



UNPARALLELED HEALTHCARE FOR ALL



29TH ANNUAL REPORT 2012-2013

The collage displays a variety of pharmaceutical products from GUPIC, arranged in a grid-like fashion. The products include:

- Artisure**: A box of Artisure and Lunafantime Tablets, featuring a red and white design.
- Sallaki**: Multiple boxes of Sallaki (Serrapeptase) in different formulations (Sallaki Plus, Sallaki M.R., Sallaki Tablets, Sallaki XT), each with a unique color scheme and illustration.
- Bacomo**: A box of Bacomo (Baclofen) Tablets, showing a family scene.
- Azithromycin**: A box of Azithromycin Oral Suspension IP, labeled as Aznee 200.
- Azithromycin Tablets**: A box of Azithromycin Tablets I.P., labeled as Aznee-500.
- Ridol**: A box of Ridol (Loperamide Hydrochloride) Tablets I.P. 2mg.
- Optifer**: A box of Optifer (Folic Acid and Ferrous Ascorbate) Tablets.
- Vipro**: A box of Vipro (Vitamin B12) Capsules.
- Zing**: A box of Zing (Zinc) Cream.

Each product box is clearly labeled with its name, dosage, and the GUPIC logo.

The image displays a variety of GUPIC pharmaceutical products, including:

- Row 1:**
 - Cefotaxime Sodium for Injection 1g (Blue box)
 - Chloramphenicol Ganciclovir Injection I.P. 600K IU (Blue box)
 - Macrolon for Injection B.P. 150 IU (Orange box)
 - Unifilthrasin for Injection B.P. 100 IU (Green box)
 - Ceftriaxone Sodium for Injection (Citrone) 1g (Teal box)
- Row 2:**
 - Cefotaxime Sodium for Injection 1g (Green box)
 - Raboprazole Sodium for Injection 20 mg (Red box)
 - Emphoton-B 200mg/100mg (Blue box)
 - Colicin for Injection 400 mg (Purple box)
 - Colicin Sodium for Injection 1g (Blue box)
 - Azoxymethane for Injection 500 mg (Blue box)
- Row 3:**
 - GLX (Orange box)
 - Ton-H (Green box)
 - Mego (Blue box)
 - Laxogeno for Injection 12 mg (White box)
 - TAYM (White box)
 - Opel (Red box)
 - G-Pan (Red box)



Regd. Off.: 2nd Floor, Building A, Moti Baug, 118/119, S.V. Road, Andheri West, Mumbai - 400058 Maharashtra, INDIA

Monday, 12th August, 2013

Dear Member,

You are cordially invited to attend the Twenty-Ninth Annual General Meeting of the members of the Company to be held on Saturday, 7th September, 2013 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:

Mr. Prakash G. Khulbe, Company Secretary, Gufic Biosciences Ltd., 2nd Floor, Building A, Moti Baug, 118/119, S.V. Road, Andheri West, Mumbai - 400058 Maharashtra, India (Tel.: 91 22 67261000, Fax: 91 22 67261067).

Thanking you,

Yours truly,

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

Jayesh P. Choksi
Chairman & Managing Director

Notice

Notice is hereby given that the Twenty-Ninth Annual General Meeting of the Members of the Gufic Biosciences Limited will be held on Saturday, 7th September, 2013 at 2.30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057, India to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of Annual Accounts

To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, the Profit and Loss Account for the year ended on the that date and the Report of the Directors and the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare dividend on Equity Shares for the financial year ended on 31st March 2013.

Item No. 3 – Re-appointment of Mr. Ashok M. Tarale as Director liable to retire by rotation

To appoint a Director in place of Mr. Ashok M. Tarale, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 4 – Re-appointment of Dr. M. G. Dhapalapur as Director liable to retire by rotation

To appoint a Director in place of Dr. M. G. Dhapalapur, who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 5 – Appointment of Statutory Auditors

To appoint statutory auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUISNESS

Item No. 6 Regularisation of Additional Director

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

“RESOLVED THAT Mr. Pankaj Gandhi, who was appointed as an Additional Director with effect from August 1, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 115 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company, liable to retire by rotation.”

Item No. 7

To consider and if thought fit to pass with or with out modification(s), the following resolution as a SPECIAL RESOLUTION.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, consent of the Company be and is hereby accorded for the appointment of Mr. Pankaj J. Gandhi as Whole time Director of the Company for a period of 3 years, with effect from 7th September 2013 at a remuneration as detailed below:

I. Salary

Salary shall be ₹. 35,000 (Rupees Thirty Five Thousand only) per month. The Salary may progressively go up based on his performance and industry trends.

Item No. 8 Regularisation of Additional Director

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

“RESOLVED THAT Mr. Jagdish Shah, who was appointed as an Additional Director with effect from August 1, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 115 of Article of Association of the Company and who holds office up to the date of this Annual General

Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company, liable to retire by rotation.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6 & 7

Mr. Pankaj Gandhi was appointed as an Additional Director by the Board of Director w.e.f. August 01, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 115 of Article of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956. Mr. Pankaj Gandhi if appointed, will be liable to retire by rotation. The Board feels that presence of Mr. Pankaj Gandhi on the Board is desirable and would be beneficial to the company and hence recommend resolution in Item No. 6 for adoption.

None of the Directors, except Mr. Pankaj Gandhi is concerned or interested in this resolution. The Board recommends resolutions under Item No.6 to be passed as ordinary resolution.

ITEM NO. 8

Mr. Jagdish Shah was appointed as an Additional Director by the Board of Director w.e.f. August 01, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 115 of Article of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956. Mr. Jagdish Shah is entitled to remuneration by way of a sitting fee for each meeting of the Board, or committee thereof, attended by him. By virtue of sub-section (2) of Section 198, such sitting fee paid to directors shall not be reckoned for the purpose of calculating Directors Remuneration. Mr. Jagdish Shah if appointed, will be liable to retire by rotation. Mr. Jagdish Shah is an eminent professional and brings rich and varied experience to the Board. The Board hereby recommends resolution in Item No. 7 for adoption.

None of the Directors, except Mr. Jagdish Shah is concerned or interested in this resolution. The Board recommends resolutions under Item No.7 to be passed as ordinary resolution.

By order of the Board of Directors

For Gufic Biosciences Limited

Mumbai
12th August, 2013

Prakash Khulbe
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS' RECOMMENDATION FOR RE/APPOINTMENT AT THE ANNUAL GENERAL MEETING

MR. ASHOK M. TARALE

Profile and expertise in specific functional areas

Mr. Ashok Tarale is serving as one of the Independent Directors on our Board since March 2003. He plays an important role in indirect tax management and planning of the Company.

Mr. Tarale, aged about 62 years, has extensive knowledge and expertise in the field of tax management and planning. Mr. Tarale is working as Tax Practitioner since 1982 and specialises in Value Added Tax (VAT) and state sales tax strategy and planning.

Mr. Tarale does not hold any directorship or membership committee of any other Company than Gufic Biosciences Ltd.

Mr. Tarale does not hold any equity shares of the Company.

Role and Responsibility:

Mr. Ashok Tarale advises our Company on indirect tax management and planning, remuneration policies and other matters. He is Chairman of Audit Committee.

DR. MAHALINGAPPA G. DHAPALAPUR

Profile and expertise in specific functional areas

Dr. Mahalingappa Gurusiddappa Dhapalapur aged 74 years is Executive Director – Bulk Drug since May 2009.

Dr. Dhapalapur joined Gufic as Vice President – Bulk Drug and is a Director of the Company since August 2007.

Prior to joining Gufic he worked for Hindustan Lever, Procter & Gamble, Roche, Hoechst and Boehringer Mannheim.

Dr. Dhapalapur has done PhD in Organic Chemistry. He has over 30 years of experience in the field of Research, Production and Marketing of Bulk Drugs.

He is associated with University of Mumbai for M.Sc. and PhD Chemistry Programmes.

Mr. Dhapalapur neither holds any directorship in any other public company other than Gufic Biosciences Limited nor is he a member of any committee.

Mr. Dhapalapur does not hold any equity shares of the Company.

INFORMATION ON DIRECTORS' RECOMMENDATION FOR REGULARISATION AT THE ANNUAL GENERAL MEETING

MR. PANKAJ JAYKUMAR GANDHI

Profile and expertise in specific functional areas

Mr. Pankaj Gandhi is associated with our Company since 1987. He plays an important role in representing the Company with various government departments, judicial and quasi judicial authorities across India.

Mr. Gandhi, aged about 54 years, has extensive knowledge and experience in the field of taxation and litigation matters. As an employee he has represented the Company before Income Tax, Sales Tax, Wealth Tax, Excise, Custom and various other Government Departments including litigation matters in Courts and is instrumental in resolving the disputes arising, if any against the Company.

Mr. Gandhi does not hold any directorship or membership committee of any other Company than Gufic Biosciences Ltd.

Mr. Gandhi does not hold any equity shares of the Company.

Role and Responsibility:

Mr. Pankaj Gandhi will act as a Director - Liaisoning of our Company. Liaisoning with appropriate authorities for obtaining statutory clearances, licenses, no objections, coordinating with inspections in order to get the sanctions, facilities and certificates within the mentioned deadlines.

MR. JAGDISH DWARKADAS SHAH

Profile and expertise in specific functional areas

Mr. Jagdish Dwarkadas Shah aged 59 years will act as a Non-executive Independent Director of our Company.

Mr. Jagdish D Shah joined Gufic as an Additional Director with effect from 1st August, 2013

Mr. Jagdish D Shah is a commerce graduate and a renowned Practicing Chartered Accountant in Mumbai

He is associated with Contractor, Nayak & Kishnadwala, a firm of Chartered Accountants in Mumbai.

Mr. Jagdish Shah neither holds any directorship in any other public company other than Gufic Biosciences Limited nor is he a member of any committee.

Mr. Jagdish Shah does not hold any equity shares of the Company.

Role and Responsibility:

Mr. Jagdish Shah's professional knowledge and expertise will be helpful in effective financial management and his competent advice on a variety of business and taxation matters will have an impact on the economic well-being of the Company and Country at large.

Notice

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- b) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is attached hereto.
- c) The Register of Members and the Share Transfer Books of the Company shall remain closed from 4th September, 2013 to 7th September, 2013 (both days inclusive).
- d) The dividend, as recommended by the Board, if declared at the meeting, will be paid to those Members whose name appears in the Register of Members of the Company on 4th September, 2013 for shareholding held in physical form and the list of beneficial ownership as furnished by the Depositories (NSDL and CDSL) as of the close of business hours on 4th September, 2013 for shareholding in electronic form.
- e) M/s Link Intime India Private Ltd., C-13, Pannalal Silk Compound, L.B.S. Road, Bhandup (w), Mumbai 400 078 are the Registrar and Share Transfer Agent for physical share of the Company. They are also the depository interface of the Company with both NSDL and CDSL.
- f) While members holding shares in physical form may write to M/s Link Intime India or the Company for any change in their address and bank mandates, members having shares in electronic form may inform any change in address to their depository participant immediately so as to enable the Company to dispatch dividend warrant at correct addresses.
- g) Members are requested to note that the dividend for the financial year 2006-07 which has remained unclaimed for a period of seven years from the date of transfer to the unclaimed dividend account will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956, and thereafter no claim shall lie against the said fund to the Company. Members who have not yet encashed their dividend warrant(s) for the financial year 2005-06 and thereafter are requested to make their claims to the Company.
- h) Shareholders who would like to avail the NECS facility or the Bank Mandate facility (if not done earlier) are requested to send details, to the Company's Registrar and Transfer Agents before 4th September, 2013. Please note that shareholders holding shares in dematerialized form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directive.
- i) Shareholders desiring any information as regards the Accounts are requested to write to the Company at least 8 days in advance so as to enable the Management to keep the information ready.
- j) Members / Proxy are requested to bring their copy of the Annual Report with them at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.

Registered office:
Gufic Biosciences Ltd.
2nd Floor, Building A,
Moti Baug, 118/119,
Andheri West,
Mumbai 400 058.

Admission Slip

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ENTRANCE TO THE MEETING

Name of the attending Member (in Block Letters)	Membership Folio Number/ Client & D. P. I. D.	Name of the Proxy (in Block Letters) (To be filed in, if the Proxy attends, instead of the Member)	Number of Equity shares held

I hereby record my presence at the 29th Annual General Meeting of the Company held on Saturday, the 7th September 2013 at 2.30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai-400 057.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

NOTES:

Member / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same duly signed, at the entrance.

Member / Proxyholder desiring to attend the meeting should bring their copy of the Annual Report for reference at the meeting.

(Please tear here)



Proxy Form

I / we of district of being a member / members of above named Company, hereby appoint of or failing him of in the district of as my / our proxy to attend and vote for me / us on my / our behalf at the 29th Annual General Meeting of the Company to be held on Saturday, the 7th September 2013 at 2.30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai-400 057 and at any adjournment thereof.

Signed this day of 2013

Folio No./Client & D. P. I. D.....

No. of Shares held

Re. 1/-
Revenue Stamp

(Signature of the Shareholder)

Note: The form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of meeting.

BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	(Chairman & Managing Director)
Mr. Pranav J. Choksi	(Executive Whole time Director)
Dr. M. G. Dhapalapur	(Executive Whole time Director)
Mr. Sharat S. Gandhi	(Non-executive Independent Director)
Mr. Ashok M. Tarale	(Non-executive Independent Director)
Mr. Khantilal N. Sanghavi	(Non-executive Independent Director)
Mr. Pankaj J. Gandhi	(Additional Director wef 01/08/2013)
Mr. Jagdish D. Shah	(Additional Director wef 01/08/2013)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Prakash Khulbe

AUDITOR

Mayur Chokshi & Co
Chartered Accountants, Ground Floor, Tibrewala House,
33, Swastik Society, N.S. Road No 3, JVPD Scheme, Mumbai – 400 056

BANKERS

State Bank Of India
ICICI Bank
Corporation Bank
Bank of Baroda

REGISTERED OFFICE ADDRESS

2nd Floor, Building A, Moti Baug,
118/119, S.V. Road, Andheri West,
Mumbai – 400 058.

ADMINISTRATIVE OFFICE

Old Sanskar Jyot School Bldg.
2nd & 3rd Floor, (Above Bank Of Maharashtra)
S.V. Road, Andheri (W), Mumbai - 400 058.
Tel.: 91- 22- 67261000. Email : gufic@guficbio.com
Website : www.guficbio.com

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 – 13, Pannalal Silk Mills Compound,
L.B.S. Road, Bhandup (W) , Mumbai 400 078.
Tel No.: (022) 2594 6970
Fax (022) 2594 6969
Email: rnt.helpdesk@linkintime.co.in

29th Annual General Meeting

DAY & DATE

Saturday, 7th September, 2013

TIME

2.30 PM.

VENUE

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

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Chairman's Message



Dear Shareholder,

It is a pleasure to share my thoughts with you as we present our 29th Annual Report for Gufic Biosciences Limited. Gufic Biosciences Limited has been an integral part of the Gufic Group. This year, Gufic Group completes 53 years of service to the pharmaceutical industry. The group was founded way back in 1960, and has evolved over these five decades as an importer, exporter, distributor and manufacturer of bulk drugs, chemicals and pharmaceutical/formulations.

Gufic Biosciences Limited has delivered yet another outstanding performance for the year 2012-13. What makes this performance especially outstanding is the fact that it was achieved at a time when global pharmaceutical market is under economic recession.

The global pharmaceutical industry has been growing at the rate of 5-8%. While R&D and innovations within the industry are still majorly dominated by MNCs based in the western world, the manufacturing focus has been shifting to Asian giants-China and India. China continues to remain the biggest manufacturing centre followed by Italy and India.

Meanwhile, pharmaceutical markets in developing regions, like Asia and Latin America have been continuously witnessing huge growth rate for the last few years on account of increasing prevalence of diseases, rising healthcare spending, and increasing affordability.

The Indian pharmaceutical industry has been growing steadily at around 8 to 12% for the last 3 years. What has been noteworthy is the rapid up gradation in the standards and quality of manufacturing. Indeed, one of the primary reasons why more and more manufacturers are shifting to India is due to this rapid scale up in plant, machinery and processes that match international standards.

Another area where the Indian pharmaceutical industry has made significant advances has been in R&D. R&D forms a critical part of this industry as new products and new processes lend a substantial advantage.

As we move forward, we are confident that Gufic Biosciences Limited will continue to play a dominant role in the Indian pharmaceutical and API space and keep building on the momentum and deliver yet better results.

Yours truly,
For Gufic Biosciences Limited

Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL SUMMARY:

₹ in Lacs

Particulars	2012-13	2011-12
Total Revenues	10053.01	8393.28
Profit Before Interest, Depreciation and Tax (PBITD)	1127.26	748.20
Interest	383.00	263.07
Depreciation	217.95	188.12
Profit Before Tax (PBT)	526.31	296.01
Provision for Tax	149.50	125.50
Excess Provisions Written Back	(9.30)	29.18
Provision for Deferred Taxation	53.19	(10.38)
Profit After Tax (PAT)	332.92	152.71
Surplus Brought Forward	1030.71	922.95
Balance Available for Appropriation	1363.63	1075.66
Appropriations:		
Dividend	38.68	38.68
Tax on Dividend	6.27	6.27
Transfer to General Res.		--
Surplus Carried Forward	1318.68	1030.71

FINANCIAL HIGHLIGHTS:

During the year under review the sales increased to ₹ 10053.01 Lacs in comparison to previous year's ₹ 8393.28 Lacs an increased of 19.77%. PBITD increased by 50.66% and PBT increased by 77.80% PAT increased by 118.01%.

DIVIDEND:

The Directors are pleased to recommend a Dividend of 5 % per equity share of ₹.1 each for the financial year ended 31st March 2013.

LISTING:

Your Company is listed with the Bombay Stock Exchange Limited 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 2013- 2014 has already been paid by the Company.

FIXED DEPOSITS:

During the year under review, your Company has not accepted any deposits from the public.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217(2AA) of the Companies Act, your Directors' confirm that:

In the preparation of the annual accounts, the applicable accounting standards have been followed;

Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are 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 ended 31st March, 2013 and of the profits of the Company for that period;

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Corporate Governance along with a Certificate from the Auditors of the Company regarding compliances with the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto.

Management Discussion and Analysis Report, as required under the Listing Agreements with the Stock Exchanges is given as a separate statement, which forms part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOES:

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES:

There are no employees whose information is required to be given under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS:

As per the provisions of Companies Act, 1956 and Articles of Association, Mr. Ashok M. Tarale and Dr. M.G. Dhapalapuri retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

AUDITORS:

Comments given by the Auditors in their Audit Report when read together with the notes to Accounts are self explanatory and needs no further comments.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation for the continuous support received from your Company's customers, its dealers and suppliers and from its bankers. Your directors also acknowledge with gratitude the encouragement and support extended by its valued shareholders.

For and on behalf of the Board of Directors,

Place: Mumbai
Date: 30th May, 2013

Jayesh Choksi
Chairman & Managing Director

CONSERVATION AND CONSUMPTION OF ENERGY, FOR FOREIGN EXCHANGE EARNINGS AND OUTGO

I. (A) CONSERVATION OF ENERGY

Details of conservation of energy are as follows:

Power & Fuel Consumption

		Year ended 31.03.13	Year ended 31.03.12
(a) Electricity			
Purchased Units	Kwh	2534930	2259182
Total amount	₹ in Lacs	169.01	136.47
Rate per unit (average)	₹	6.67	6.04
(b) Furnace Oil			
Quantity	Ltrs.	273264	258444
Total Cost	₹ in Lacs	113.45	92.52
Average Cost	₹	41.52	35.80

(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.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earning amounted to ₹ 1169.46 Lacs and for the previous year it was ₹ 871.38 Lacs and the total foreign exchange outgo amounted to ₹ 648.03 Lacs and for the previous year it was ₹ 352.78 Lacs.

For and on behalf of the Board of Directors

Jayesh.P. Choksi
Chairman & Managing Director
Mumbai : 30th May, 2013

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

INDIAN PHARMA INDUSTRY – AN OVERVIEW

The demand for pharmaceutical products in India is significant and is driven by low drug penetration, rising middle-class & disposable income, increased government & private spending on healthcare infrastructure, increasing medical insurance penetration etc.

The Pharmaceutical industry in India meets around 70% of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals and injectibles. There are approximately 250 large units and about 8000 Small Scale Units, which form the core of the pharmaceutical industry in India (including 5 Central Public Sector Units).

CURRENT SCENARIO:

India's pharmaceutical market grew at 11.9 per cent during FY 2012-13. Globally, India ranks third in terms of manufacturing Pharma products by volume. According to McKinsey, the Pharmaceutical Market is ranked 14th in the world. By 2015 it is expected to reach top 10 in the world beating Brazil, Mexico, South Korea and Turkey. More importantly, the incremental market growth of US\$ 14 billion over the next decade is likely to be the third largest among all markets. The US and China are expected to add US\$ 200bn and US\$ 23bn respectively.

McKinsey & Company's report, "India Pharma 2020: Propelling access and acceptance, realizing true potential," predicted that the Indian pharmaceuticals market will grow to US\$55 billion in 2020; and if aggressive growth strategies are implemented, it has further potential to reach US\$70 billion by 2020. While, Market Research firm Cygnus' report forecasts that the Indian bulk drug industry will expand at an annual growth rate of 21 per cent to reach \$16.91 billion by 2014. The report also noted that India ranks third in terms of volume among the top 15 drug manufacturing countries.

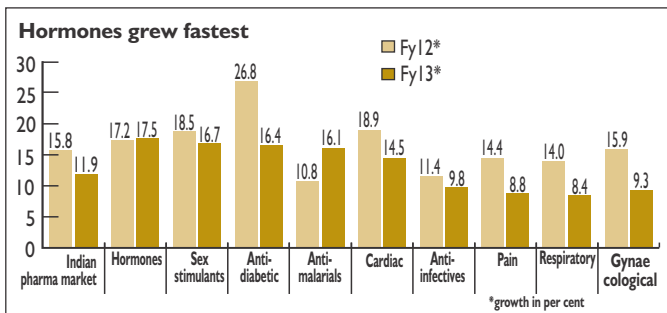
Further, McKinsey reports Healthcare grew from 4 per cent of average household income in 1995 to 7 per cent in 2005 and is expected to grow to 13 per cent by 2025.

Generics: India tops the world in exporting generic medicines worth US\$ 11 billion. The Indian generic drug market is to grow at a CAGR of around 20 per cent in 2013-2014.

Over the next few years, it is expected that the patent laws will provide impetus to the launch of patent-protected products. Such products have the potential to capture up to a 10% share of the market by 2015, implying the market size of US\$2bn.

R&D : As per estimates, largest R&D expenditures attracted from pharmaceutical sector. R&D intensity for the pharmaceuticals sector was much higher than that for other sectors. Although there have been substantial increases in growth rates of patents filed in India during the last decade, the share of patents filed for work in India through indigenous research is less than 20 per cent of the total.

Demand : The demand for pharmaceutical products in India is significant and is driven by many factors like low drug penetration, rising middle-class & disposable income, increased government & private spending on healthcare infrastructure, increasing medical insurance penetration, changing demographic pattern and rise in chronic lifestyle-related diseases; adoption of product patents, and aggressive market penetration driven by the relatively smaller companies.



Sales of Pharma products to retailers grew by just 11.9 per cent in 2012-13, slower than the 15.8 per cent growth achieved last year. Data compiled by research firm AIOCD AWACS reveal this. After robust sales during the first half of the fiscal, there was a deceleration in drug demand beginning November 2012.

Fewer new patient additions for chronic therapies such as diabetes, the switch to unbranded generic drugs and slower pace of new product approvals impacted growth.

For instance, the growth in anti-diabetes drugs fell from 26.8 per cent last year to 16.4 per cent in 2012-13.

Barring anti-malarials, the growth pace of drugs catering to most other therapies either stagnated or declined in 2012-13, against the previous year.

The sales of drugs used to treat respiratory ailments, pain, gynecological disorders and seasonal infections slackened in 2012-13. For instance, respiratory drug sales grew at a slow 8.4 per cent last year. Similarly, anti-infective drugs which constitute 18 per cent of the industry grew at a lackluster 9.8 per cent.

Despite the slowdown, some therapies managed to grow faster than the market. For instance, the demand for hormone

supplements raced ahead of the rest. Other therapies such as sex stimulants and anti-malarial drugs grew ahead of the industry in 2012-13 (see Graph).

India : The Indian Pharmaceutical Market (IPM) is expected to grow at a CAGR of 15% to ~US\$ 29 billion in 2016. The key factors driving growth in the IPM are sustained economic growth, increase in healthcare access and increased penetration in smaller towns. During 2012, growth in the IPM was primarily driven by volume of around 60% and new introductions contributing around 40% with minimal price increase. A key structural development was the introduction of the new pricing policy (National Pharma Pricing Policy), which will expand the coverage of medicines under price control to almost three times that of the earlier price control mechanism, DPCO (Drugs Price Control Order).

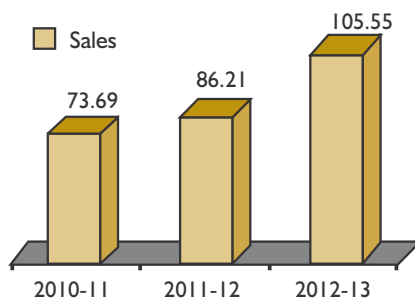
OUTLOOK ON OPPORTUNITIES

The annual global spend is expected to more than double to US\$ 70 billion by 2016 from US\$ 30 billion in 2012. About 60% will come from increased usage of existing generics and the rest from newly available generics. The generics industry is expected to continue on its growth path aided by multiple factors including

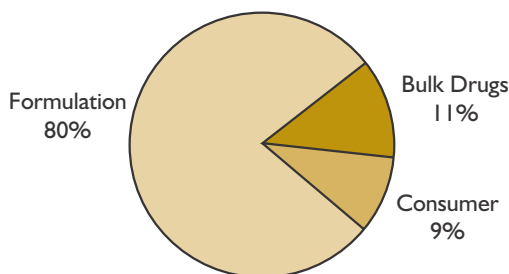
- Opportunity of over US\$ 100 billion drugs going off patent by 2016;
- Increasing burden of healthcare in developed markets, especially the USA, the UK and Germany, that are most impacted during the current challenging economic times;
- Opportunity for generics penetration in some of the key markets such as Japan and parts of Europe;
- Increasing access to healthcare in developing economies; and
- Increasing competition and consolidation in the industry.

COMPANY PERFORMANCE

- Total revenues of the Company increased by 22.43%
- Sales of Formulation Division increased by 23.97%
- Sales of Bulk Drug Division increased by 2.63%
- Sales of Consumer Division increased by 40.42%
- Injection capacity increased to 1.4 million vials per month
- Napkin capacity increased to 20 million per month
- New API block started for antifungals like Caspofungin
- Other low volume & high value API commercialized in 2013-2014

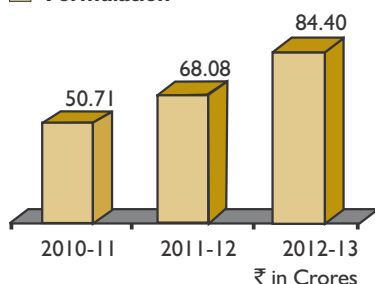


SEGMENT WISE PERFORMANCE

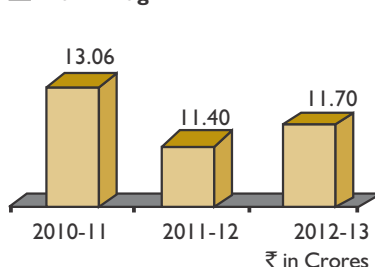


Sales		₹ in Crores		
Segment	2012-13	2011-12	2010-11	
Pharma				
A. Formulation	84.40	68.08	50.71	
B. Bulk Drugs	11.70	11.40	13.06	
Consumer	9.45	6.73	9.92	
Total	105.55	86.21	73.69	

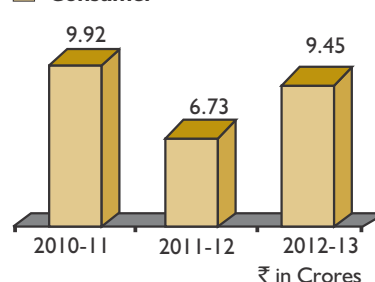
Formulation



Bulk Drug



Consumer



Human Resources Development



Believing in the force that matters most in business ... People!

Gufic is built on the strong foundation of its people. In a knowledge driven pharmaceutical industry, people are the most critical drivers of growth. Throughout our journey, we have sought to build an organisation through individual and team contributions - an organisation which values respect and delivery. One of the cornerstones of this strategy has been to create a strong Employee Value Proposition. The four pillars on which we have been building Employee Value Proposition are: Talent Management, Learning and Development, Benefits and Engagement. In 2012-13, the HR team engaged with employees on several initiatives around this strategy. Ours is a performance oriented culture where there is emphasis on meritocracy, objectivity and transparency. An integrated talent management process will become the foundation of how we manage and develop talent to ensure a strong leadership pipeline. We take pride in successfully creating a workforce with manpower strength of more than 700 employees.

We have been investing in multiple facets that lie within the domain of Human Resources; be it attaining excellence in induction practices, creation of a comfortable work environment, addressing new challenges, continuous training, building motivation, enhancing personal growth, providing opportunity to harness hidden talent in other areas such as sports, culture, etc. and above all, in our ability to deliver the utmost professional satisfaction to employees regarding the tasks they are performing. This entire exercise is a conscious effort on our part to build a brighter future for not only our company, but also the people who have served it so diligently through the years and who continue to serve it even today. The strong, dedicated and committed team of Gufic today are ever ready to face new challenges and emerge triumphant in everything we, as an organisation, aspire to achieve "For Future"

Internal Control Framework

The company believes in sound internal control systems as a necessary prerequisite of good governance in which management authority should be exercised within a framework of appropriate checks and balances. Our management is committed towards ensuring an effective internal control environment, commensurate with the size and complexity of our business, to provide assurance on the efficiency of company operations and the security of its assets.

Market Insight

Taking a look at the market as we aspire "For Future!" India's pharmaceutical market grew at 11.8% during FY13, with a total valuation of `67,864 Crores. However, growth has been substantially down in the last 5 months due to healthy season, higher base effect and increased generic penetration.

Growth in Domestic Market is expected to remain subdued in FY14 owing to new pricing policy and other factors. Within therapies, though anti-infective and respiratory got impacted because of a healthy season, growth in the chronic segment also factored in at a single digit figure. This year, Gufic has displayed growth substantially above the industry average.

As for global geographies, the Emerging Markets of Asia and Africa are performing satisfactorily, and export from India continues to be a major contributor. Indian companies have strengthened their presence in the world's largest Pharmaceuticals market - U.S.A., The continued uncertainty on policy and regulatory front from Government, movement in currency rates, counterfeiting and many more threats are facing the industry. We have been proactive in terms of such threats and have been fairly successful in containing the adverse impact of such threats on Operations. Our internal control systems have been strengthened after our successful implementation of ISO process, ensuring the highest standards of efficiency and prevention of leakage at every level of the organisation. The Audit Committee reviews the audit findings regularly and guides Internal Auditors regarding our plan of action from time to time.

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.

CORPORATE GOVERNANCE REPORT

Corporate Governance and practices in accordance with the provisions of the Revised Clause 49 of the Listing Agreement:

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the government and other parties. The company believes in the philosophy on code of corporate governance, which provides a structure by which the rights and responsibility of different constituents, such as the board, employees and shareholders are carved out. In carrying out this, it is ensured that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored.

Corporate governance is considered as an important tool for shareholders protection and maximization of their long - term values. The cardinal principal such as accountability, responsibility, transparency and fair disclosure serve as the means for achieving this.

I. BOARD OF DIRECTORS:

(A) Composition and size of the Board

The Board of Directors comprises of Six (6) Directors. The Board has an optimum combination of 3 Executive and 3 Non-Executive Directors. The Chairman is an Executive Non-Independent Director and 3 Non-Executive Directors on the Board are holding Directorship in Independent capacity.

(B) Non executive directors' compensation and disclosures

No fees/compensation is paid to non-executive directors, including independent directors, which requires previous approval of shareholders in general meeting.

The Non-Executive Directors are entitled to payment of sitting fees only made within the limits prescribed under the Companies Act, 1956 without approval of the Central Government.

(C) Provisions as to Board & Committees

Seven (7) Board Meetings were held during the financial year 2012-2013 and the gap between two Board Meetings did not exceed 4 months. The Board meetings were held on 15th May, 2012, 12th June, 2012, 10th July, 2012, 14th August, 2012, 3rd October, 2012, 9th November, 2012 and 14th February, 2013. The names of members of the Board, No of Board Meeting held during the financial year 2012-2013, their attendance at the Company's Board Meetings, Last Annual General Meeting, the number of Directorship and Chairmanship / Membership in other Companies are given below:

Name of the Director	Category	No. of Board Meeting held attended during 2012-2013		Whether attended Last AGM	No. of Directorship Companies	No. of Chairmanship / Membership in other Companies	
		Held	Attended			Chairmanship	Membership
Mr. J. P. Choksi	Chairman & Managing Director	7	7	Yes	12	Nil	9
Mr. P. J. Choksi	Executive Non Independent Director	7	7	Yes	8	Nil	6
Dr. M. G. Dhapalapur	Executive Non Independent Director	7	7	Yes	Nil	Nil	Nil
Mr. A. M. Tarale	Non Executive Independent Director	7	7	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non Executive Independent Director	7	7	Yes	Nil	Nil	Nil
Mr. Khantilal N. Sanghavi	Non Executive Independent Director	7	3	No	Nil	Nil	Nil

None of the Director is a member in more than 10 committees and is not a Chairman in more than 5 committees across all Companies in which he is a Director.

As per the requirement of Clause 49 of the Listing Agreement the Company has held one Board meeting in every quarter and the maximum time gap between any two meetings were not more than four months.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach Supporting / relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

(D) Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the company. The code of conduct is posted on the website of the company.

The Annual Report of the company contains a declaration signed by the CEO that all Board members and senior management personnel had affirmed compliance with the code for the year 2012-13.

II. AUDIT COMMITTEE:

(A) Qualified and Independent Audit Committee

The Audit Committee consists of Three (3) Directors, Non Executive and Independent.

The Head of Internal Audit and Representative of Statutory Auditors are invitees to the Committee meetings.

The Company Secretary acts as a Secretary to the Committee.

The present composition of the Audit committee and Meetings attended by them during the financial year 2012-2013 ended on 31st March, 2013, is as follows:

Name of Director	Designation	Category	No of Meetings during Financial year	
			Held	Attended
Mr. Ashok Tarale	Chairman	Non-Executive Independent Director	6	6
Dr. Sharat Gandhi	Member	Non-Executive Independent Director	6	6
Mr. Jayesh P. Choksi	Member	Managing Director	6	6

Mr. Ashok Tarale, Chairman of Audit Committee attended the last Annual General Meeting held on 24th August, 2012.

(B) Meetings of Audit Committee

The audit committee should meet at least four times in a year and not more than four months shall elapse between two meetings.

During the financial year under review, Six (6) meetings of the Audit Committee were held i.e. on 15th May, 2012, 12th June, 2012, 10th July, 2012, 14th August, 2012, 9th November, 2012 and 14th February, 2013.

The requisite quorum was present at all audit committee meetings as per Clause 49 of the Listing Agreement.

(C) Terms of reference and powers of Audit Committee:

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

Powers of the Audit Committee – The audit committee has powers that include the following:

- (a) to investigate any activity of the company within its terms of reference,
- (b) to seek information from any employee,
- (c) to obtain outside legal or other professional advice,
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

I. Composition

The Committee comprises of Two (2) Directors and Committee functions under the Chairmanship of an Independent Director. The present composition of the Shareholders' & Investors' Grievance Committee and meetings attended by them during the financial year 2012-2013 ended on 31st March, 2013, is as follows:

Name of Director	Designation	Category	No of Meetings during Financial year Held Attended	
Dr. Sharat Gandhi	Chairman	Non-Executive Independent Director	4	4
Mr. Ashok Tarale	Member	Non-Executive Independent Director	4	4

The Company Secretary acts as a Compliance Officer of the Committee

Meeting of the Shareholders' & Investors' Grievance Committee

During the year 4 [four] meetings were held on 15th May, 2012, 14th August, 2012, 9th November, 2012 and 14th February, 2013.

Powers and Role of Committee

- The Committee is empowered to collect the relevant information from all departments, which would be useful to satisfy the requirements of the shareholders.
- Give required information to shareholders and solve the problems, complaints, grievances etc. of the shareholders promptly.
- Looks into redressal of shareholders' complaints like delays in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services.

Summary of Investors Complaints received and resolved to the satisfaction of the shareholders during the financial year 2012-2013

Complaints pending at beginning of the year	NIL
Complaints received during the year	5
Complaints resolved during the year	5
Complaints pending at beginning of the year	NIL

Amount Transferred to IEPF Account

As per the provision of Section 205C of the Companies Act, 1956, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

The Company has transferred unclaimed dividends, remaining unclaimed and unpaid for the financial year 2004-2005 to the Investor Education and Protection Fund (IEPF).

REMUNERATION COMMITTEE:

I. Composition

The Board of Directors of the Company has constituted a Remuneration Committee, despite it being a non mandatory requirement, which has been reconstituted from time to time.

Presently the Remuneration Committee comprises of the following qualified and independent directors.

2. Meeting of the Remuneration Committee

During the financial year 2012-2013 No Remuneration Committee Meeting was held.

Name	Designation	Category
Mr. Sharat S. Gandhi	Chairman	Non-Executive Independent Director
Mr. Ashok Tarale	Member	Non-Executive Independent Director
Mr. Khantilal N. Sanghavi	Member	Non-Executive Independent Director

3. Role of the Committee

To determine the policy on specific remuneration packages for Executive / Whole- time Directors including pension rights and any compensation payments.

Recommends to the Board the remuneration of the Executive Directors in all its forms (i.e. salary, contribution to provident fund, superannuation fund, gratuity, bonus, stock option, compensation for loss of office, other amenities, perquisites etc.).

Takes into account the financial position of the Company, profitability and trend in the industry, appointee's qualification, experience, past performance, past remuneration etc. and brings out objectivity in determining the remuneration package, while striking a balance between company's interest and that of the shareholders.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

The Details of remuneration paid to Managing Director and Whole-time Directors during the financial year 2012-2013:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in Rs.	Perquisites /Allowances (Rs)	Performance Linked Bonus / Commission (Rs)	Stock Options
1	Mr. Jayesh Choksi	8,40,000	3,72,000	5,74,175	Nil
2	Mr. Pranav Choksi	78,000	4,02,000	8400	Nil
3	Mr. M.G. Dhapalapur	80,400	2,73,600	6000	Nil

III. SUBSIDIARY COMPANIES

The Company neither has any Subsidiary Company nor is it a Subsidiary of any other Company.

GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time
2009-2010	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	30th September, 2010	2.30 P.M.
2010-2011	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	26th September, 2011	2.30 P.M.
2011-2012	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	24th August, 2012	2.30 P.M.

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. These results are published in Business Standard (English edition), Mumbai Lakshadweep (Hindi edition). These are not sent individually to the shareholders.

The Company's results, annual reports and official news releases are displayed on the company's web-site www.guficbio.com. The said company's website also containing basic information about the company includes 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. The Company had meetings with and made presentations to the institutional investors and analysts during the year.

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

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the shareholders.

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 as follows

CEO AND CFO CERTIFICATION:

The Chairman and Managing Director and the Chief Financial Officer of the Company have given annual certification on financial results and internal controls to the Board in terms of Clause 49 and annexed to this report.

GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting: Date, Time and Venue	7th September, 2013 At 2.30 PM At Hotel Parle International, Vile Parle East, Mumbai-400 057
Date of Book Closures	4th September, 2013 to 7th September, 2013 (Both Days Inclusive)
Financial Calendar: Results for quarter ended 30th June, 2012 Results for quarter ended 30th September, 2012 Results for quarter ended 31st December, 2012 Results for quarter ended 31st March, 2013	Second Week of August, 2012 Third Week of November, 2012 Third Week of February, 2013 Third Week of May, 2013
Dividend Payment Date	Dividend, if declared, will be paid to shareholders within 30 days from the date of Annual General Meeting
The Company is Listed at Demat ISIN	Bombay Stock Exchange Limited (Stock code: 509079) and National Stock Exchange of India Limited (Stock Code: GUFICBIO) INE742B01025 (NSDL & CDSL)
Name Address Telephone No Fax Email of Registrar & Share Transfer Agents	Link Intime (I) Private Limited C- 13, Pannalal Silk Milk Compounds, L.B.S Marg, Bhandup West, Mumbai – 400 078. Tel No: (022) 2594 6970 Fax No: (022) 2594 6969 Email: rnt.helpdesk@linkintime.co.in

Distribution of Shareholding (As on 31st March 2013)

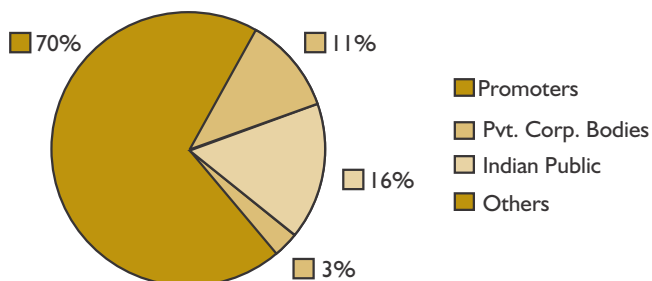
	SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
UP TO 500	9591	67.6184	2294926	2.9669
501-1000	2325	16.3917	2061869	2.6656
1001-2000	1155	8.1430	1862674	2.4081
2001-3000	384	2.7073	1013145	1.3098
3001-4000	195	1.3748	710193	0.9182
4001-5000	172	1.2126	827709	1.0701
5001-10000	221	1.5581	1646319	2.1284
10001 & ABOVE	141	0.9941	66933165	86.5329
TOTAL	14184	100.0000	77350000	100.0000

Monthly Highs and Lows for the period April 2012 to March 2013

(₹ in Lacs)

Month	The Stock Exchange, Mumbai			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2012	8.42	5.10	235001	6.75	5.60	239502
May, 2012	8.45	5.70	390741	8.25	6.35	311346
June, 2012	8.50	6.15	88143	7.80	6.10	58844
July, 2012	9.00	6.65	293093	9.00	6.50	260727
August, 2012	8.75	6.51	476325	8.80	6.40	113833
September, 2012	7.35	6.27	145443	7.40	6.25	85237
October, 2012	7.20	6.41	78770	7.35	6.25	75841
November, 2012	8.10	6.12	233474	8.20	6.20	165869
December, 2012	7.65	6.41	293015	7.50	6.30	170437
January, 2013	8.88	6.85	495230	10.20	6.90	324556
February, 2013	9.48	6.20	202095	10.35	6.40	181421
March, 2013	7.97	5.51	82789	7.80	5.55	121975

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013:



SHAREHOLDING PATTERN OF GUFIC BIOSCIENCES LIMITED AS ON 31.03.2013

	Category of shareholder(II)	Number of shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	%
(A)	Shareholding of Promoter and Promoter Group				
	Individuals/ Hindu Undivided Family	4	28,173,376	28,173,376	36.42
	Bodies Corporate	2	25,854,287	25,854,287	33.43
	Total Shareholding of Promoter and Promoter Group	6	54,027,663	54,027,663	69.85
(B)	Public shareholding				
	Insurance Companies	1	1,199,517	1,199,517	1.55
	Bodies Corporate	240	8,891,638	8,891,638	11.50
	Individuals				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	13,613	11,811,746	11,811,746	15.50
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2	780,167	780,167	1.01
	Any Other (Specify)				
	1. Directors/Relative	-	-	-	-
	2. Clearing Member	37	104,977	104,977	0.14
	3. HUF	192	356,579	356,579	0.46
	4. NRIs	46	85,886	85,886	0.11
	5. NRN	23	42,809	42,809	0.06
	6. Market Makers	24	49,018	49,018	0.06
	Total Public Shareholding (B)	14,178	23,322,337	23,101,865	30.15
	TOTAL (A)+(B)	14,184	77,350,000	77,129,528	100.00

DISCLOSURES:

During the year under review besides the transactions reported in Notes to Accounts (Refer note No.45) 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 go for non compliance of any matter related to capital markets. The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has reviewed the Non Mandatory requirements under Clause 49 and these shall be adopted / complied by the Company on need basis. The Remuneration Committee, a Non-Mandatory requirement, has been constituted and the details on this have been mentioned earlier in this Report. Besides these, efforts are being made to move towards the regime of unqualified financial statement.

DECLARATION ON CODE OF CONDUCT

As provided under clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012. A declaration by CEO affirming compliance to the Code of Conduct by Board Members and Senior Management Executives is also annexed separately at the end of this report.

For and on behalf of the Board of Directors,

Place: Mumbai
Date: 30th May, 2013

Jayesh Choksi
Chairman & Managing Director

CEO/CFO CERTIFICATIONS UNDER CORPORATE GOVERNANCE REPORT

A. Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management personnel

This is to certify that as per Clause 49 of the Listing Agreement:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the year 20012-13.

B. Certification of Financial Results

The Board of Directors
Gufic Biosciences Ltd.
Mumbai

- (A) I have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I 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; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Mumbai
Date: 30th May, 2013

Jayesh Choksi
Chairman & Managing Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members of Gufic Biosciences Ltd.,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges in India, for the financial year ended 31st March, 2013.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We state that as per the records maintained, no investor grievances against the company are pending for a period exceeding one month before shareholders/investors Grievance Committee.

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

For Mayur Chokshi & Co.
Chartered Accountants

Mayur Chokshi
Proprietor
Firm Registration No. 106116W
Membership No. 33936
Mumbai : 30th May, 2013

INDEPENDENT AUDITORS' REPORT

To;

The Members of Gufic Biosciences Ltd,

Report on Financial Statements

We have audited the accompanying financial statements of Gufic Biosciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so required and *on emphasis of matter below*, the impact whereof can not be ascertained, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the 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

We draw attention to the following matters repented to in the note nos. 2.29, 2.30, 2.32 and 2.44. forming part of the financial statements.

Our observation on the said accounts are given below:

- (a) *We are unable to express our opinion on recoverability of debts of ₹191.52 Lacs which are overdue for more than one year and of Loans and Advances of ₹ 35.39 Lacs which are outstanding for more than three years. 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 No.2.33)*
- (b) *Certain transactions entered into by the Company with companies in which Directors are interested are in violation of Section 297 of the Companies Act, 1956, which requires the prior approval of the Central Government, (Refer Note 2.35)*

Report on other Legal & Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Mayur Chokshi & Co.
Chartered Accountants

Mayur Chokshi
Proprietor
Firm Registration No. 106116W
Membership No. 33936
Mumbai : 30th May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 OF GUFIC BIOSCIENCES LIMITED)

- i. (a) The Company is in the process of updating its records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets of the Company, have been physically verified by the Management during the year. In our opinion, period of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies have been reported on such verification.
(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii. According to the information and explanations given to us and based on the certificate issued by the internal auditor, who has conducted physical verification and valuation fixed assets, we state that ;
 - (a) the Inventory of the Company has been physically verified by the Management during the year. In our opinion frequency of verification needs to be increased.
 - (b) the procedures of physical verification of inventory followed by the Management, are reasonable and adequate in relation to the size of the Company and the nature of its business;
 - (c) the Company is maintaining proper records of its inventory and the discrepancies which were noticed on physical verification of Inventory as compared to book records, have been properly dealt with in the books of account.
- iii. (a) According to the information and explanations given to us, the Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. except interest free security deposits given (Refer note 2.13)
(b) According to the information and explanations given to us, the Company has taken advances in the nature of loans from three Companies / Parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount of loans taken during the year was ₹ 398.90 Lacs and the year end balance was ₹ 380.86 Lacs.
(c) The advances / loans are interest free in nature and other terms and conditions of loans taken by the company, secured or unsecured are prima facie not prejudicial to the interest of the company.
(d) There are no specific stipulations as to repayment of such advances / loans.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for fixed assets and sale of services. *However, internal control procedures in respect of purchase of Inventory and sale of goods need to be strengthened so as to commensurate with the size of the company.* Other than above, no major weaknesses have been noticed in the internal control systems.
- v. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts/arrangements that were required to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of ₹ Five Lacs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. 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 58A and 58 AA or any other provisions of the Companies Act, 1956, and the rules framed thereunder during the year. To the best of our knowledge and according to information and explanations given to us, no order has been passed by the Company Law Board or any court or any other Tribunal.
- vii. *In our opinion, Company has an internal audit system which needs to be strengthened so as to commensurate with the size of the Company and nature of its business.*

- viii. According to information and explanations provided to us, the Central Government has prescribed under section 209(1)(d) of the Companies Act, 1956 the maintenance of cost records in respect of certain products manufactured by the Company viz. Formulations, Bulkdrugs. We have broadly reviewed the books of account maintained by the company and are of the opinion that *prima facie*, the prescribed accounts and records have been maintained by the company. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, for any other products of the company.
- ix. (a) According to the information and explanations given to us and according to the records of the Company, *we have to state that, the company has not been regular in depositing undisputed statutory dues of Provident fund, Employees' State Insurance, Income Tax, Dividend Distribution Tax, Income tax deducted at source, Sales tax and Excise Duty.* We are informed that there are undisputed demand outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are dues in respect of Income Tax, Sales tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited.
- x. The Company does not have accumulated losses at the end of the financial year March 31, 2013. Without considering the effect of our observation stated in the Auditor's Report, the impact where of on the profits can not be ascertained, the Company has not incurred any cash losses during the financial year ended March 31, 2013 and in the immediately preceding financial year.
- xi. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/societies.
- xiv. The Company does not deal or trade in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us, the Company has obtained term loan during the year and the proceeds have been utilized for the purpose for which it was obtained.
- xvii. According to the information and explanation given to us and on the overall examination of the Balance Sheet and Cash Flow of the Company, we report that the Company has neither raised any long term nor short term funds during the year.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not issue any debentures during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Mayur Chokshi & Co.
Chartered Accountants

Mayur Chokshi
Proprietor
Firm Registration No. 106116W
Membership No. 33936
Mumbai : 30th May, 2013

GUFIC BIOSCIENCES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	(₹ in Lacs)	As at 31.3.2013 (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
a) Share Capital	2.1	773.50		773.50
b) Reserves and Surplus	2.2	1,465.89		1,177.92
			2,239.39	1,951.42
(2) NON-CURRENT LIABILITIES				
a) Long-term Borrowings	2.3	1841.59		431.80
b) Deferred Tax Liabilities (Net)	2.4	294.69		241.50
c) Other Long Term Liabilities	2.5	95.50		101.50
d) Long-term Provisions	2.6	118.68		99.73
			2,350.46	874.53
(3) CURRENT LIABILITIES				
a) Short-term Borrowings	2.7	1,373.68		1,531.97
b) Trade Payables	2.8	2,071.77		2,221.56
c) Other Current Liabilities	2.9	718.79		642.28
d) Short-term Provisions	2.10	203.55		191.02
			4,367.79	4,586.83
TOTAL			8,957.64	7,412.78
II. ASSETS				
1) NON-CURRENT ASSETS				
a) Fixed Assets	2.11			
i) Tangible Assets		2,677.67		1,726.96
ii) Intangible Assets		5.31		44.09
iii) Capital Work-in-Progress		297.66		106.54
iv) Intangible Assets Under Development		-		-
		2,980.64		1,877.59
b) Non-current Investments	2.12	0.92		0.92
c) Deferred Tax Assets (Net)	-	-		-
d) Long-term Loans and Advances	2.13	726.52		548.86
e) Other Non-current Assets	2.14	10.46		5.18
			3,718.54	2,432.55
2) CURRENT ASSETS				
a) Current Investments	2.15	-		-
b) Inventories	2.16	1,999.59		1,690.94
c) Trade Receivables	2.17	2,193.00		2,257.15
d) Cash and Cash Equivalents	2.18	127.83		96.27
e) Short-term Loans and Advances	2.19	722.09		860.86
f) Other Current Assets	2.20	196.59		75.01
			5,239.10	4,980.23
TOTAL			8,957.64	7,412.78

Significant Accounting Policies and Notes to Accounts I & 2

Notes Referred to above form an integral part of the Financial Statements

As per our Report of even date attached

For Mayur Chokshi & Co

Chartered Accountants

For and on behalf of the Board of Directors

Mayur Chokshi
Proprietor

Firm Registration No. 106116W
(Membership No.33936)

Mumbai - 30th May, 2013

Jayesh P. Choksi
Chairman &
Managing Director

Mumbai - 30th May, 2013

Dr. Sharat Gandhi
Director

Prakash Khulbe
Company Secretary

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	(₹ in Lacs)	Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
INCOME				
Revenue from operations	2.21		10,014.41	8,356.51
Other Income	2.22		38.60	36.77
Total Revenue			10,053.01	8,393.28
EXPENDITURE				
Cost of Materials Consumed	2.23	3,287.68		2,588.85
Purchase of Stock-in-Trade	2.24	1,921.99		1,953.39
Changes in inventories of finished goods				
work-in-progress and Stock-in-Trade	2.25	(107.75)		(46.22)
Employee Benefits Expenses	2.26	544.85		460.28
Finance Costs	2.27	383.00		263.07
Depreciation and Amortisation Expenses		217.95		188.12
Other Expenses	2.28	3,278.98		2,688.78
Total Expenses			9,526.70	8,096.27
Profit Before Extraordinary Items and Tax			526.31	297.01
Extraordinary Items			-	-
Profit Before Tax			526.31	297.01
Tax Expense				
Current Tax				
(Including interest of ₹ 5.95 Lacs, Prev Yr ₹ 2.40 Lacs)		149.50		125.50
Deferred Tax		53.19		(10.38)
Short / (Excess) Tax Provisions of Earlier Years		(9.30)		29.18
			193.39	144.30
Profit for the Year			332.92	152.71
Earnings per equity share (Refer Note 2.43)				
a) Basic			0.43	0.20
b) Diluted			0.43	0.20
Significant Accounting Policies and Notes to Accounts I & 2				

Notes Referred to above form an integral part of the Financial Statements

As per our Report of even date attached

For Mayur Chokshi & Co

Chartered Accountants

For and on behalf of the Board of Directors

Mayur Chokshi

Proprietor

Firm Registration No. 106116W

(Membership No.33936)

Mumbai - 30th May, 2013

Jayesh P. Choksi

Chairman &

Managing Director

Mumbai - 30th May, 2013

Dr. Sharat Gandhi

Director

Prakash Khulbe

Company Secretary

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE PERIOD YEAR ENDED MARCH 31, 2013

	Year Ended 31.03.2013 ₹ in Lacs	Year Ended 31.03.2012 ₹ in Lacs
A. Cash flow from operating Activities		
Net Profit before tax	526.31	297.01
Add : Adjustment for:		
Depreciation	217.95	188.12
Provision for Gratuity/Leave Encashment	19.81	18.64
Interest	383.00	263.07
Loss on sale of Assets / Due to Fire	13.95	0.66
Dividend / Interest Received	(9.32)	(1.52)
Bad Debts	3.84	17.65
Sundry Bal W/off	(1.94)	(0.35)
Operating profit before Working Capital Changes	1,153.60	783.28
Movement in working capital		
Increase / (decrease) in Trade Payables	(151.73)	757.14
Increase / (decrease) in Long-term Provisions	(0.86)	4.15
Increase / (decrease) in Short-term Provisions	21.88	(48.79)
Increase / (decrease) in Other Current Liabilities	76.50	296.77
Increase / (decrease) in Other Long-term Liabilities	(6.00)	(7.50)
Decrease / (increase) in Trade Receivables	60.31	(475.43)
Decrease / (increase) in Inventories	(308.64)	(414.27)
Decrease / (increase) in Long-term Loans and advances	(177.66)	(72.28)
Decrease / (increase) in Short-term Loans and advances	138.77	(204.80)
Decrease / (increase) in Other Current Assets	(121.59)	(22.31)
Decrease / (increase) in Other Non-Current Assets	(5.28)	0.75
Cash Generated from Operations	679.31	596.71
Income Tax Paid	(153.64)	(80.26)
Net Cash Generated from Operating Activity (A)	525.67	516.45
B. Cash Flow From Investing Activities		
Interest Received	9.27	1.47
Sale of Fixed Assets	3.00	-
Purchase of Fixed Assets	(1,337.94)	(334.13)
Dividend Received	0.05	0.05
Net Cash From Investing Activities (B)	(1,325.63)	(332.61)
C. Cash Flow from Finance Activities		
Increase / (Decrease) in Long-term Borrowings	1,409.80	(101.21)
Increase / (Decrease) in Short-term Borrowings	(158.29)	220.53
Dividend Paid	(36.98)	(38.57)
Interest Paid	(383.00)	(263.07)
Net Cash From Finance Activity (C)	831.52	(182.32)
Net Increase in Cash or Cash equivalent (A+B+C)	31.56	1.52
Cash and Cash Equivalent at Beginning of Period	96.27	94.75
Cash and Cash Equivalent at the end	127.83	96.27

As per our Report of even date attached
For Mayur Chokshi & Co
Chartered Accountants

For and on behalf of the Board of Directors

Mayur Chokshi
Proprietor
Firm Registration No. 106116W
(Membership No.33936)
Mumbai - 30th May, 2013

Jayesh P. Choksi
Chairman &
Managing Director
Mumbai - 30th May, 2013

Dr. Sharat Gandhi
Director

Prakash Khulbe
Company Secretary

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013.

NOTE I SIGNIFICANT ACCOUNTING POLICIES:

(A) BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards pursuant to Companies (Accounting Standards) Rules, 2006. All income and expenditure having material bearing on the financial statements are recognised on accrual basis.

The preparation of financial statements requires the Management to make certain estimates and assumptions in the reports amounts of assets and liabilities (Including contingent liabilities) as on the date of the financial statements and reported income and expenditure during the reported period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

(B) 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.

(C) INTANGIBLE ASSETS: Cost relating to acquisition of Brands and Technical Know-how are capitalised and amortised on a straight line basis over a period of ten years. Software cost is amortised on Straight line basis over a period of three years.

(D) INVESTMENTS: Long term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are stated at lower of cost and quoted/fair value computed category wise.

(E) INVENTORIES: Raw-materials and packing materials are valued at lower of cost or market value. Work-in process and Finished Goods are valued at cost and includes element of production overheads. Traded goods are valued at cost. Material-in-Transit valued at cost incurred to date. Consumable stores are charged to the profit and loss account in the year of its purchases.

(F) REVENUE RECOGNITION:

- (i) The Company recognises sale on despatch of goods to customers. Sales are exclusive of excise duty, sales tax and sales returns.
- (ii) Export Benefits under Duty Entitlement Pass Book Scheme, is estimated and accounted in the year of exports.
- (iii) Revenues from services are recognized when such services are rendered.

(G) EXCISE-DUTY: Excise duty is recognised on goods manufactured for sales purpose.

(H) DEPRECIATION/ AMORTISATION:

- (i) Depreciation on all the fixed assets have been charged in accordance with rates specified in Schedule XIV of Companies Act, 1956 on straight line basis.
- (ii) Capital Expenditure incurred on the assets not owned by the company are amortised over a period of five years.
- (iii) Depreciation on addition to assets or sale of assets is calculated pro-rata from the month such addition or upto the month of sale, as the case may be.

(I) RETIREMENT BENEFITS: Liability in respect of Defined Benefit Plan for Gratuity is accounted based on the Actuarial valuation, arrived at after considering the part funding through Gratuity Policy, in accordance with the method stated in the Accounting Standard 15 (Revised) on "Employees Benefits" The liability in respect of Leave Encashment has been provided as per the rules of the Company.

The contribution to Provident Fund and other recognised funds are calculated as per the prescribed rates under the relevant law and contributions are recognised in the Profit and Loss Account on an accrual basis.

(J) FOREIGN CURRENCY TRANSACTIONS: Foreign Currency transactions arising during the year are recorded at the rate of exchange prevailing on the date of transaction. Transactions which remained unsettled on Balance Sheet date are restated at the closing rate prevailing on that date. All exchange differences are dealt with in the statement of Profit & Loss Account, except those relating to the acquisition of fixed assets which are adjusted in the cost of assets.

(K) ACCOUNTING FOR TAXES: Deferred tax is recognised, for all timing differences, subject to consideration of prudence, in respect of Deferred Tax Assets.

(L) SUBSIDY ON FIXED ASSETS: Subsidy received as contribution towards cost of capital Investment project is considered as Capital Reserve.

(M) OPERATING LEASE - AS 19 LEASES : Lease charges paid for operating leases are charged to profit and loss account on a straight- line basis over the lease term.

NOTE 2 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31.3.2013 (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
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2.1 SHARE CAPITAL

AUTHORISED:

10,00,00,000 Equity Shares of ₹1 Each

1,000.00	1,000.00
1,000.00	1,000.00

ISSUED, SUBSCRIBED AND FULLY PAID UP:

7,73,50,000 Equity Shares of ₹1 Each, Fully Paid Up.

773.50	773.50
773.50	773.50

Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders. During the year, the Company has recorded Dividend @ 5% (previous year: 5%) on a share of ₹1 each.

Details of shareholders holding more than 5% shares of the Company

Equity shares of ₹1 each fully paid up held by

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No of Shares	%	No of Shares	%
a) Zircon Finance and Leasing Pvt. Ltd.	20,523,330	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	7,769,398	10.04%	7,741,550	10.01%
d) Pranav Jayesh Choksi	6,975,826	9.02%	6,875,844	8.89%
e) Gufic Private Limited	5,330,957	6.89%	5,330,957	6.89%

2.2 RESERVE AND SURPLUS:

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		1,030.71	922.95
Add : Profit for the Year		332.92	152.71
Less : Appropriations			
(a) Proposed Dividend		38.68	38.68
(b) Dividend Tax		6.27	6.27
Balance at the end of the Year	C	1,318.68	1,030.71
TOTAL (A+B+C)		1,465.89	1,177.92

2.3 LONG-TERM BORROWINGS

Term Loan From Bank (Secured)	1,162.68	119.21
Term Loan From Company (Secured)	182.39	-
Vehicle Loans (Secured)	27.36	45.69
From Directors (Unsecured)	335.00	200.00
From Related Parties (Unsecured)	134.16	66.90
	1,841.59	431.80

Term Loans From a Bank:

Hypothecation of all plant and machinery .Various facilities granted to the company are further secured by Equitable / Legal mortgage of factory land and building situated at Navsari in the name of Gufic Private Limited as collateral security for the facilities sanctioned to the company as well as to the associate concern M/s GuficLifesciences Private Limited and are to be guaranteed by two directors, including a Managing Director and also a corporate guarantee of Gufic Private Limited in addition, the unsecured loans are to be subordinated to the Bank.

They carry interest @ 14% and are repayable in equated monthly installments ranging from 27 months upto 84 months for different term loans.

Term Loan from a company (Secured)

Secured against the Assets specifically purchased against the said loan. The same is to be repaid over 60 EMI of ₹ 5.97 Lacs (including Interest @ 14.92%) starting from the date of the contract

Vehicle Loans:

Secured by charge on specific vehicles purchased.

These loans are repayable in 24 to 48 EMI of ₹ 22.01 Lacs (Incl Interest) starting from the date of the respective contract. The effective rate of interest ranges from 8.90 % to 13.50 %.

Unsecured Loans:

Unsecured loans are interest free and are repayable after march 2014.

	As at 31.3.2013 (₹ in Lacs)	Current Year (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
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2.4 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities:

Difference Between book and income tax depreciation	316.57	42.47	274.10
Total (A)	316.57	42.47	274.10

Deferred Tax Assets:

Expenses Disallows			
a) Gratuity	47.52	6.18	41.34
b) Leave Encashment	19.91	1.80	18.11
c) Other Disallowances	(45.55)	(18.70)	(26.85)
Total (B)	21.88	(10.72)	32.60

Deferred Tax Liability (Net)	Total (A - B)	294.69	53.19	241.50
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2.5 OTHER LONG TERM LIABILITIES

Security and Trade Deposits from Agents and Stockists
(Refer Note 2.32)

	As at 31.3.2013 (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
	95.50	101.50
	95.50	101.50

2.6 LONG-TERM PROVISION

Provision for employee benefits

i) Provision for Gratuity	75.76	60.61
ii) Leave Encashment	42.91	39.12
	118.68	99.73

2.7 SHORT-TERM BORROWINGS

Loans repayable on Demand (Secured)

Cash Credit Facilities From a Bank	1,373.68	1,531.97
	1,373.68	1,531.97

Secured by hypothecation of stocks and book debts. Various facilities granted to the company are further secured by Equitable / Legal mortgage of factory land and building situated at Navsari in the name of Gufic Private Limited as collateral security for the facilities sanctioned to the company as well as to the associate concern M/s GuficLifesciences Private Limited and are to be guaranteed by two directors, including a Managing Director and also a corporate guarantee of Gufic Private Limited in addition, the unsecured loans are to be subordinated to the Bank.

They carry interest @ 14%.

2.8 TRADE PAYABLES (Refer Note 2.32)

	2,071.77	2,221.56
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Sundry Creditors - Dues to Micro and Small Enterprises

In terms of the notification issued by the Department of Company affairs, the Company is required to make certain disclosure under the head "Sundry Creditors" in respect of dues to Micro Enterprises and Small Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT). The Company has not yet started process of inviting information from its vendors regarding their status under MSMED Act. The Company has also not received any memorandum by such suppliers (as required to be filed with the notified authority under the MSMED Act, 2006) claiming their status as micro or small or medium enterprises. Therefore, bifurcation between Total Outstanding Dues of Micro Enterprises and Small Enterprises and other dues are not disclosed under the head "Sundry Creditors" under the head Current Liabilities and Provision.

GUFIC BIOSCIENCES LIMITED

As at
31.3.2013
(₹ in Lacs)

As at
31.3.2012
(₹ in Lacs)

2.9 OTHER CURRENT LIABILITIES

a) Current Maturities of Long-Term Debt	261.68	78.25
b) Interest accrued and due on Borrowings	31.04	22.31
c) Unpaid Dividends	6.67	5.18
d) Other Payables		
Advances from Customer (Refer Note 2.32)	112.73	280.46
Temporary Overdraft as per Book of Accounts Only	6.03	-
Unpaid Dividend Distribution Tax	25.69	19.42
Sales Tax Payable	77.05	69.36
TDS Payable	88.76	73.40
Professional Tax Payable	2.80	0.40
ESIC, PF and Other Funds Payable	46.94	37.31
Service Tax Payable	9.86	-
Payable to Directors	2.36	27.76
Others	47.18	28.43
	718.79	642.28

2.10 SHORT-TERM PROVISIONS

a) Provision for Employee Benefits	18.79	17.93
b) Proposed Dividend to Equity Shareholders @ ₹ 0.05 Per Share	38.68	38.68
c) Tax on Proposed Dividend (Current Year)	6.27	6.27
d) Provision for Income Tax	139.81	128.14
(Net of Advance Tax of ₹ 222.55; Prev Yr ₹ 118.76)		
	203.55	191.02

2.11 FIXED AND INTANGIBLE ASSETS

(₹ in Lacs)

PARTICULARS	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012 (₹)	Additions During the Year (₹)	Deduction/ Depletion During Year (₹)	As at 31.03.2013 (₹)	As at 01.04.2012 (₹)	For the Year (₹)	Deduction for the year (₹)	Total Accum. Depn. (₹)	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
TANGIBLE ASSETS											
Plant and Machinery	4.75%	1,809.04	927.90	27.59	2,709.35	582.41	91.67	16.35	657.73	2,051.62	1,226.63
Airconditioners	4.75%	153.00	2.93	-	155.93	45.47	7.33	-	52.80	103.12	107.53
Office Equipments	4.75%	216.34	13.98	-	230.33	91.44	10.38	-	101.81	128.51	124.91
Computers	16.21%	78.80	7.53	-	86.33	67.50	3.12	-	70.61	15.72	11.31
Electrical Installation	4.75%	78.86	53.74	0.23	132.38	16.61	4.14	0.14	20.60	111.77	62.25
Vehicles	9.50%	178.91	-	16.23	162.68	53.29	15.44	12.03	56.70	105.98	125.61
Furniture and Fixture	6.33%	53.54	0.48	-	54.02	15.35	3.87	-	19.22	34.80	38.18
Capital Exp on Factory Bldg not owned by co. (x)	20.00%	177.42	140.26	3.83	313.84	146.87	43.23	2.41	187.69	126.15	30.54
TOTAL - (A)		2,745.91	1,146.82	47.88	3,844.85	1,018.94	179.17	30.93	1,167.19	2,677.67	1,726.96
PREVIOUS YEAR (B)		2,527.02	227.59	8.71	2,745.91	877.92	149.22	8.20	1,018.94	1,726.97	1,649.10
INTANGIBLE ASSETS											
Computer Software (XX)	33.33%	26.28	-	-	26.28	26.28	-	-	26.28	-	0.00
Brand (XXX)	10.00%	249.25	-	-	249.25	224.33	24.93	-	249.25	-	24.93
Technical Know How (XXX)	10.00%	138.56	-	-	138.56	119.39	13.85	-	133.25	5.31	19.16
TOTAL - (C)		414.09	-	-	414.09	370.00	38.78	-	408.78	5.31	44.09
PREVIOUS YEAR (D)		414.09	-	-	414.09	331.10	38.90	-	370.00	44.09	83.00
TOTAL (A) + (C)		3,160.00	1,146.82	47.88	4,258.94	1,388.94	217.95	30.93	1,575.97	2,682.98	1,771.05
PREVIOUS YEAR (B) + (D)		2,941.11	227.59	8.71	3,160.00	1,209.02	188.12	8.20	1,388.94	1,771.05	1,732.10

(X) Capital Expenditure on factory building not owned by the Company is amortised over a period of 5 years.

(XX) Computer Software is amortised on straight line basis over a period of 3 years.

(XXX) Brand and R&D Knowhow are amortised on a straight line basis over a period of 10 years.

As at 31.3.2013 (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
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2.12 NON-CURRENT INVESTMENTS

(At cost except otherwise stated)

Non Current Investment (NON-TRADE)

a) Quoted :

Aggregate Value of Quoted Investments

(A)	-	-
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b) Unquoted :

Investment in Government Securities

National Savings Certificate (At cost)

0.42	0.42
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Investment in Shares:

Saraswat Co-op Bank Ltd (At cost)

0.50	0.50
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4990 Equity Shares of Rs 10 each, fully paid up

Aggregate Value of Unquoted Investments

(B)	0.92	0.92
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Total (A+B)	0.92	0.92
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2.13 LONG-TERM LOANS AND ADVANCES

(Unsecured Considered good) (Refer Note 2.32)

a) Capital Advances (Refer Note 2.33)

182.72	103.75
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b) Deposits

123.80	25.11
--------	-------

c) Loans and Advances to Related Parties

To Gufic Private Limited

300.00	300.00
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To Gufic Chem Private Limited

120.00	120.00
--------	--------

726.52	548.86
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Loans and Advances to Related Parties are due from companies in which Directors are interested. The Company has given interest free security deposits to the following companies:

Gufic Private Limited.

300.00	300.00
--------	--------

Maximum amount outstanding

300.00	300.00
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Gufic Chem Pvt. Ltd.

120.00	120.00
--------	--------

Maximum amount outstanding

120.00	120.00
--------	--------

Total Deposits

420.00	420.00
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Security Deposits were given to Gufic Private Ltd for use of its factory premises at Navsari for the company's manufacturing activities under an operating lease for a period of 10 years from July 2007. Gufic Private Ltd has created an Equitable Mortgage on the said factory premises in favour of the Bank for availing the credit facilities to the company. Hence, the said deposits are secured and considered good. The company has also paid lease rentals of ₹1.20 Lacs during the year for use of the factory premises.

Security deposits to Gufic Chem Private Ltd was given for supply of products and usage of its facilities at concessional rate to the Company. Such deposits are unsecured and considered good.

2.14 OTHER NON-CURRENT ASSETS

Others

10.46	5.18
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10.46	5.18
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2.15 CURRENT INVESTMENTS

-	-
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2.16 INVENTORIES

(As verified, valued and certified by the Management)

(Refer Note 2.29, 2.30, 2.34)

a) Raw Materials, at lower of cost or net realisable value

817.94	666.80
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b) Work-in-Process, at cost

70.84	166.28
-------	--------

c) Finished Goods, at Lower of cost or market value

626.16	411.88
--------	--------

d) Packing Materials, at lower of cost or net realisable value

394.54	344.78
--------	--------

e) Stock-in-Trade, at Lower of cost or market value

90.11	101.20
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1,999.59	1,690.94
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GUFIC BIOSCIENCES LIMITED

	As at 31.3.2013 (₹ in Lacs)	As at 31.3.2012 (₹ in Lacs)
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2.17 TRADE RECEIVABLES

(Unsecured, Considered Good) (Refer Note 2.32, 2.33)

Due for more than six months	279.65	277.72
Other Debts	1,913.35	1,979.43
	2,193.00	2,257.15

2.18 CASH AND CASH EQUIVALENTS

a) Balances with banks

In Current Accounts	7.34	37.53
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Earmarked Balances with Banks:

In Unclaimed Dividend Accounts	6.80	5.31
In Fixed Deposit (Pledged against LCs and guarantees)	64.53	34.53

(A)	78.67	77.37
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b) Cash on Hand

	49.16	18.90
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(B)	49.16	18.90
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Total (A+B)	127.83	96.27
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2.19 SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

a) Loans and Advances to Related Parties

To Gufic Private Limited	333.60	472.20
To Gufic Chem Private Limited	-	2.32
To Zire Reality Limited (Erstwhile Gufic Health Care Limited)	0.62	0.62
To Gufic Stridden Bio Pharma Private Limited	35.71	1.60
To Jal Private Limited	0.97	-
To Gufic Lifesciences Private Limited	4.76	-

b) Others (Refer Note 2.32, 2.33)

Advance to Suppliers	320.13	364.38
Others	26.30	19.74
	722.09	860.86

Loans and Advances to Related Parties are due from companies in which Directors are interested:

Gufic Chem Pvt. Ltd.	-	2.32
Maximum amount outstanding	9.50	39.56
Gufic Pvt Ltd	333.60	472.20
Maximum amount outstanding	497.47	569.98
Zire Reality Limited (Erstwhile Gufic Health Care Ltd)	0.62	0.62
Maximum amount outstanding	0.62	0.62
Gufic Stridden Biopharma Pvt. Ltd.	35.71	1.60
Maximum amount outstanding	35.71	13.29
Jal Pvt. Ltd.	0.97	-
Maximum amount outstanding	1.93	13.76
Gufic Lifesciences Private Limited	4.76	-
Maximum amount outstanding	4.76	-

2.20 OTHER CURRENT ASSETS

a) Balance with Central Excise	159.74	42.10
b) Export Benefit Receivable	31.97	29.43
c) Others	4.88	3.48
	196.59	75.01

Notes to the financial statements for the year ended 31 March 2013

Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
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2.21 REVENUE FROM OPERATIONS

a) Sale of Products (Net of Returns and Sales Tax)	10,055.05	8,186.42
b) Processing Charges (TDS ₹ 10.43, Prev Yr ₹ 9.26)	500.30	434.72
c) Other Operating Revenues	16.10	15.35
Less: Excise Duty Collected	557.04	279.98
	10,014.41	8,356.51

TURNOVER

Formulation (manufacturing)

Tablets	1,631.84	1,279.27
Capsules	151.74	122.46
Ointments	236.09	213.19
Syrups/Suspension	162.96	131.74
Injection	3,523.16	2,551.52
Powder	20.11	18.25
Lotion	369.63	279.09

Formulation (Trading)

Tablets	531.92	262.74
Capsules	73.38	89.42
Syrups/Suspension	85.00	89.33
Injections	141.75	197.82
Powder	4.26	4.66
Ointments	(0.01)	0.90
Sanitary Napkins	95.94	227.40
Castor Oil	1,157.75	1,085.90
Others	304.03	373.18

Bulk Drugs (Manufacturing)

Chemicals	1,172.79	1,144.38
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Sanitary Napkins (Manufacturing on toll basis)

	392.71	115.17
	10,055.05	8,186.42

2.22 OTHER INCOME:

a) Interest Income (TDS ₹ 1.11, Prev Yr ₹ 0.14)	9.27	1.47
b) Dividend Received (Gross)	0.05	0.05
c) Other Non-operating Income		
i) Scrap Sales	23.35	16.73
ii) Sundry Balances Written Back (Net)	1.94	0.35
iii) Miscellaneous Income	0.99	0.07
iv) Insurance Claim received	3.00	7.84
v) Exchange Difference (Net)	-	10.26
	38.60	36.77

Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
--	--

2.23 COST OF MATERIALS CONSUMED

(A). Consumption of Raw Material

Opening stock	666.80	444.41
Add: Purchases	2,942.59	2,402.21
Less: Closing stock	817.94	666.80
(A)	2,791.45	2,179.82

(B). Consumption of Packing Material

Opening stock	344.78	199.12
Add: Purchases	545.99	554.69
Less: Closing Stock	394.54	344.78
(B)	496.23	409.03

TOTAL (A+B)	3,287.68	2,588.85
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CONSUMPTION OF RAW MATERIALS

Chemicals	1,784.52	1,236.66
Sugar	14.52	12.97
Herbals	146.14	119.24
Chemicals (Bulk Drugs)	755.95	773.42
Others	90.32	37.53
	2,791.45	2,179.82

Value of Imported and Indigenous Materials Consumed

	This Year		Previous Year	
	%	Value ₹ in Lacs	%	Value ₹ in Lacs
Imported	20.67	679.44	8.09	209.35
Indigenous	79.33	2,608.24	91.91	2,379.50
	100.00	3,287.68	100.00	2,588.85

Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
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2.24 PURCHASE OF STOCK-IN-TRADE

1,921.99	1,953.39
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PURCHASE OF STOCK-IN-TRADE

Tablets	220.02	127.08
Capsules	19.95	46.68
Syrups/Suspension	50.05	56.73
Injection	118.38	178.78
Powder	1.56	2.51
Ointments	-	0.87
Castor Oil	1,152.13	1,080.60
Sanitary Napkins	64.17	141.57
Others	295.73	318.57
	1,921.99	1,953.39

Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
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2.25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening stock :

Finished Goods	411.88	436.05
Work-In-Process	166.28	97.40
Stock-In-Trade	101.20	99.69
	679.36	633.14

Closing Stock :

Finished Goods	626.16	411.88
Work-In-Process	70.84	166.28
Stock-In-Trade	90.11	101.20
	787.11	679.36

(INCREASED) / DECREASED IN STOCK

(107.75)	(46.22)
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OPENING STOCK OF WORK-IN-PROCESS

Formulation	144.19	74.99
Bulk Drugs	22.09	22.41
	166.28	97.40

CLOSING STOCK OF WORK-IN-PROCESS

Formulation	30.73	144.19
Bulk Drugs	40.11	22.09
	70.84	166.28

2.26 EMPLOYEE BENEFITS EXPENSES

a) Salaries and Wages	462.71	385.58
b) Bonus	14.32	12.76
c) Contribution to Provident and Other Funds	29.05	26.86
d) Directors' Remuneration	26.35	23.67
e) Staff Welfare Expenses	12.42	11.41
	544.85	460.28

2.27 FINANCE COSTS

a) Interest on Term Loan	59.90	41.73
b) Interest on OD Facility	190.57	161.23
c) Interest to Others	67.94	9.97
d) Other Borrowing Costs	50.66	8.98
e) Net loss on Foreign Currency Transaction and Translation	13.93	41.16
	383.00	263.07

Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
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2.28 OTHER EXPENSES

Consumable Stores	34.15	21.87
Power and Fuel	320.62	249.86
Labour Charges	240.11	182.04
Factory Expenses	8.23	1.12
Rent	2.00	1.64
Rates and Taxes	18.05	0.17
Repairs to Building	19.23	7.02
Repairs to Machinery	43.19	49.39
Repairs to others	21.52	15.78
Sales Tax Expenses	65.68	37.96
Printing and Stationery	25.68	20.03
Postage Telephone and Fax Exps	30.80	33.82
Office Rent	66.00	75.66
Director Sitting Fees	0.30	0.30
Insurance Charges	20.82	22.02
Travelling, Conveyance and Vehicle Exps	92.06	101.70
Legal & Professional Fees	121.39	139.26
Sundry Expenses	108.13	73.61
Foreign Currency Exchange Difference (Net)	13.84	-
Bank Charges	26.87	22.29
Testing and Laboratory Expenses	51.65	62.91
<u>Auditors Remuneration</u>		
For Statutory Audit Fees	3.37	3.37
For Tax Audit Fees	0.56	0.56
For Cost Audit Fees	0.67	0.67
Transport and Forwarding	259.10	148.72
Commission and Brokerage	133.88	121.59
Marketing Expenses	992.72	835.12
Sales Promotion Expenses	178.89	171.59
Advertisement	213.84	71.54
Discount	147.84	198.86
Loss on sale of Asset (Net)	1.20	0.66
Loss due to fire	12.75	-
Bad Debts	3.84	17.65
	3,278.98	2,688.78

2.29 During the earlier year, the Company introduced different modules of an ERP System integrating few of its operations at different points of time. Consequently, the Company discontinued its legacy system. Subsequently, it was found that various accounts / data could not be reconciled and as a result, the Company decided to defer further implementation until the deficiencies are resolved. Consequently, the Company reverted to legacy financial accounting systems to record transactions of the earlier as well as of the current year and draw up its books of accounts and is continuing on its dual accounting system.

As a result, some data, particularly quantitative information, has been compiled based on limited information available including from the new ERP Modules, which itself has not been tested for its accuracy. Management represents and confirms that it has taken enough care/diligence to ensure that the presented data / accounts, so computed, are materially correct and that the books of accounts shall be duly reconciled and necessary entries arising therefrom, which in the opinion of the Board will not be material, shall be given effect to in the subsequent year.

2.30 The Company has appointed internal auditor, an independent Chartered Accountant to carry out the audit of stock records maintained by the Company. The Audit inter-alia includes physical verification and valuation of inventory, summary of quantitative data with its value lying at all its factories and branches including inventory lying with the third parties and has issued a certificate dt. 10th May, 2013 valuing the inventory at ₹. 1999.59 Lacs as at 31.03.2013 and accordingly the same has been incorporated in accounts.

- 2.31** In compliance with Accounting Standard-2 (AS-2) revised, Excise Duty liability estimated at ₹ 10.75 Lacs (Previous year ₹ 9.72 Lacs) 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.
- 2.32** Confirmations have not been obtained with respect to balances of Other Long Term Liabilities, Trade Payables, Advances from Customers, Long Term Loans and Advances, Trade Receivables, Others Short Term Loans and Advances. These balances are subject to confirmations from the respective parties and consequential reconciliations and adjustments arising there from, if any. The management, however, does not expect any material variation.
- 2.33** Capital Advances of ₹ 9.11 Lacs (Prev Year ₹ 8.53 Lacs), Advances to Suppliers ₹ 21.08 Lacs (Prev Year ₹ 25.06 Lacs) and Advances to others ₹ 5.20 Lacs (Prev Year ₹ 4.17 Lacs) are old receivable due for more than three years and Trade Receivables of ₹ 191.52 Lacs (Prev Year ₹ 174.48 Lacs) due for more than one year which in the opinion of auditors may not be recoverable and not been provided for. The Management is of the opinion that these are good and realisable and thus no provision is required.
- 2.34** In the opinion of the management inventories of ₹ 1999.59 Lacs (Previous year ₹ 1690.94 Lacs) 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.
- 2.35** (a) The Company had entered into various transactions with companies in which directors are interested without prior approval of the Central Government. u/s 297 of the Companies Act, 1956. The same has been compounded by the Authority vide its order dated 14 Dec, 2012.
 (b) The company had also made an application during July, 2012 u/s 297 for approval of the future transactions with few of the companies in which directors are interested. Though the same has been approved for by the Authority, it is for the lesser amount. Accordingly, the Company has exceeded the limit specified in the said Order. The Company has decided to reapply and get the limit increased so as to cover these transactions.
 (c) The Company has also into some other transactions with few other parties in which directors are interested without the prior approval of the central Government u/s 297 of the Companies Act, 1956. The Company has yet to apply for compounding of offence of inadvertent non-compliance for the said transactions and get the same approved and regularising.

2.36 CONTINGENT LIABILITIES:

	As At 31.3.2013 (₹ in Lacs)	As At 31.3.2012 (₹ in Lacs)
A Estimated amount of contract remaining to be executed On capital account and not provided for	219.51	292.22
B Letter of Credit	131.55	239.13
C Bank Guarantee	7.35	17.00
D Claims against company not acknowledge as Debts, Being disputed	110.49	108.86
E Labor Cases	2.50	0.70
F Other Commitments		

Details of other commitments arising out of major Contracts entered into by the Company

The Company has entered into an agreement revising earlier arrangement for availing marketing services with Gufic Private Limited, a company in which directors are interested. In terms of the said agreement, consideration committed is 13.5 % of the turnover of the company and in future it shall be additional 10% on increased sales over and above the sales for financial year ended 2011-12. The company is also required to pay an additional interest free deposit equivalent to three months of expected monetary expenses.

2.37 EXPENDITURE IN FOREIGN CURRENCY:

	As At 31.3.2013 (₹ in Lacs)	As At 31.3.2012 (₹ in Lacs)
A Value of Imports on C.I.F Basis: Raw Materials / Merchant Goods	625.58	293.09
B Expenditure in Foreign Currency: Traveling Expenses Commission and Other Expenses	10.95 11.50	17.70 41.99

2.38 EARNINGS IN FOREIGN CURRENCY:

Export Sales calculated on FOB basis	1,169.46	871.38
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2.39 Gratuity benefit plans:

The Company's Provision for Gratuity as at the close of the year has been computed by the Actuary appointed for the purpose as per the AS 15(Revised), adopting the "Projected Unit Credit Method". The Company has also taken the Policy to partly fund the liability.

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The following tables summarise the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet.

	Apr 12-Mar 13	Apr 11-Mar 12
I Assumptions:		
Discount Rate	8.25%	8.75%
Rate of Return on Plan Assets	8.25%	8.75%
Salary Escalation	3.00%	3.00%
Attrition Rate	1.00%	1.00%
II Table Showing Change in Benefit Obligation:		
Liability at the beginning of the Period	9,461,272	9,356,950
Interest Cost	827,861	771,948
Current Service Cost	410,556	498,857
Past Service Cost (Vested Benefit)	-	-
Benefit Paid	(1,015,382)	(1,097,972)
Actuarial (gain)/loss on obligations	780,536	(68,511)
Liability at the end of the Period	10,464,843	9,461,272
III Tables of Fair value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the Period	1,986,184	2,688,952
Expected Return on Plan Assets	173,791	221,839
Contributions	205,528	208,721
Benefit Paid	(1,015,382)	(1,097,972)
Actuarial gain/(loss) on Plan Assets	(16,265)	(35,356)
Fair Value of Plan Assets at the end of the Period	1,333,856	1,986,184
Total Actuarial Gain/(Loss) to be Recognised	796,801	(33,155)
IV Actual Return on Plan Assets:		
Expected Return on Plan Assets	173,791	221,839
Actuarial gain/(loss) on Plan Assets	(16,265)	(35,356)
Actual Return on Plan Assets	157,526	186,483
V Amount Recognised in the Balance Sheet:		
Liability at the end of the Period	(10,464,843)	(9,461,272)
Fair Value of Plan Assets at the end of the Period	1,333,856	1,986,184
Difference	(9,130,987)	(7,475,088)
Amount Recognised in Balance Sheet	(9,130,987)	(7,475,088)
VI Expenses Recognised in the Income Statement:		
Current Service Cost	410,556	4,98,857
Interest Cost	827,861	771,948
Expected Return on Plan Assets	(173,791)	(221,839)
Past Service Cost (Vested Benefit)	--	--
Recognised Net Actuarial (Gain)/Loss	796,801	(33,155)
To Be Recognised Expense Recognised in P&L A/C	1,861,427	1,015,811
VII Amount Recognised:		
Opening net liability	7,475,088	6,667,998
Expense as above	1,861,427	1,015,811
Employers Contribution paid	(205,528)	(208,721)
Closing net Liability	9,130,987	7,475,088
VIII Other Details:		
No of Members	192	173
Salary per month	1,554,532	1,413,757
Contribution for next year	1,554,532	1,258,759
IX Category of Assets:		
Insurer Managed Funds	1,333,856	1,986,184
Total	1,333,856	1,986,184

X Experience Adjustment:

Experience adjustments on plan liabilities
Experience adjustments on plan liabilities (Gain)/Loss

482,515
(16,265)

234,289
(35,356)

2.40 Borrowing Cost capitalised as Fixed Assets in F.Y. 2012-2013 ₹ 12.30 Lacs (Prev Year NIL)

2.41 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

(₹ in Lacs)

Sr.	Particulars	Formulations		Bulk Drugs		Consumer		Total	
No.		31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
1	SEGMENT REVENUE								
	Sales and Services (Inclusive of Excise and Net of returns)	8,440.44	6,807.51	1,170.05	1,139.81	944.87	673.82	10,555.35	8,621.14
	Add: Unallocated Income							54.70	52.12
	TOTAL SEGMENT REVENUE	8,440.44	6,807.51	1,170.05	1,139.81	944.87	673.82	10,610.05	8,673.26
2	SEGMENT RESULTS	1,563.17	1,293.43	198.34	193.77	176.66	129.78	1,938.17	1,616.97
	Less: Unallocated Expenses							810.91	868.78
	Financial Charges							383.00	263.07
	Depreciation							217.95	188.12
	Tax Provision							193.39	144.30
	PROFIT AFTER TAX							332.92	152.71
3	OTHER INFORMATION								
	Segment Assets	5,668.89	4,688.15	1,143.24	722.35	400.90	330.23	7,213.03	5,740.73
	Add: Unallocated Assets							1,744.61	1,672.04
	Total Assets							8,957.64	7,412.78
	Segment Liabilities	670.67	1,114.30	719.59	827.08	102.25	163.24	1,492.52	2,104.62
	Add: Unallocated Liabilities							5,225.73	3,356.75
	Total Liabilities							6,718.25	5,461.37
	Capital Expenditure								
	Capital Expenditure Incurred	842.51	185.46	112.17	42.13	192.15		1,146.82	227.59
	Unallocated Capital Expenditure							--	--
	Depreciation	164.09	138.17	15.03	11.05	0.05	--	179.17	141.33
	Unallocated Depreciation							38.78	39.32

(₹ in Lacs)

4 ADDITIONAL INFORMATION	In India		Out of India		Total	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
1. Revenue by Location of Customer	9,385.89	7,749.76	1,169.46	871.38	10,555.35	8,621.14
2. Segment Assets by Location of the Customer	8,811.12	7,412.78	146.52	--	8,957.64	7,412.78
3. Capital Expenditure by Location of the Customer	784.52	227.59	362.30	--	1,146.82	227.59

2.42 The amount of lease payments in respect of operating leases recognised in the profit and loss account was ₹ 87.44 Lacs (Previous year ₹ 77.18 Lacs) The minimum future payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows :

- Not later than one year ₹ 1.20 Lacs (Previous year ₹ 1.20 Lacs)
- Later than one year but not later than five years ₹ 3.90 Lacs (Previous year ₹ 4.80 Lacs)
- Later than five years ₹ Nil (Previous year ₹ 0.30 Lacs)

During the current year ended March 31, 2013 the lease payments recognised in the Profit and Loss Account for the aforesaid arrangements amounts to ₹ 97.44 Lacs (Previous year ₹ 77.18 Lacs)

GUFIC BIOSCIENCES LIMITED

2.43 EARNINGS PER SHARE (EPS):

	Year Ended 31.3.2013 (₹ in Lacs)	Year Ended 31.3.2012 (₹ in Lacs)
Profit After Taxes	332.92	152.71
No. of Equity Share (Lacs)	773.50	773.50
Earning Per Share	0.43	0.20

2.44 Considering the nature, existing and projected sales and profitability, the Board is of the opinion that no impairment of assets is required. Being too technical, Auditors have relied upon the same and hence impairment, If any, has not been recognised

2.45 RELATED PARTY DISCLOSURES FOR THE PERIOD ENDED 31.03.2013

(₹ in Lacs)

Name of the Party Nature of Relationship	Gufic Chem Pvt Ltd	Gufic Pvt Ltd	Jal Pvt Ltd	Gufic Stridden Pvt. Ltd.	Gufic Healthcar Ltd	Gufic Life Sciences Pvt Ltd	Zircon Finance & Leasing Pvt Ltd	Jayesh P. Choksi (Managing Director)	Pranav J. Choksi (Executive Director)	Dr. M. G. Dhaplapur (Managing Director)	Vipula J. Choksi (Relatives of (Managing Director)
	(Controlled Through Key Managerial Personnel)										
Nature of Transaction	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)	This year (Previous year)
Purchase of Goods and exp. re-imbursement	64.52	159.96	--	--	--	--	--	--	--	--	--
(Previous Year)	(24.33)	(216.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Usage of Services	50.47	1,173.35	9.74	--	--	--	--	--	--	--	--
(Previous Year)	(46.22)	(853.39)	(13.52)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sales of Goods	9.78	92.09	--	24.77	--	--	--	--	--	--	--
(Previous Year)	(7.64)	(119.10)	(-)	(2.71)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Services Render	--	10.25	--	16.88	--	--	--	--	--	--	--
(Previous Year)	(-)	(19.95)	(-)	(3.10)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rent Paid	--	1.20	--	--	--	--	--	--	--	--	--
(Previous Year)	(-)	(1.20)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration Paid	--	--	--	--	--	--	--	17.86	4.88	3.60	--
(Previous Year)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(15.33)	(4.88)	(3.45)	--
Closing Bal Receivable/ (Payable) by way											
Security Dep.	120.00	300.00	--	--	--	--	--	--	--	--	--
(Previous Year)	(120.00)	(300.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	(19.20)	333.60	0.97	35.71	0.62	4.76	(55.66)	(277.07)	(60.29)	(0.84)	(43.50)
(Previous Year)	(2.32)	(472.20)	(5.67)	(1.60)	(0.62)	(-)	(44.40)	(173.48)	(54.29)	(0.52)	(22.50)

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

As per our Report of even date attached
For Mayur Chokshi & Co
Chartered Accountants

For and on behalf of the Board of Directors

Mayur Chokshi
Proprietor
Firm Registration No. 106116W
(Membership No.33936)
Mumbai - 30th May, 2013

Jayesh P. Choksi
Chairman &
Managing Director

Mumbai - 30th May, 2013

Dr Sharat Gandhi
Director

Prakash Khulbe
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.

33519

State Code

11

Balance Sheet Date

31.03.2013

Registration Date

23.07.1984

II. Capital raised during the year (₹ in Lacs)

Public Issue

Nil

Right Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

III. Position of mobilisation and deployment of funds (₹ in Lacs)

Total Liabilities

8957.64

Total Assets

8957.64

Sources of Funds

Paid Up Capital

773.50

Reserves and Surplus

1465.89

Non Current Liability

2350.46

Current Liability

4367.79

Application of funds

Non Current Assets

3718.54

Current Assets

5239.10

Net Current Assets

--

Deferred Tax Liability

--

Misc. Expenditure

--

Accumulated Losses

--

IV. Performance of company (₹ In Lacs)

Total Income

10053.01

Total Expenditure

9526.70

Profit Before Tax

526.31

Profit After Tax

332.92

Earning Per Share in ₹.

0.43

Dividend Rate %

5%

V. Generic Names of Three Principal Products / Services Of the Company (As per monetary Terms)

Item Code No. (ITC Code)

300490.01

Product and Description

294200.90

Ayurvedic Medicine

560110.00

Bulk Drug-Lidocaine

Sanitary Napkins

As per our Report of even date attached

For Mayur Chokshi & Co

Chartered Accountants

For and on behalf of the Board of Directors

Mayur Chokshi

Proprietor

Firm Registration No. 106116W

(Membership No.33936)

Mumbai - 30th May, 2013

Jayesh P. Choksi

Chairman &

Managing Director

Mumbai - 30th May, 2013

Dr Sharat Gandhi

Director

Prakash Khulbe

Company Secretary

CONSUMER PRODUCTS DIVISION



ETHICAL DIVISION PRODUCTS



After pregnancy,
Stretch Marks
can make you
look like this...

**STRETCH
NIL**

Herbal Lotion for Prevention
of Pregnancy Stretch Marks



Available at all
leading Medical
outlets

Unless you
prevent them
with **StretchNil.**

- Stretch marks mean **ugly, permanent** marks on your skin
- Apply StretchNil from the **fourth month of pregnancy** till delivery, twice a day
- StretchNil has six **natural ingredients** that control itchiness and improve elasticity
- Clinical reports show that StretchNil is **safe** for you and your baby



GUFIC
BIOSCIENCES LIMITED

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