

		2016 - 17 ₹ in Lakhs	2015 - 16 ₹ in Lakhs
(I) Key Management Personnel & Relatives			
(a) Remuneration		84.21	68.56
(b) Reimbursement of Expenses		5.66	24.11
(c) Payment of Services		-	1.42
Outstanding balance as on March 31, 2017	Cr.	342.35	286.13
Outstanding balance as on March 31, 2017	Dr.	15.30	4.44
(ii) Enterprises in which Key Management Personnel have significant influence			
(a) Payment for Services		1,059.70	737.70
(b) Purchase of Goods & Reimbursement of Expenses		1,047.45	1,142.87
(c) Payment of Rent / Rates & Taxes		1.21	1.20
(d) Sale of Goods		221.17	342.62
(e) Services Rendered		25.48	21.94
(f) Guarantee Given		450.00	450.00
Outstanding balance as on March 31, 2017	Cr.	38.53	46.89
Outstanding balance as on March 31, 2017	Dr.	2298.39	826.26

There are no write offs/write back of any amounts for any of the above parties.

NOTE 31 : LEASE TRANSACTIONS

The Company's significant leasing arrangements are in respect of operating lease for premises. The period of agreement is generally for one year and is renewable by mutual consent. The aggregate lease rental expense are ₹ 117.80 Lacs (Previous year ₹ 114.00 Lacs)

The total future minimum lease payments under non-concancellable leases for:

(₹ in Lakhs)

(i) Not later than one year	125.40
(ii) later than one year but not later than five years	41.80

NOTE 32 : EARNINGS PER SHARE

Particulars	For the year ended 31.3.2017	For the year ended 31.3.2016
Earnings per share		
Net profit for the year attributable to the equity shareholders (₹. in Lacs)	1,141.35	732.43
Weighted average number of equity shares	77,350,000	77,350,000
Par value per share ₹	1	1
Basic and diluted Earning per share ₹	1.48	0.95

NOTE 33 : CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

	As at 31.3.2017 ₹ in Lakhs	As at 31.3.2016 ₹ in Lakhs
(a) Other money for which the Company is contingently liable		
(i) Letter of Credit	1,414.79	1,458.68
(ii) Bank Guarantee	63.22	9.82
(iii) Excise Duty	108.86	108.86
(iv) Income Tax	537.87	454.62
(v) Sales Tax	29.15	29.15
(vi) Labour Cases	0.76	0.76

NOTE 34 : The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as follows :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	36.66	59.75	96.41
(+) Permitted receipts	-	15.37	15.37
(-) Permitted payments	-	13.04	13.04
(-) Amount deposited in Banks	36.66	-	36.66
Closing cash in hand as on 30.12.2016	-	62.08	62.08

GUFIC BIOSCIENCES LIMITED

As at March 31, 2017
₹ in Lakhs

As at March 31, 2016
₹ in Lakhs

NOTE 35 : OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY :

Opening Stocks as at April 1, 2016

Tablets	79.75	27.04
Capsules	14.01	10.42
Ointments	34.77	23.65
Syrups/Suspension	27.29	16.21
Injection	279.09	45.62
Powder	3.59	2.43
Lotion	25.41	7.75
Bulk Drugs	55.84	69.02
Sanitary Napkins	16.04	0.26

TOTAL **535.79** **202.40**

Closing Stocks as at March 31, 2017

Tablets	74.08	79.75
Capsules	17.47	14.01
Ointments	16.16	34.77
Syrups/Suspension	55.52	27.29
Injection	301.26	279.09
Powder	12.88	3.59
Lotion	33.77	25.41
Bulk Drugs	34.11	55.84
Sanitary Napkins		16.04

TOTAL **545.25** **535.78**

NOTE 36 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS

Opening Stocks as at April 1, 2016

Formulation	1,474.02	533.75
Bulk Drug	188.64	11.53

TOTAL **1662.66** **545.28**

NOTE 37 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS

Closing Stocks as at March 31, 2017

Formulation	1,379.51	1,474.02
Bulk Drug	864.78	188.64

TOTAL **2,244.29** **1662.66**

NOTE 38 : OPENING & CLOSING STOCKS OF STOCK IN TRADE

Opening Stocks as at April 1, 2016

Tablets	93.01	106.76
Capsules	39.32	3.16
Ointments	20.52	-
Syrups/Suspension	15.97	14.56
Injection	219.52	4.09
Powder		0.68
Sanitary Napkins		-

TOTAL **388.34** **129.25**

Closing Stocks as at March 31, 2017

Tablets	106.12	93.01
Capsules	102.24	39.32
Syrups/Suspension	11.08	20.52
Injection	722.47	15.97
Powder	0.96	219.52
		-

TOTAL **942.87** **388.34**

As at March 31,2017 ₹ in Lakhs As at March 31,2016 ₹ in Lakhs

NOTE 39 : SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY

Manufacturing

Tablets	2,997.36	2,312.01
Capsules	425.60	330.83
Ointments	83.51	346.57
Syrups/Suspension	498.40	221.00
Injection	12,906.15	12,037.82
Powder	32.20	27.00
Lotion	380.45	504.61
Bulk Drugs (Manufacturing)		
Chemicals	2,105.43	759.36
Sanitary Napkins (Manufacturing)	517.17	397.63
	19,946.27	16,936.83

Less : Excise Duty

1,490.18 1,190.54

TOTAL (A) **18,456.09** **15,746.29**

SALE OF GOODS TRADED BY THE COMPANY:

Tablets	432.58	623.65
Capsules	85.51	60.32
Syrups/Suspension	100.16	126.38
Injections	3,279.16	614.87
Others	2,032.01	2,390.57

TOTAL (B) **5,929.42** **3,815.79**

TOTAL (A+B) **24,385.51** **19,562.08**

NOTE 40 : RAW MATERIALS AND COMPONENTS CONSUMED

RAW MATERIALS

Chemicals	4,677.00	5,622.28
Chemicals (Bulk Drugs)	1,508.76	682.14
Others	250.36	209.10

TOTAL (A) **6,436.12** **6,513.52**

PACKING MATERIAL

Cartons / Boxes	399.01	292.18
Vial	286.56	270.55
Rubber stopper	228.76	225.22
Bags	33.86	30.07
Tray	35.06	40.27
Bottel	27.85	28.45
Foil	19.36	21.40
Label	73.47	49.87
Tube	20.56	18.21
Others	212.44	137.12

TOTAL (B) **1,336.93** **1,113.34**

TOTAL (A+B) **7,773.05** **7,626.86**

GUFIC BIOSCIENCES LIMITED

As at March
31,2017
₹ in Lakhs

As at March
31,2016
₹ in Lakhs

NOTE 41 : DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Imported *	3,554.67	3,426.94
% to Total Consumption	45.73	44.93
Indigenous *	4,218.38	4,199.92
% to Total Consumption	54.27	55.07
TOTAL	7,773.05	7,626.86

NOTE 42: PURCHASE OF GOODS TRADED BY THE COMPANY

Tablets	766.00	431.23
Capsules	168.00	54.36
Syrups/Suspension	188.00	119.45
Injection	4,189.00	1,874.96
Sanitary Napkins	-	3.47
Others	50.00	1,794.51
TOTAL	5,451.00	4,280.95

NOTE 43 : VALUE OF IMPORTS CALCULATED ON CIF BASIS

Raw Materials / Merchant Goods	3,554.67	3,420.23
Finished Goods	-	11.55
Capital Goods	30.10	33.69
TOTAL	3,584.77	3,465.47

NOTE 44 : EXPENDITURE IN FOREIGN CURRENCY

Foreign Traveling	30.94	70.42
Commission	12.14	10.40
Profession	116.33	217.48
Other Expenses	-	-
TOTAL	159.41	298.30

NOTE 45 : EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on FOB basis	1,485.07	909.58
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NOTE 46 : PAYMENTS TO AUDITORS

As Auditors

(i) Audit Fees	7.25	7.25
(ii) Tax & Domestic Transfer Pricing Audit	0.70	0.70
(iii) Limited Review	0.80	0.80

In other Capacity

(i) Certification Work & Other Capacity	0.25	0.25
(ii) Representation before Statutory Authority	4.45	2.20
Reimbursement of Expenses & Service Tax	2.47	2.08

TOTAL 15.92 13.28

NOTE 47

In compliance with Accounting Standard-2 (AS-2) revised, excise Duty liability estimated at ₹ 42.15 lakhs (Previous year ₹ 42.30 lakhs) on finished goods lying in factory premises has been loaded on the valuation of Finished goods. However, it has no impact on the Profit and Loss Account. The Excise duty of ₹ 13.51 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

NOTE 48

The company had obtained an approval under sec. 35(2AB) in the F.Y. 2014-15 for inhouse scientific research. During the year it has incurred expenditure of ₹ 206.67 lakhs (including fixed assets of ₹ 53.81 lakhs) (Previous Year : ₹ 101.45 lakhs) and the same has been shown under the head other expenses.

NOTE 49

CSR Expenditure

(a) Gross amount required to be spent by the company during the Financial Year 2016-17: ₹ 6.80 Lakhs

(b) Amount spent during the year

Particulars	In cash	Yet to be paid	Total
(I) On Construction / Acquisition of any assets	-	-	-
(ii) On purposes other than (I) above	6.80	-	6.80
Total	6.80	-	6.80

NOTE 50

The Company has appointed an internal auditor, an independent firm of Chartered Accountants to carry out the audit of stock records maintained by the company. The audit inter alia includes physical verification and valuation of inventories of all its locations and accordingly the same has been incorporated in accounts. Certificate issued in this regard be relied upon.

NOTE 51

In the opinion of the management inventories of ₹ 6301.52 lakhs (Previous year ₹ 5026.31 lakhs) shown in Balance Sheet are good and do not include any slow moving, or dead stock. Due provision is made for the near expiry material and depletion in its value, if any. In the opinion of the management, all the current assets including inventories, loans and advances have a value on a realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

NOTE 52

Balance of sundry debtors, loans & advances, sundry creditors and Security and Trade Deposits from Agents and Stockists 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 53

The company has given security deposit of ₹ 300 lakhs to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹ 300 lakhs has been shown under the head long term loans and advances.

Company has also given Security Deposit to Gufic Chem Private Limited of ₹ 120 lakhs towards supply of products at concessional rate to the company and the same has been shown under the head Long Term Loan and Advance to related parties.

GUFIC BIOSCIENCES LIMITED

NOTE 54

The company has entered into strategic arrangement with one of its group company for increasing its additional production capacity of manufacturing injectable vials, having a better quality and low cost of production to fulfill the demand. The company has granted advances of ₹ 1708 lakhs (2015 - 2016 : ₹ 262.79 lakhs) under the said arrangement. The production under the said arrangement have already been commenced. Accordingly the same has been shown as loans and advance under the head short term loans and advance.

NOTE 55

In view of management debts of ₹ 209.08 lakhs (Previous Year : 185.45) and advances of ₹ 68.37 lakhs (Previous Year : 68.46) outstanding for more than one year are good and recoverable in nature. Management is taking necessary steps for recovery of the said amount.

NOTE 56

The company had in the earlier year unearthed fraud committed by one of its marketing employee who has misappropriated amount of ₹ 124.04 lakhs (Previous Year : ₹ 124.04 lakhs). The management has taken necessary steps including legal action and is hopeful of recovering the said amount. Accordingly it has been shown the amount of ₹ 124.04 lakhs under the head other non-Current Assets (other).

NOTE 57

The company is in process of implementing ERP system in a phased manner for integration of its various functions and it could implement only some of its modules. Company has also continued with the old accounting system. Pending implementation of complete ERP system, the management confirms that it has taken enough care/diligence to ensure that the data / accounts, so presented, are materially correct and that the books of accounts have been duly reconciled with the various systems.

NOTE 58

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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
Chairman & Managing
Director

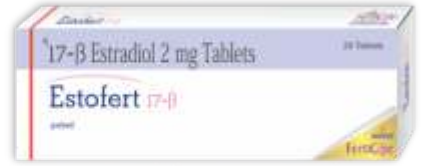
Pranav J. Choksi
Chief Executive Officer
& Whole Time Director

Mumbai - 29th May, 2017

Hemal Desai
Chief Financial Officer
& Whole Time Director

Ami Shah
Company Secretary

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GUFIC
 BIOSCIENCES LIMITED

CIN: L65990MH1984PLC033519

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