



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

Monday, 27th August, 2014

Dear Member,

You are cordially invited to attend the 30th Annual General Meeting of the members of the Company to be held on Friday, 26th September, 2014 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. Santoshkumar Sharma
Company Secretary,
Gufic Biosciences Ltd.,
Dorr Oliver House”,
2nd Floor, B. D. Sawant Marg,
Chakala, Andheri (East),
Mumbai -400 099,
Maharashtra, India
(Tel.: 91 22 67261000, Fax: 91 22 67261067).
email: mgr_legal@guficbio.com

Thanking you,

Yours truly,

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

Jayesh P. Choksi
Chairman & Managing Director



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NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of Gufic Biosciences Limited will be held on Friday, 26th September, 2014 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:

1. To receive, consider and adopt the Audited Financial Statements of the Company including audited Balance Sheet as at 31st March, 2014, audited Profit & Loss account for the year ended 31st March, 2014 together with the Report of Directors and Auditors thereon.
2. To declare Final Dividend for the year ended 31st March, 2014.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an

ORDINARY RESOLUTION:

"RESOLVED THAT M/s. SHR & Co., Chartered Accountants (Registration No. ICAI FRN 120491W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company at such remuneration as agreed upon by the Board of Directors and the Auditors."

SPECIAL BUSINESS:

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

ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Sharat S. Gandhi (DIN 00001730), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges (NSE&BSE), whose office is liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member of the company proposing his name as a candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Ashok M. Tarale (DIN 00009948), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges (NSE&BSE), whose office is liable to be

determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from himself proposing his name as a candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Shreyas k. Patel (DIN 03207409), who was appointed as an Additional Director of the Company with effect from August 27th, 2014 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member of the Company proposing his name as a candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Jagdish D. Shah (DIN 06672538), an Independent Director of the Company pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges (NSE&BSE), whose office is liable to be determined by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from himself proposing his name as a candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation."

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

ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 148 of the

Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 60,000 plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2015 as approved by the Board of Directors at the meeting held on August 27th, 2014 of the Company, to be paid to M/s. KALE & ASSOCIATES for the conduct of cost audit of the company's manufacturing plants situated at Navsari, Gujarat, be and is hereby ratified and confirmed."

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

SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded for keeping the Statutory Registers and/or records, Copies of all Annual Returns to be maintained under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required to be maintained by the Companies Act, 2013 read with The Companies (Management And Administration) Rules, 2014) (including any statutory modification or re-enactment therefor for the time being in force) at the corporate office of the Company 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai – 400 099."

"RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorised to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

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

SPECIAL RESOLUTION:

"RESOLVED THAT in supersession of the earlier resolutions passed under Section 293 (1) (d) and pursuant to the provisions of Section 180 (1)© and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or constitute hereafter to exercise powers conferred by this resolution) to borrow any sum or sums of money from time to time from Banks or one or more bodies corporate or Financial Institutions or from other person(s) by way of cash credit, advances, term loans or in any other manner, whether unsecured or secured by mortgage, charge, hypothecation or pledge of the company's assets and properties whether movable and/or immovable or stock in trade (including raw materials, stores in-stock or in-transit), work-in-process and debts and advances, in excess of the aggregate of the paid up share capital and free reserves of the Company which have not been set a part for any specific purpose, provided that the sum or sums so borrowed together with moneys, if any, already borrowed by the Company (a part from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not at any time exceed ₹ 200 crores (Rupees Two Hundred crores only) over and above the aggregate of the

paid up share capital and free reserves of the Company."

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

SPECIAL RESOLUTION:

"RESOLVED THAT in supersession of the earlier resolutions passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or constitute hereafter to exercise powers conferred by this resolution) to mortgage and/or charge all or any of the immovable and/or moveable, tangible or intangible properties or assets of the Company, wherever located or dispose-off the whole or substantially the whole of the undertaking(s) of the Company on such terms, in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the company in certain events to or in favour of all or any of the following, namely Financial Institutions, State Financial Institutions / Companies, banks, Insurance Companies, Trustees for holders of debentures and secured lenders or any creditors/lenders (hereinafter referred to as 'the Lenders') for securing any loan(s) (both in Rupee currency as well as foreign currency) and/or advances already obtained or debts already incurred or that may hereafter be obtained or incurred from any of the Lenders and/or to secure any debentures issued/that may be issued, all financial obligations/commitments altogether with interest, damages, remuneration of Trustees/agents, all other costs, charges, expenses and monies payable by the company to the concerned Lenders, and/or Agents and Trustees for debentures in terms of respective Loan Agreements/Heads of Agreement/Hypothecation Agreement/Trustees' Agreement/Letter of Sanction or other document entered or that may be entered (hereinafter collectively referred to as "the Loans"), provided that the principal amount of the Loans (other than temporary loans including working capital facilities obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed the limits of ₹ 200 crores (Rupees Two Hundred crores only);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise with any of the lenders, or other persons, jointly or severally the documents for creating aforesaid mortgage/charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board of Directors to be in the best interest of the Company."

By order of the Board of Director

SantoshKumar J. Sharma
Company Secretary & Assistant Manager– Legal
August 27th, 2014

Note

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person cannot act as proxy for members not exceeding 50 (Fifty) and holding in aggregate not more than ten percent of the total share capital of the Company.
 2. The proxy form, in order to be effective, must be duly completed, signed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting. Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
 3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
 5. Pursuant to Clause 49 of the Listing Agreement, details of Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice.
 6. The Register of Members and the Transfer Books in respect of the Equity Shares will remain closed from Monday, 22nd September, 2014 to Friday, 26th September, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year ended 31st March, 2014, if approved by the Members.
 7. The Board of Directors of the Company at their meeting held on August 27th, 2014 has recommended a dividend of Re. 0.05 per share on equity share of Rs. 1 each as final dividend for the Financial Year 2013-14.
 8. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 27th September, 2014. In respect of shares held in physical form, the dividend will be paid to those Members whose names shall appear on the Company's Register of Members as on 20th September, 2014. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on 20th September, 2014.
 9. In order to prevent fraudulent encashment of dividend warrants, in respect of shares held in demat mode, bank particulars registered against respective depository accounts will be used by the Company for payment of dividend through ECS/NEFT. Please note that the Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. In respect of shares held in physical mode, members are requested to furnish to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details which will be printed on the dividend warrants. Shareholders' are also requested to register with the Company for payment of dividend through ECS/ NEFT and provide the necessary details to R & T Agents.
 10. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents.
11. In terms of Sections 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Accordingly, the unpaid dividend lying in dividend account of the year 2006-2007 will be transferred to Investor Education and Protection Fund at appropriate time in the current financial year. Members who have not encashed their dividend warrants are requested to write to the Registrars & Share Transfer Agents.
 12. All documents referred to in the accompanying Notice are open for inspection at the Corporate Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) up to the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.
 13. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.
 14. To support the green initiative of the Government, electronic copy of the Annual report for the year ended 31st March, 2014 is being sent to the members whose mail IDs are available with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 is being sent in the permitted mode. Please note that the annual report and the notice of the 30th Annual General Meeting are also posted on the website "www.guifbio.com" for download and copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting, if required.
 15. In order to facilitate e-voting on the resolutions by members, electronic copy of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 16. Voting through electronic means
 - i. Log on to the e-voting website www.evotingindia.com
 - ii Click on "Shareholders" tab.
 - iii Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iv Now Enter your User ID
 - a For CDSL: 16 digits beneficiary ID,
 - b For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v Next enter the Image Verification as displayed and Click on Login.

vi If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

viii After entering these details appropriately, click on "SUBMIT" tab.

ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on

"OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on September 20th, 2014 9.00 a.m. and ends on September 22nd, 2014 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22nd, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

17. The members are requested to:

i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;

ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;

iii. Dematerialise the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialised form for all the investors.

iv. avail of the facility of nomination by nominating in the prescribed "NOMINATION FORM" a person to whom his/her shares in the Company shall vest in the event of his/her death.

v. update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the DP in case of shares held in demat form.

18. Mr. Gajanan Aathavale, a Practicing Company Secretary, Mumbai (Membership No. A28306 Certificate of Practice No. 10121) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
19. The Scrutinizer shall within a period not exceeding 3(three) working days from the conclusion of the e voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

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

ITEM NOS. 4, 5 and 7

Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale, and Mr. Jagdish D. Shah are currently Non-Executive Independent Directors of the Company in pursuance of the Listing Agreement. Sections 149 & 152 read with Schedule IV of the Companies Act, 2013 (the "Act") and amended Clause 49 of the Listing Agreement, inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

In view of the same, it is proposed to appoint Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah as Independent Directors under Section 149 of the Act and amended Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has received notices in writing from along with the deposit of requisite amount under Section 160 of the Act proposing their candidatures for the office of Director of the Company.

The Company has also received declarations from Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management.

Brief profiles of Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah, their expertise in Specific Functional Area, Directorships and Committee positions held by them in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Copies of the draft letter for appointment of Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah as Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

Except Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale and Mr. Jagdish D. Shah, being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 4, 5 & 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 6

Mr. Sheryas K. Patel who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective August 27th, 2014 holds office upto the date of this Annual General Meeting, and is eligible for appointment as Non-Executive Independent Director of the Company.

In view of the same, it is proposed to appoint Mr. Sheryas K. Patel Independent Directors under Section 149 of the Act and amended Clause 49 of the Listing Agreement, for a period of upto five years, not liable to retire by rotation.

He is not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has received notices in writing from along with the deposit of requisite amount under Section 160 of the Act proposing their candidatures for the office of Director of the Company.

The Company has also received declarations from Mr. Sheryas K. Patel he meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board Mr. Sheryas K. Patel fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management.

Brief profiles of Mr. Sheryas K. Patel, their expertise in Specific Functional Area, Directorships and Committee positions held by them in other Companies are included separately in this Notice and report on Corporate Governance forming part of the Annual Report.

Copies of the draft letter for appointment of Mr. Sheryas K. Patel Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) upto the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.

Except Mr. Sheryas K. Patel being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO. 9

Certain Registers and Documents which are normally required to be kept at the Registered Office of the Company could be kept at a place other than the Registered Office of the Company, provided such other place has been approved by the Members by way of a Special Resolution all the Statutory Registers and/or records, Copies of all Annual Returns to be maintained under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required to be maintained by the Companies Act, 2013 read with The Companies (Management And Administration) Rules, 2014) (including any statutory modification or re-enactment therefor for the time being in force) ,at the corporate office of the of the Company 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai -400 099."

ITEM NO. 8

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice for auditing the cost records of the Company on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee, the Board has considered and approved appointment of M/s. KALE & ASSOCIATES, Cost Accountants, for the conduct of the Cost Audit of the company's manufacturing plants situated at Nasari Gujarat, at a remuneration of Rs. 60,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, for the financial year ending 31st March, 2015.

None of the Directors and/or Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9

ITEM NOS. 10 & 11

The Companies Act, 2013 has been enacted and is being enforced and implemented in place of the Companies Act, 1956. Section 180(1)© of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution. In view of this, the earlier resolution passed by the members need to be renewed by passing a Special Resolution under Section 180(1)(c) and other

applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

Further, section 180(1)(a) requires passing of Special Resolution by the members for authorising the Company to mortgage and/or charge its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees.

Approval of members is being sought to authorise the Company to borrow money upto ₹ 200 Crores (Rupees Two Hundred crores) in excess of the aggregate of the paid up share capital and free reserves of the Company and to mortgage, charge, sell, lease or dispose off the Company's assets and undertaking(s) for securing the borrowings.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 & 12.

By order of the Board of Director

Santosh Kumar J. Sharma
Company Secretary & Assistant Manager- Legal
August 27th, 2014

Details of the Directors seeking appointment/re-appointment at 30th Annual General Meeting (pursuant to Clause 49 IV (G) of the Listing Agreement)

Name of Director	Mr. Sharat S. Gandhi	Mr. Ashok M. Tarale	Mr. Jagdish D. Shah	Mr. Shreyas k Patel
Date of Birth	07/05/1989	08/03/1951	14/11/1952	31/12/1962
DIN NO.	00001730	00009948	06672538	03207409
Date of Appointment	31/07/2002	31/01/2003	01/08/2012	27/08/2014
Qualification				
i. Educational	M.B.B.S.	B.Com	C. A.	Diploma in Chemical Engineering
ii. Experience in years	40+	40+	30+	30+
iii. No. of shares held in the company	NIL	NIL	NIL	Pristinge Roboweld Pvt. Ltd.
iv. Other Directorships in Companies	NIL	NIL	NIL	NIL
v. Membership of committees (M-Member, C- Chairman)	NIL	NIL	NIL	NIL



CIN. L65990MH1984PLC033519

Redg. Office: 37, Frist Floor, Kamala Bhavan II, S. Nityananad Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.
Corp. Office: 2ND Floor, 'Dorr Oliver' House, B. D. SawantMarg, Chakala, Andheri (East), Mumbai – 400 099, Maharashtra, India.
• Ph.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68 • E-mail:-gufic@guficbio.com • website:www.guficbio.com

ATTENDANCE SLIP

I hereby record my presence at the **30TH ANNUAL GENERAL MEETING** of the Company held on Friday, 26th September, 2014 at 2:30 p.m. at at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057.

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

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

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March, 2014 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.
3. Physical copy of the Annual Report for the year ended 31st March, 2014 and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-Voting Information

EVEN (Electronic Voting Event Number)	User	ID Password

PROXY FORM

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

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

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

1. Name: _____ Address : _____
 E-mail ID: _____ Signature: _____ or failing him;

2. Name: _____ Address : _____
 E-mail ID: _____ Signature: _____ or failing him;

3. Name: _____ Address : _____
 E-mail ID: _____ Signature: _____ or failing him;

As my / our proxy to attend and vote (on poll) for me/us and on my/ our behalf at the 30th Annual General Meeting of the Company, to be held Friday, 26th September, 2014 at 2:30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Optional	
		For	Against
ORDINARY BUSINESS I.			
1.	Adoption of Financial Statements for the year ended 31st March, 2014.		
2.	Approval of Final Dividend for the year 2014.		
3.	Appointment of M/s. SHR & Co. as Statutory Auditors.		
SPECIAL BUSINESS3.			
4.	Ordinary Resolution for Appointment of Mr. Sharat S. Gandhi as an Independent Director.		
5.	Ordinary Resolution for Appointment of Mr. Ashok M. Tarale as an Independent Director.		
6.	Ordinary Resolution for Appointment of Mr.Shreyas K. Patel as an Independent Director.		
7.	Ordinary Resolution for Appointment of Mr. Jagdish D. Shah as an Independent Director.		
8.	Ordinary resolution ratifying the appointment and remuneration of Cost Auditors.		
9.	Special resolution for keeping Register of company other than Register office.		
10.	Special resolution authorizing the Board u/s. 180(1)(c) of Companies Act, 2013 to borrow monies.		
11.	Special resolution authorizing the Board u/s. 180(1)(a) of Companies Act, 2013 to mortgage and/or charge, assets and undertaking (s) of the Company for the purpose of borrowings.		

Signed this _____ day of _____ 2014

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy need not be a member of the company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- For the Resolution, Explanatory Statement and Notes, please refer to Notice of the 30th Annual General Meeting forming part of the Annual report.
- *It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details including details of member(s) in above box b



30TH ANNUAL REPORT 2013-2014



PHARMA DIVISION PRODUCTS



SPECIALITY PRODUCTS



BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	(Chairman & Managing Director)
Mr. Pranav J. Choksi	(Executive Director)
Dr. M. G. Dhapalapur	(Executive Director)
Mr. Sharat S. Gandhi	(Non-executive Independent Director)
Mr. Ashok M. Tarale	(Non-executive Independent Director)
Mr. Pankaj J. Gandhi	(Executive Wholtime Director)
Mr. Jagdish D. Shah	(Non-executive Independent Director)
Mr. Khantilal N. Sanghavi	(Non-executive Independent Director)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Santoshkumar J. Sharma

AUDITOR

S H R & Co (FRN. 120491W)

BANKERS

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

REGISTERED OFFICE ADDRESS

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

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

CORPORATE OFFICE

2ND Floor, 'Dorr Oliver' House, B. D. Sawant Marg,
Chakala, Andheri (East), Mumbai – 400 099, Maharashtra, India.
• Tel.: 022 – 6726 1000 • Fax: 022 – 6726 1067 / 68

PLANT

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

REGISTRAR AND TRANSFER AGENTS

LINK INTIME INDIA PVT. LTD.
C – 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

30th Annual General Meeting

DAY & DATE

Friday, 26th September, 2014

TIME

2.30 PM.

VENUE

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

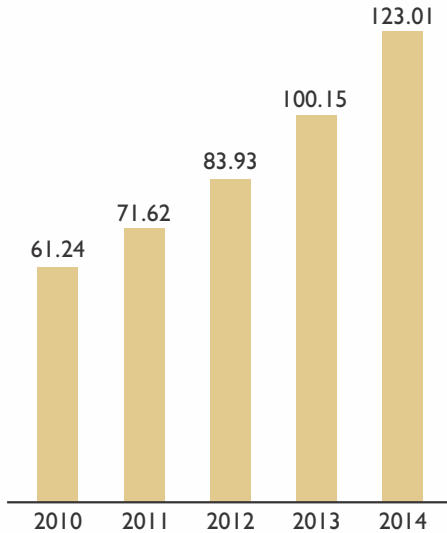
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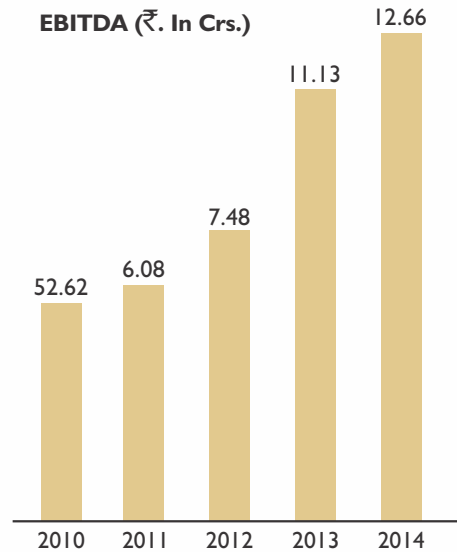
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FINANCIAL HIGHLIGHTS

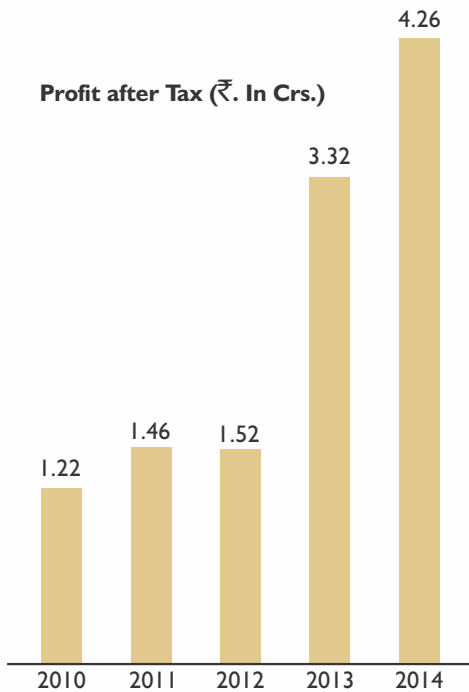
Revenue from Operation (₹. in Crs.)



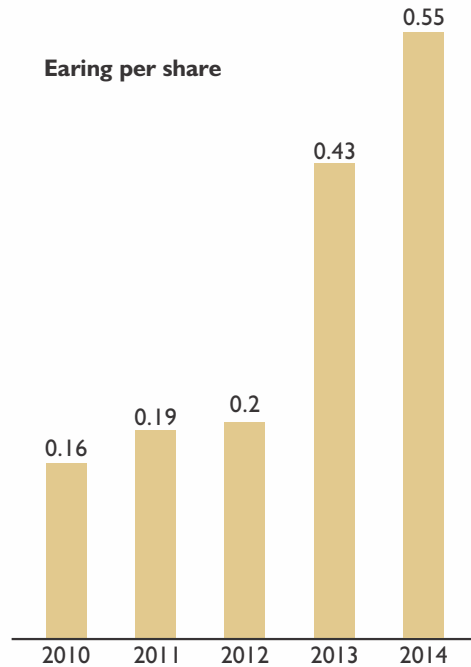
EBITDA (₹. In Crs.)



Profit after Tax (₹. In Crs.)



Earing per share



It was another year of sound performance which demonstrates our comprehensive strategic planning, robust execution capability and strong management bandwidth. We have been consistently making efforts to move up the value chain. It is due to our values, hard-work and tenacity of our dedicated team of professionals that we find ourselves in a stable, sound and sustainable position today. With revenue at ₹123.01 Crs. and profit after tax of ₹4.26 Crs. we have been able to post a growth of 23% and 28% respectively.

Chairman's Message

Dear Shareholder,

In 2014, Gufic has delivered record turnover for the third successive year. Your Company's performance for the year ended 31st March, 2014 has been good, scaling newer heights in terms of sales and profits which reflect the solid execution of our business plans

At the same time, we expanded our worldwide footprint and continued an aggressive launch of advanced new products. Our commitment to being a good corporate citizen and employer led to higher levels of volunteerism and engagement.

For the fiscal year, Gufic reported profit of ₹ 4.26 Crores on total sales and revenues of ₹ 123.01 Crores. Profit was up 28.08 percent. Earnings per share rose fully 27.90 percent. Gufic has continued with its best efforts to further strengthen the quality assurance and control processes, with the ultimate purpose of delivering quality medicines worldwide. I firmly believe that this must be the bedrock of the pharmaceutical business. Our performance was good in both, the developed and emerging markets. We believe the emerging markets will continue to offer opportunities in the coming years. With a strong presence in these markets, your company is well poised to capitalise on this trend.

Employees are one of our critical assets and the cornerstone of our future growth. I deeply appreciate the consistent and sincere hard work of all my fellow Guficians, who have once again risen to the occasion and demonstrated tremendous grit and determination in overcoming the challenges faced by the company and turning the tide in our favour. Going forward, there will be even greater focus on building a high-performance culture that nurtures excellence, collaboration and greater team spirit with a view to shaping an organisation that is more nimble and responsive.

In the last few years, Gufic has transformed into a company that is more professional with a strong orientation on quality and processes. We are progressing towards a new culture that is open and transparent, driven by harmony, trust and integrity. Trust is very important as it lends credence to the company as a whole. In the coming years, you will see a good measure of strategic changes in Gufic aimed at transforming the company into a more profitable and sustainable global enterprise. We will deploy our resources in building intellectual capital, improving processes and systems, capacities, infrastructure and in exploring markets that will further build and strengthen our future.

I, on behalf of the Board of Directors, would like to take this opportunity to thank all our shareholders for the trust and cooperation extended in making Gufic a leading generic pharmaceutical company. The Board values the interest of all its shareholders and is especially cognizant of the interest of the minority shareholders. I would like to reassure you that the Board remains committed in building a stronger Gufic that will create value for you and all the other stakeholders.

Yours truly,
For Gufic Biosciences Limited



Jayesh P. Choksi
Chairman & Managing Director

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 30th Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL SUMMARY :

₹ in Lacs

Particulars	2013-14	2012-13
Total Revenues	12363.65	10014.41
Profit Before Interest, Depreciation and Tax (PBIDT)	1265.68	1113.35
Interest	391.57	369.07
Depreciation	246.77	217.95
Profit Before Tax (PBT)	627.34	526.31
Provision for Tax	151.00	149.50
Excess Provisions Written Back	42.90	(9.30)
Provision for Deferred Taxation	7.01	53.19
Profit After Tax (PAT)	426.43	332.92
Surplus Brought Forward	1318.68	1030.71
Balance Available for Appropriation	1745.11	1363.63
Appropriations:		
Dividend	38.68	38.68
Tax on Dividend	6.27	6.27
Transfer to General Res.		--
Surplus Carried Forward	1700.16	1318.68

FINANCIAL HIGHLIGHTS :

During the year under review the sales increased to ₹ 12363.65 Lacs in comparison to previous year's ₹ 10014.41 Lacs an increased of 22.83%. PBIDT increased by 13.68% and PBT increased by 19.19% PAT increased by 28.08%.

DIVIDEND :

Please refer to Appendix No. I (As Attach)

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 2014- 2015 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, 2014 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.

GUFIC BIOSCIENCES LIMITED

CORPORATE GOVERNANCE REPORT

Your Company believes Corporate Governance is at the core of stakeholder satisfaction. Your Company's governance practices are described separately in this Annual Report. Your Company has obtained a certification from SHR & Co., Chartered Accountants on our compliance with Clause 49 of the Listing Agreement with Indian Stock Exchanges. This certificate is attached to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Agreement with the stock exchanges is provided in a separate section and forms a part of this report.

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

The additional information relating to Conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is given in annexure 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:

Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale, and Mr. Jagdish D. Shah are currently Non-Executive Independent Directors of the Company liable to retire by rotation. In view of the provisions of Sections 149 & 152 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, it is proposed to appoint Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale, and Mr. Jagdish D. Shah as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, at the ensuing Annual General Meeting for a period of upto five years, not liable to retire by rotation. The Company has received notices in writing proposing for appointment of Mr. Sharat S. Gandhi, Mr. Ashok M. Tarale, and Mr. Jagdish D. Shah as Independent Directors.

Mr. Sheyas K. Patel who was appointed as additional director on the meeting held on August 27, 2014 it is proposed to appoint Mr. Sheyas K. Patel as Independent Directors under Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement, at the ensuing Annual General Meeting for a period of upto five years, not liable to retire by rotation. The Company has received notices in writing proposing for appointment of Mr. Shreyas K. Patel as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

AUDITORS:

Your Company's statutory auditors, M/s. SHR & Co., Chartered Accountants, Mumbai, retire at the conclusion of ensuing Annual General Meeting. Your Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of section 139 and 141 of the Companies Act, 2013 and are eligible for re-appointment. Audit Committee and the Board recommend their reappointment.

AUDITOR'S REPORT:

The remarks as contained in the Auditor's Report read with Notes forming part of the accounts are self-explanatory.

GREEN INITIATIVE:

The Ministry of Corporate Affairs has taken the Green Initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send all communications to its shareholders to their respective registered E-mail addresses. Your Company appeals to you, its shareholders, who are yet to register your E-mail addresses that you take necessary steps for registering the same so that you can also become a part of the initiative and contribute towards a Greener environment.

GRATITUDE AND ACKNOWLEDGMENTS:

Your Directors wish to thank all stakeholders, medical professionals, business partners, government, other statutory bodies, banks, financial institutions and shareholders for their assistance, co-operation and encouragement. Your Directors also place on record their sincere appreciation for significant contribution made by the employees at all levels through their dedication, hard work and commitment and look forward to their continued support and unstinting efforts in ensuring an excellent all round operational performance.

For and on behalf of the Board of Directors,

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 31.03.14	Year ended 31.03.13
(a) Electricity			
Purchased Units	Kwh	2505396	2534930
Total amount	₹ in Lacs	179.37	169.01
Rate per unit (average)	₹	7.16	6.67
(b) Furnace Oil			
Quantity	Ltrs.	179518	273264
Total Cost	₹ in Lacs	76.74	113.45
Average Cost	₹	42.75	41.52

(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 ₹ 922.88 Lacs and for the previous year it was ₹ 1169.46 Lacs and the total foreign exchange outgo amounted to ₹ 1876.31 Lacs and for the previous year it was ₹ 1064.19 Lacs.

For and on behalf of the Board of Directors

Jayesh.P. Choksi
Chairman & Managing Director
Mumbai : 30th May, 2014

MANAGEMENT DISCUSSION & ANALYSIS REPORT :

Global Pharma Industry – an overview

The Global Pharma scenario remains dynamic and challenging. We are witnessing various new developments that make one believe that the ensuing years for pharma companies will be challenging.

The pharmaceutical industry is facing the 'Innovation Challenge' characterized by the drastic decrease in productivity in its R&D and marketing of new molecules. The decrease in innovation capacity of Big Pharmaceutical companies threatens their short and long term economic performance. Another important trend that is being witnessed is the regulatory environment in developed and developing countries. While developed countries are constantly raising the bar, the developing countries are rapidly changing guidelines to bring them on par with the developed countries' regulatory framework. The increased scrutiny from regulators will continue to enforce renewed commitment to quality from the industry.

Further, the disease burden shift towards chronic diseases is rapidly happening. The patients are becoming increasingly empowered and going ahead, will be responsible for an increased portion of healthcare costs due to ever increasing pressure on governments. The value of patent expiries will increase, but the composition of value will shift from small molecule to biologics.

Total global spending on medicines will exceed one trillion US dollars for the first time in 2014 and forecast to reach almost US\$1.2 trillion in 2017 up from US\$ 956 billion in 2011. The market is forecasted to grow at a compounded annual growth rate (CAGR) of 3-6% over 2013-17. Of this increase, over 70% is expected to come from Pharmerring1 markets, which are expected to grow at 12-15%, while the rest of the growth is expected from the Developed3 markets, which could grow at 1-4% per annum. Sales in the largest pharmaceutical market, i.e., the United States of America (USA), is expected to be US\$ 350-380 billion by 2017, with growth in the range of 1-4% per annum. Sales in Japan, the second largest pharmaceutical market is expected to be in the range of US\$ 105-110 billion by 2017, reflecting a CAGR of 2-5% during the period 2013-17. The top 5 European markets are expected to grow at a CAGR of 0-3% for the period 2013-17, as compared to 2% CAGR for 2008-12, to achieve sales in the range of US\$ 145-160 billion. Pharmerring market sales, with their higher rate of growth, are expected to match or slightly exceed those in the USA pharmaceutical market by 2017, in value terms.

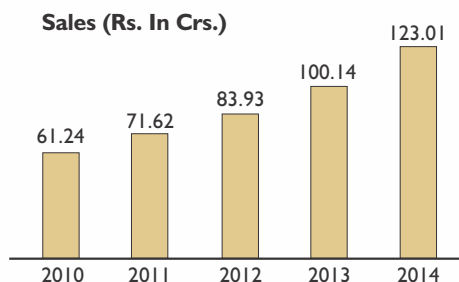
The Indian pharmaceutical industry revenue is expected to expand at a CAGR of 17% during 2008-16 and reach US\$ 36 billion. The generics market is expected to grow to US\$ 26 billion by 2016.

India's pharmaceutical industry accounts for about 1.4% of the global pharmaceutical industry in value terms and 10% in volume terms. Around 25.5% of the Indian pharmaceutical exports in FY13 were to the USA, making it the single largest destination. Indian exports to the USA have also grown at the highest CAGR of 30% over FY09-FY13 (Source: CMIE). Exports to Africa have increased at a CAGR of 21% during the same period, contributed mainly by export of anti-malarial and anti-retroviral drugs. With a more modest growth rate of 12%, exports to European countries from India have been on the decline. While the pharmaceuticals industry has contributed to the growth of exports in the past, the focus in the future may be on the faster growth Pharmerring markets compared to the developed markets where prices may be greater under threat and the competition may be higher.

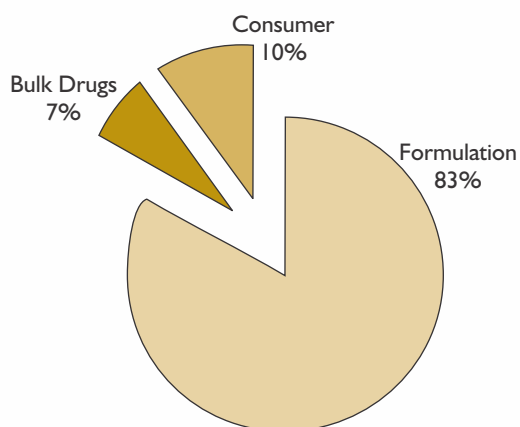
BUSINESS REVIEW

Gufic is one of the most respected names in India's specialty pharmaceutical business marked by a history of industry outperformance.

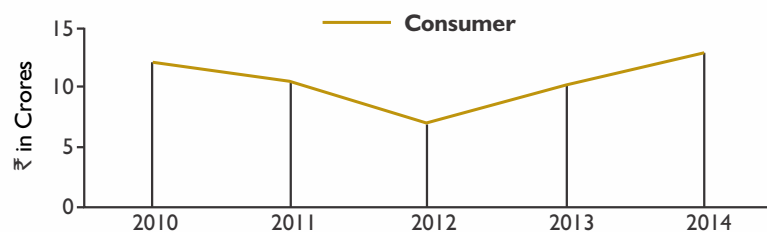
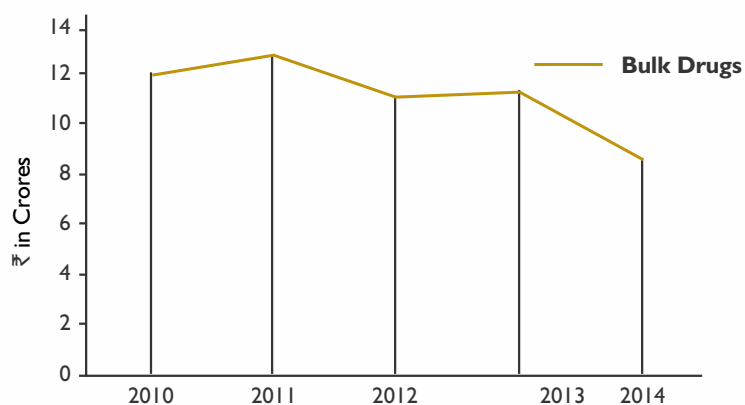
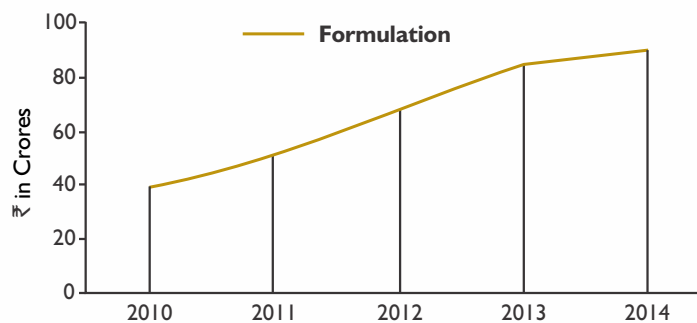
- Total revenues of the Company increased by 22.98%
- Sales of Formulation Division increased by 28.39%
- Sales of Consumer Division increased by 37.07%



SEGMENT WISE PERFORMANCE



Sales		₹ in Crores		
Segment	2014	2013	2012	
Pharma				
A. Formulation	108.38	84.40	68.08	
B. Bulk Drugs	8.85	11.70	11.40	
Consumer	12.95	9.45	6.73	
Total	130.18	105.55	86.21	



GUFIC BIOSCIENCES LIMITED

HUMAN RESOURCES DEVELOPMENT



“Great vision without great people is irrelevant”

– Jim Collins

The backbone of any successful company is the HR department, and without a talented group of people to hire, culture, and inform employees, the company is doomed for failure. 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.

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.

Gufic realizes that managing diversity means acknowledging people's differences and recognizing these differences as valuable. We enhance good management practices by preventing discrimination and promoting inclusiveness. All this stems from the understanding that we all operate on a global stage and that each and every team member has a critical

role to play. At Gufic, managing diversity has truly become a way of life and a key unifying factor. Our goal has been to create a workplace that truly recognizes and values this diversity: a workplace that is built around the core principles of meritocracy and individual innovation. HR at Gufic is a facilitator for continuous evolution enabling individuals for rapid growth, equipping them with functional and leadership skills so that they grow along with the company, contribute meaningfully and also lead fulfilling lives. Our continuous focus is not just to build a talent and leadership pipeline to meet the growing needs of the company but also provide a platform for employees to learn, grow, enjoy and be in a company where they can live their dreams. A company which is a global community, a family bound together with a single minded focus of being the best.

Internal Control Framework

Gufic has created a strong, rapidly scalable and flexible internal business controls and process framework that is flexible and dynamic to incorporate rapid increases in growth and complexity across existing and new business operations. Clearly defined business policies, code of conduct, processes and in-built checks and controls, supplement the internal control procedures. A well-established and empowered system of internal financial audits and automated control procedures, independently reviews the financial and operational controls for every aspect of our business. It also ensures flexibility in terms of process changes and enables any course correction, as and when required. The reputed firm of Chartered Accountants M/s B. Bhushan & Associates FRN. 12146W. act as internal auditors and submit reports and updates to the Audit Committee of the Board, which reviews the same and provides direction and operational guidance on new processes to be implemented to further enhance the operational efficiencies within the Company.

Risk Management

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

Gufic current business goals and growth objectives have been well evaluated and we remain prudent in terms of outlays and budgets inspite of the fact that the Company is more than well positioned to raise debt easily and on the most competitive terms. The larger global economic and financial environment continues to have minimal impact to the Company's financial architecture. Drug Price Control Order (DPCO) continues to be a challenge within the Indian pharmaceutical space. However, over the years, Gufic basket of products and the chosen markets and segments it operates in, have meant that DPCO directives are becoming increasingly less material to the overall business of the Company. Prudent procurement strategies and forecasting systems have helped the Company sustain its profitability, inspite of the adverse input price volatility. Over the years, the Company has gained experience and expertise in dealing with such volatility and has been able to mitigate its impact on the business.



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

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.

Your company is committed to achieve and maintain highest standard of Corporate Governance on a sustained basis. Corporate Governance is being practiced in your company since its inception. Your company is committed to manage its affairs with diligence, transparency, responsibility & accountability and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. It is of the firm conviction that good governance is a pre-requisite to attainment of excellent performance in terms of all its stakeholders' value creation. Your company strongly believes in maintaining highest business ethics and complies with all the statutory and regulatory requirements. The Company's philosophy on Corporate Governance goes beyond good working results and financial propriety though they are undoubtedly essential. All mandatory requirements has also a few non-mandatory requirements prescribed by Clause 49 of the listing agreement have been implemented by the company. Codes of business conduct, adopted by the directors and senior management personnel, are posted on the website of the company.

I. BOARD OF DIRECTORS :

(A) Composition and size of the Board

The Board of Directors comprises of Eight (8) Directors. The Board has an optimum combination of 4 Executive and 4 Non-Executive Directors. The Chairman is an Executive Non-Independent Director and 4 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

Six (6) Board Meetings were held during the financial year 2013-2014 and the gap between two Board Meetings did not exceed 4 months. The Board meetings were held on 30th May, 2013, 12th August, 2013, 13th September, 2013, 7th October, 2013, 15th November, 2013, and 15th February, 2014.

The names of members of the Board, No of Board Meeting held during the financial year 2013-2014, 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 2013-2014		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	6	6	Yes	11	Nil	Nil
Mr. P. J. Choksi	Executive Non Independent Director	6	6	Yes	8	Nil	Nil
Dr. M. G. Dhapalapuri	Executive Non Independent Director	6	6	Yes	Nil	Nil	Nil
Mr. A. M. Tarale	Non Executive Independent Director	6	6	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non Executive Independent Director	6	6	Yes	Nil	Nil	Nil
Mr. Khantil N. Sanghavi	Non Executive Independent Director	6	4	Yes	Nil	Nil	Nil
Mr. Pankaj Gandhi	Executive Non-Independent Director	6	5	Yes	Nil	Nil	Nil
Mr. Jagdish Shah	Non Executive Independent Director	6	5	Yes	Nil	Nil	Nil

GUFIC BIOSCIENCES LIMITED

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 2013-2014.

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 2013-2014 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 26th September, 2013.

(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 30th May, 2013, 12th August, 2013, 13th September, 2013, 7th October, 2013, 15th November, 2013, and 15th February, 2014.

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 2013-2014 ended on 31st March, 2014, 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 2013-2014

Complaints pending at beginning of the year	NIL
Complaints received during the year	11
Complaints resolved during the year	11
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).

NOMINATION AND REMUNERATION COMMITTEE :

I. Composition

The name of Remuneration Committee has been changed to Nomination and Remuneration Committee and terms of reference of the committee is broadened to include the matter set out in clause 49 of the Listing Agreement and Section 178 of THE Companies Act, 2013.

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

2. Meeting of the Remuneration Committee

During the financial year 2013-2014 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 2013-2014:

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹.	Perquisites /Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options
1	Mr. Jayesh Choksi	8,40,000	3,72,000	6,60,400	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
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.
2012-2013	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	26th September, 2013	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 (Marathi 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

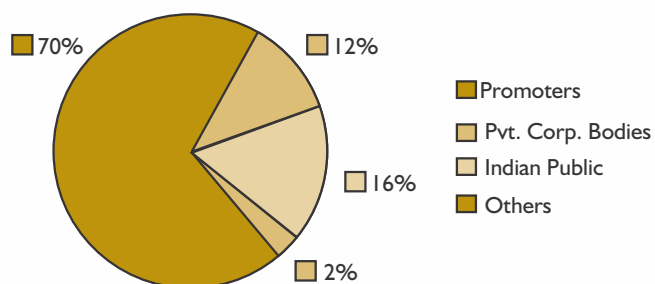
CEO AND CFO CERTIFICATION :

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	26th September, 2014 At 2.30 PM At Hotel Parle International, Vile Parle East, Mumbai-400 057
Date of Book Closures	22th September, 2014 to 26th September, 2014 (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	August 12th, 2013 November 15th, 2013 February 15th, 2014 May 30th, 2014
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	Bombay Stock Exchange Limited (Stock code: 509079) and National Stock Exchange of India Limited (Stock Code: GUFICBIO)
Demat ISIN	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

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014:



SHAREHOLDING PATTERN OF GUFIC BIOSCIENCES LIMITED AS ON 31.03.2014

	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	5	28,273,358	28,273,358	36.55
	Bodies Corporate	2	25,84,287	25,854,287	33.43
	Total Shareholding of Promoter and Promoter Group	7	54,127,645	54,127,645	69.98
(B)	Public shareholding				
	Insurance Companies	1	1,199,517	1,199,517	1.55
	Bodies Corporate	237	92,36,407	9,225,907	11.94
	Individuals				
	i. Individual shareholders holding nominal share capital up to ₹. 1 lakh.	12,063	10,896,529	10,686,532	14.09
	ii. Individual shareholders holding nominal share capital in excess of ₹. 1 lakh.	3	13,10,716	13,10,716	1.69
	Any Other (Specify)				
	1. Directors/Relative	-	-	-	-
	2. Clearing Member	57	117,908	117,908	0.15
	3. HUF	150	302,409	302,409	0.39
	4. NRIs	48	79,646	79,646	0.10
	5. NRN	23	37,832	37,832	0.05
	6. Market Makers	19	41,391	41,391	0.05
	Total Public Shareholding (B)	12,595	23,222,355	23,001,1858	30.02
	TOTAL (A)+(B)	12,602	77,350,000	77,129,528	100.00

Monthly Highs and Lows for the period April 2013 to March 2014

(₹ in Lacs)

Month	The Stock Exchange, Mumbai			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2013	8.69	5.82	168575	8.70	6.10	81077
May, 2013	7.60	5.50	74529	7.20	5.50	100932
June, 2013	7.25	4.80	164704	6.45	4.85	92474
July, 2013	7.00	4.60	48356	5.80	4.50	23495
August, 2013	5.70	4.35	40793	5.00	4.10	12595
September, 2013	5.48	4.30	50605	5.25	4.40	9903
October, 2013	5.50	4.56	56887	5.50	4.55	25044
November, 2013	6.00	4.59	64166	5.75	4.55	98743
December, 2013	6.09	5.18	25135	6.20	5.40	21564
January, 2014	6.27	4.75	96587	6.10	4.70	75903
February, 2014	5.67	4.60	54015	5.65	4.70	40180
March, 2014	6.52	4.83	255396	6.30	4.80	230346

GUFIC BIOSCIENCES LIMITED

Distribution of Shareholding (As on 31st March 2014)

	SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
UP TO 500	8676	68.1165	2048809	2.6488
501-1000	2030	15.9378	1803275	2.3313
1001-2000	1032	8.1024	1660648	2.1469
2001-3000	350	2.7479	923838	1.1944
3001-4000	165	1.2654	597861	0.7729
4001-5000	156	1.2248	751976	0.9788
5001-10000	200	1.5702	1507541	1.9490
10001 & ABOVE	128	1.0049	68056052	87.9846
TOTAL	12737	100.0000	77350000	100.0000

DISCLOSURES:

During the year under review besides the transactions reported in Notes to Accounts (Refer note No.31) 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, 2014. 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, 2014

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 2013-14.

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, 2014

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, 2014.

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 SHR & Co.
Chartered Accountants
FRN : 120491W

Deep N. Shroff
Proprietor
Membership No. 122592
Mumbai : 30th May, 2014

INDEPENDENT AUDITORS' REPORT

To;

The Members of Gufic Biosciences Limited Report on the Financial Statements

1. We have audited the accompanying financial statements of Gufic Biosciences Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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

2. 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditors Responsibility

3. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. We are unable to express our opinion on recoverability of debts of ₹ 326.69 lakhs (2012 – 2013 ₹ 191.52 lakhs) which are outstanding for more than one year and advances of ₹ 40.14 lakhs shown under the head long term loans and advances as at Balance sheet date (2012-13: ₹ 40.92 lakhs), which are outstanding for more than 2 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 53).

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion Paragraph, the financial statements, read together with notes to the accounts thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (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

- 8. *In the absence of information, we have relied upon the segment wise report prepared by the management based on the nature of product, risk and returns and organization structure. The figures have been regrouped and reclassified wherever necessary by the management.*
- 9. *We did not participate in physical counting of the Inventory and its valuation. The Company has appointed an internal auditor, an independent firm of Chartered Accountants to carry out physical verification and valuation of inventories and also to conduct audit of stock records maintained by the company. We have relied upon certificate issued by them in this regard. (Refer Note No. 49)*
- 10. *Certain transactions entered into by the company with certain private companies in which directors are interested, are in violation of section 297 of the Companies Act 1956, which requires the prior approval of Central Government (Refer Note 54).*

Report on Other Legal and Regulatory Requirements

- 11. 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.
- 12. 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; *except for the matter described in para 6 of Basis for Qualified Opinion and para 8 of the Emphasis of Matter.*
 - (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 the books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable.
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 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 SHR & Co.
Chartered Accountants
FRN : 120491W

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 30th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014 OF GUFIC BIOSCIENCES LIMITED)

- I. (a) The Company is in process of updating its records showing particulars, including quantitative details and situation of fixed assets;
- (b) According to information and explanations provided to us the company has carried out physical verification of its major assets viz. plant and machineries, which in our opinion, is reasonable having regard to the size of the company and nature of its business. We have been informed that the company is in process of updating its fixed assets register and necessary adjustments in respect of discrepancies if any between physical assets and book record will be made in the books on such updation.
- (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 explanation given to us and based on the certificate issued by the internal auditor, who has carried out the audit of stock records maintained by the company which interalia includes physical verification and valuation of inventory, we state that:
 - (a) Inventory have been physically verified during the year by the management. In our opinion frequency of verification needs to be increased.
 - (b) The procedures followed by the management for physical verification of inventory, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) 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 or advances given for its business purpose.* (Refer Note 52).
- (b) According to the information and explanations given to us, the Company has taken unsecured loans from Companies and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹ 614.51 lacs and the year-end balance of such loans aggregates to ₹ 436.44 lacs. There are four parties including Companies and other parties covered in the register maintained u/s 301 of the Companies Act, 1956 from whom Company has taken loans.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) There is no stipulation as to repayments of principal amount in respect of aforesaid loans. The said loans are interest free in nature.
- 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 sale of services. *However internal control procedures in respect of purchase of inventory, fixed assets and for the sale of goods needs to be strengthened so as to commensurate with the size of the company.* Other than the above, no major weaknesses have been noticed in the internal controls during the course of our audit.
- v. (a) According to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts/arrangements that need 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 ₹ 5 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 of the Companies Act, 1956, and the rules framed there under during the year. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal..
- vii. The company has a formal internal audit system, *which needs to be strengthened so as to commensurate with the size of the company and nature of its business.*

- viii. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.
- ix. (a) According to the information and explanations given to us and according to records of the company, we have to state that, there have been delays in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income Tax, Service Tax and Professional Tax applicable to it with the appropriate authorities. According to information and explanations given to us, there are no statutory dues outstanding as at the last day of financial year for a period of more than six months from the date they became payable, except Employers Contribution to Provident Fund of ₹16.60 lacs, Employers Contribution to ESIC of ₹ 8.27 lacs, Advance Tax of ₹ 61.02 lacs, Income Tax of ₹ 45.23 lacs, Tax Deducted at Source of ₹ 47.18 lacs and Professional Tax of ₹ 2.60 lacs. The company is generally regular in depositing Excise Duty and Custom Duty with appropriate authorities.
- (b) According to the information and explanations given to us, there were no disputed dues in respect of Value Added Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty or Cess outstanding on account of any dispute except following dues have not been deposited with appropriate authorities on account of dispute :

Name of the Statute	Financial Year	Forum where matter is pending	Amount (₹ in Lacs)
Income Tax Act, 1961	2010 – 2011	Commissioner of Income Tax (Appeal)	32.87
Central Excise	2004 – 2008	Appeal to the Tribunal	44.27
	2008 – 2009	Appeal to the Commissioner Appeal	14.04

- x. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and 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 term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us on an overall examination of Balance Sheet and Cash Flows of the Company, we report that the Company has not utilised funds raised on short-term basis for long term investment.
- 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 S H R & Co.
Chartered Accountants
FRN : 120491W

Deep N. Shroff
Partner
Membership No. 122592
Mumbai : 30th May, 2014

GUFIC BIOSCIENCES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	₹ in Lacs	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS				
a) Share Capital	2	773.50		773.50
b) Reserves and Surplus	3	1,847.37		1,465.89
			2,620.87	2,239.39
(2) NON-CURRENT LIABILITIES				
a) Long-term Borrowings	4	1488.80		1,843.95
b) Deferred Tax Liabilities (Net)	5	301.69		294.69
c) Other Long Term Liabilities	6	536.88		95.50
d) Long-term Provisions	7	135.29		118.68
			2,462.66	2,352.82
(3) CURRENT LIABILITIES				
a) Short-term Borrowings	8	1,476.64		1,373.68
b) Trade Payables	9	3,179.63		2,013.95
c) Other Current Liabilities	10	1,127.69		774.25
d) Short-term Provisions	11	247.07		203.55
			6,031.03	4,365.43
TOTAL			11,114.56	8,957.64
II. ASSETS				
(1) NON-CURRENT ASSETS				
a) Fixed Assets	12			
i) Tangible Assets		3,018.61		2,677.67
ii) Intangible Assets		4.25		5.31
iii) Capital Work-in-Progress		-		297.66
		3,022.86		2,980.64
b) Non-current Investments	13	0.93		0.93
c) Long-term Loans and Advances	14	833.65		762.47
d) Other Non-current Assets	15	326.69		191.52
			4,184.13	3,935.56
(2) CURRENT ASSETS				
a) Inventories	16	2,611.54		1,999.59
b) Trade Receivables	17	2,820.71		2,001.48
c) Cash and Cash Equivalents	18	254.14		127.82
d) Short-term Loans and Advances	19	1,244.04		893.19
			6,930.43	5,022.08
TOTAL			11,114.56	8,957.64
Notes to Accounts	I			

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

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N. Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman &
Managing Director

Dr. Sharat Gandhi
Director

Dr. M. G. Dhaplapur
Director

Mumbai - May 30th, 2014

Mumbai - May 30th, 2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	₹ in Lacs	Year Ended 31.3.2014 ₹ in Lacs	Year Ended 31.3.2013 ₹ in Lacs
INCOME				
Revenue from operations	20		12,301.12	10,014.41
Other Income	21		62.53	38.60
Total Revenue			12,363.65	10,053.01
EXPENDITURE				
a) Cost of Materials Consumed	22	5,194.33		3,287.68
b) Purchase of Stock-in-Trade	23	1,377.03		1,921.99
c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	40.86		(107.75)
d) Employee Benefits Expenses	25	1,194.34		544.85
e) Finance Costs	26	391.57		369.07
f) Depreciation and Amortisation Expenses		246.77		217.95
g) Other Expenses	27	3,291.41		3,292.91
Total Expenses			11,736.31	9,526.70
Profit Before Tax			627.34	526.31
Tax Expense				
a) Current Tax		151.00		149.50
b) Deferred Tax		7.01		53.19
c) Tax adjustments of earlier years		42.90		(9.30)
			200.91	193.39
Profit for the Year			426.43	332.92
Earnings per equity share Basic & Diluted (Refer Note 33)			0.55	0.43
Notes to Accounts	I			

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

As per our Report of even date attached

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

For and on behalf of the Board of Directors

Deep N. Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman &
Managing Director

Dr. Sharat Gandhi
Director

Dr. M. G. Dhaplapur
Director

Mumbai - May 30th, 2014

Mumbai - May 30th, 2014

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE PERIOD YEAR ENDED MARCH 31, 2014

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. Cash flow from operating Activities				
Net Profit Before tax		627.34		526.31
<i>Adjustment for:</i>				
Depreciation	246.77		217.95	
Interest	391.57		369.07	
Loss on Sale of Assets / Due to Fire	-		13.95	
Dividend	(0.03)		(0.05)	
Interest Received	(11.17)		(9.27)	
Bad Debts	-		3.84	
		627.14		595.49
Operating profit before Working Capital Changes		1,254.48		1,121.80
Movement in working capital				
Inventories	(611.95)		(308.64)	
Trade Receivables	(819.23)		60.31	
Loans and Advances	(557.20)		(165.75)	
Trade Payables & Provisions	1,969.54		(28.41)	
		(18.84)		(442.49)
Cash Generated from Operations		1,235.64		679.31
Income Tax Paid		(149.08)		(153.64)
Dividend Tax Paid		-		-
Net Cash Generated from Operating Activity (A)		1,086.56		525.67
B. Cash Flow From Investing Activities				
Interest Received		11.17		9.27
Sale of Fixed Assets		105.09		3.00
Purchase of Fixed Assets		(394.09)		(1,337.94)
Dividend Received		0.03		0.05
Net Cash From Investing Activities (B)		(277.80)		(1,325.63)
C. Cash Flow from Finance Activities				
Long-term Borrowings (Net)		(355.15)		1,409.80
Short-term Borrowings (Net)		102.96		(158.29)
Dividend Paid		(38.68)		(36.98)
Interest Paid		(391.57)		(383.00)
Net Cash From Finance Activity (C)		(682.44)		831.52
Net Increase in Cash or Cash equivalent (A+B+C)		126.32		31.56
Cash and Cash Equivalent at Beginning of the year		127.82		96.26
Cash and Cash Equivalent at the end of the year		254.14		127.82

As per our Report of even date attached

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

For and on behalf of the Board of Directors

Deep N. Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman &
Managing Director

Dr. Sharat Gandhi
Director

Dr. M. G. Dhaplapur
Director

Mumbai - May 30th, 2014

Mumbai - May 30th, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2014

NOTE PARTICULARS

I SIGNIFICANT ACCOUNTING POLICIES :

I.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

I.2 USE OF ESTIMATES : The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

I.3 FIXED ASSETS : Fixed Assets are stated at cost of acquisition or construction (net of cenvat credits). All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use.

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

I.4 INVESTMENTS : Long term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are carried at lower of cost or fair market value.

I.5 INVENTORIES : Inventories are valued at lower of cost or net realisable value.

- (i) Raw-materials and packing materials are valued on First in First Out basis.
- (ii) Work-in process and Finished Goods are valued at cost and includes element of production overheads.
- (iii) Traded goods are valued on First in First Out basis.
- (iv) Consumable stores are charged to the profit and loss account in the year of its purchases.

I.6 REVENUE RECOGNITION :

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

I.7 DEPRECIATION/ AMORTISATION : 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.

Capital Expenditure incurred on the assets not owned by the company are amortised over a period of five years.

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.

Individual Assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

Brands and Technical Know-how are ammortised on a straight line basis over a period of ten years. Software cost is amortised on Straight line basis over a period of three years.

I.8 FOREIGN CURRENCY TRANSACTIONS : Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange difference arising on settlement and conversion of foregin currency transactions are recognised as income or expenses in the period in which they arise, except those relating to fixed assets which are adjusted in the cost of assets.

I.9 EMPLOYEE BENEFITS :

i) Defined Contribution Plan:

The defined contribution to Provident Fund, ESIC and Superannuation Scheme which are recognised as an expenses in the statement of profit & loss as they are incurred.

ii) Defined Benefit Plan:

Gratuity

The company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contribution are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit & Loss.

iii) Other Long Term Benefits:

Compensated Absences

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.

I.10 BORROWING COSTS : Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take substantial period of time to get ready for the intended use are capitalised. Other borrowing costs are charged to the profit and loss account.

I.11 TAXATION : Tax Expenses comprises of current tax and deferred tax.

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

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

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

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

NOTE 4 : LONG-TERM BORROWINGS

Particulars	As at 31.3.2014		As at 31.3.2013	
	₹ in Lacs Non Current	₹ in Lacs Current	₹ in Lacs Non Current	₹ in Lacs Current
I. Secured				
(A) From Bank				
(a) Term Loan	850.34	299.65	1,162.68	201.42
(b) Vehicle Loans				
(i) Axis Bank Ltd	1.22	14.01	15.23	12.82
(ii) HDFC Bank Ltd (Ford Flgo Car Loan)	-	0.85	0.85	1.04
(iii) HDFC Bank Ltd - (Fortuner)	6.67	4.10	10.77	3.66
(iv) HDFC Bank Ltd - (Audi Load)	28.56	7.19	-	-
(v) Kotak Mahindra Prime (Magna)	-	0.51	0.51	0.80
(B) Term Loan From a Company	130.57	48.64	182.39	41.94
TOTAL (A)	1,017.36	374.95	1,372.43	261.68
II. Unsecured				
From Directors & Related Parties				
TOTAL (B)	471.44	-	471.52	-
TOTAL (A+B)	1,488.80	374.95	1,843.95	261.68

4.1 : Additional information to secured / unsecured

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

4.2 : Details of securities and Terms of payment

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

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Term Loan	237.42	237.42	304.84	70.66	850.34
(ii) Rate of Interest	14.00%				
(iii) Details of Security				TOTAL	850.34
(i) Secured by way of hypothecation of plant & machineries to the Bank.					
(ii) The facilities granted to the company are further secured by Equitable / Legal mortgage of land and factory building of Gufic Private Limited - company in which directors are interested, situated at Navsari, against the credit facilities sanctioned to the company.					
(iii) The loans are guaranteed personal guarantee of Managing Director and Executive Director.					
(iv) Further the loan are secured by a corporate guarantee of Gufic Private Limited.					

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

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) Axis Bank Ltd	1.22	-	-	-	1.22
(ii) Rate of Interest	8.90%				
(iii) Details of Security				TOTAL	1.22
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

GUFIC BIOSCIENCES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

NOTE 2 : SHARE CAPITAL

Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
(a) AUTHORISED: 10,00,00,000 Equity Shares of ₹1 Each (Previous Year 10,00,00,000 Equity Shares of ₹1 Each)	1,000.00 1,000.00	1,000.00 1,000.00
(b) ISSUED, SUBSCRIBED AND FULLY PAID UP: 7,73,50,000 Equity Shares of ₹1 Each, Fully Paid Up. (Previous Year 7,73,50,000 Equity Shares of ₹1 Each)	773.50 773.50	773.50 773.50

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

Equity Shares	31st March, 2014		31st March, 2013	
	No of Shares	₹ in Lacs	No of Shares	₹ in Lacs
Shares outstanding at the Beginning of the year	77,350,000	773.50	77,350,000	773.50
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	77,350,000	773.50	77,350,000	773.50

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

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

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	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	7,741,550	10.01%	7,769,398	10.04%
d) Pranav Jayesh Choksi	6,975,826	9.02%	6,975,826	9.02%
e) Gufic Private Limited	5,330,957	6.89%	5,330,957	6.89%

NOTE 3 : RESERVE AND SURPLUS :

Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
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	1,318.68	1,030.71
Add : Profit for the Year	426.43	332.92
Less : Appropriations		
(a) Proposed Dividend	38.68	38.68
(b) Dividend Tax	6.27	6.27
Balance at the end of the Year C	1,700.16	1,318.68
TOTAL (A+B+C)	1,847.37	1,465.89

GUFIC BIOSCIENCES LIMITED

3. From Bank Vehicle Loan 4 (I)(A)(b) (ii)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(I) HDFC Bank Ltd (Ford Flgo Car Loan)	-	-	-	-	-
(ii) Rate of Interest	10.21%				
(iii) Details of Security				TOTAL	-
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

4. From Bank - Vehicle Loan : 4 (I)(A)(b) (iii)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) HDFC Bank Ltd (Fortuner)	4.60	2.08	-	-	6.67
(ii) Rate of Interest	11.47%				
(iii) Details of Security				TOTAL	6.67
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

5. From Bank - Vehicle Loan : 4 (I)(A)(b) (iv)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(i) HDFC Bank Ltd (Audi Loan)	7.09	7.21	14.26	-	28.56
(ii) Rate of Interest	10.83%				
(iii) Details of Security				TOTAL	28.56
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

6. From Bank - Vehicle Loan : 4 (I)(A)(b) (v)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(I) Kotak Mahindra Prime (Magna)	-	-	-	-	-
(ii) Rate of Interest	10.11%				
(iii) Details of Security				TOTAL	-
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

7. Term Loan From Company : 4 (I)(B)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lacs)				
	1-2 years	2-3 years	3-5 years	5 years and above	TOTAL
(I) Term Loan From Company	56.42	65.44	8.70	-	130.57
(ii) Rate of Interest	14.92%				
(iii) Details of Security				TOTAL	130.57
(i) Secured against the Assets specifically purchased against the said loan. (ii) The same is to be repaid over 60 Equated Monthly Installments of ₹ 6.05 Lacs (including Interest @ 14.92%) starting from the date of the contract.					

8. Unsecured Loans :

Unsecured loans from Directors & Related Parties are interest free and repayable after March 2015 or any period thereafter as mutually decided.

GUFIC BIOSCIENCES LIMITED

Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
NOTE 5 : DEFERRED TAX LIABILITIES (NET)		
Opening Balance	316.57	274.10
Difference Between book and income tax depreciation	53.27	42.47
Total (A)	369.84	316.57
Deferred Tax Assets:		
Expenses Disallows		
a) Gratuity	47.53	47.52
b) Leave Encashment	15.56	19.90
c) Other Disallowances	5.06	(45.54)
Total (B)	68.15	21.88
Deferred Tax Liability (Net)	Total (A - B)	301.69
		294.69
NOTE 6 : OTHER LONG TERM LIABILITIES		
(a) Trade Payable	418.38	-
(b) Others - (UnSecured)		
Security and Trade Deposits from Agents and Stockists	118.50	95.50
	536.88	95.50
NOTE 7 : LONG-TERM PROVISION		
Provision for employee benefits		
i) Provision for Gratuity (Refer Note 28)	93.27	75.76
ii) Leave Encashment	42.02	42.91
	135.29	118.68
NOTE 8 : SHORT-TERM BORROWINGS		
Secured		
Loans repayable on Demand		
From a Bank Rupee Loan	1,476.64	1,373.68
	1,476.64	1,373.68

8.1: Details of Security: For Rupee Loan

Hypothecation of stocks and book debts. The facilities granted to the company are further secured by Equitable / Legal mortgage of land and factory building of Gufic Private Limited - company in which directors are interested, situated at Navsari, against the credit facilities sanctioned to the company. The loans are secured by personal guarantee of Managing Director and Executive Director and the loan are secured by a corporate guarantee of Gufic Private Limited.

They carry interest @ 14.25%.

NOTE 9 : TRADE PAYABLES		
Trade payables :		
Due to Micro, Small and Small Enterprises	22.38	0.76
Others	3,157.25	2,013.19
	3,179.63	2,013.95

Sundry Creditors - Dues to Micro and Small Enterprises

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers. Based on the information available with the company regarding total amount due to supplier as at March 31, 2014 covered under MSMED Act, amounts to ₹ 22.38 lacs (2012 - 13 : ₹ 0.76 lacs). The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise.

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Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
NOTE 10 : OTHER CURRENT LIABILITIES		
a) Current Maturities of Long-Term Debt (Refer Note 4)	374.95	261.68
b) Interest accrued and due on Borrowings	19.39	22.85
c) Unpaid Dividends	7.04	6.67
d) Other Payables		
(i) Tax Deducted at Source and Other Statutory Dues	223.92	186.42
(ii) Interest payable on Security Deposit	7.54	8.18
(iii) Advances from Customer	77.08	112.73
(iv) Unpaid Dividend Distribution Tax	42.38	25.69
(v) Employee Related Liabilities	359.01	112.76
(vi) Others	16.38	37.27
	1,127.69	774.25
NOTE 11 : SHORT-TERM PROVISIONS		
a) Provision for Employee Benefits :		
(i) Provision for Gratuity (Refer Note 28)	35.83	15.55
(ii) Leave Encashment	5.94	3.24
TOTAL (A)	41.77	18.79
b) Others:		
(i) Provision for Income Tax (Net)	141.97	139.81
(ii) Proposed Dividend to Equity Shareholders @ ₹ 0.05 Per Share	38.68	38.68
(iv) Tax on Proposed Dividend	6.27	6.27
(v) Provision for Returns	18.38	-
TOTAL (B)	205.30	184.76
TOTAL (A+B)	247.07	203.55

NOTE 12 : FIXED AND INTANGIBLE ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK						Accumulated Depreciation & Impairment			NET BLOCK		
	Balance as at April 1, 2013 (₹)	Additions (₹)	Disposals/ Adjustments (₹)	Borrowing Cost Capitalised (₹)	Effect of foreign currency exchange (₹)	Balance as at March 31, 2014 (₹)	Balance at March 31, 2013 (₹)	Depreciation /amortisation expense for the year (₹)	Eliminated on disposal of assets (₹)	Balance as at March 31, 2014 (₹)	Balance as at March 31, 2014 (₹)	Balance as at March 31, 2013 (₹)
A. TANGIBLE ASSETS												
(a) Factory Building not Owned the company ##	313.84	18.51	(14.08)	-	-	318.27	187.69	61.79	-	249.48	68.79	126.15
(b) Plant and Equipment ##	2,709.35	444.87	(86.37)	37.74	-	3,105.59	657.73	133.58	-	791.31	2,314.28	2,051.62
(c) Plant and Equipment (R & D)	-	92.49	-	-	-	92.49	-	2.50	-	2.50	89.99	-
(d) Furniture and Fixtures ##	54.02	6.60	(1.58)	-	-	59.04	19.23	3.87	-	23.10	35.94	34.79
(e) Vehicles	162.68	48.70	-	-	-	211.38	56.71	14.24	-	70.95	140.43	105.97
(f) Office Equipment	386.25	13.87	-	-	-	400.12	154.62	18.50	-	173.12	227.00	231.63
(g) Other												
(1) Electrical Installations ##	132.38	15.87	(3.06)	-	-	145.19	20.60	6.69	-	27.29	117.90	111.78
(2) Computers	86.33	13.10	-	-	-	99.43	70.61	4.54	-	75.15	24.28	15.72
TOTAL Tangible Assets	3,844.85	654.01	(105.09)	37.74	-	4,431.51	1,167.19	245.71	-	1,412.90	3,018.61	2,677.67
B. INTANGIBLE ASSETS												
Computer Software	26.28	-	-	-	-	26.28	26.28	-	-	26.28	-	-
Brand	249.25	-	-	-	-	249.25	249.25	-	-	249.25	-	-
Technical Know How	138.56	-	-	-	-	138.56	133.25	1.06	-	134.31	4.25	5.31
TOTAL Intangible Assets	414.09	-	-	-	-	414.09	408.78	1.06	-	409.84	4.25	5.31
TOTAL Fixed Assets	4,258.94	654.01	(105.09)	37.74	-	4,845.60	1,575.97	246.77	-	1,822.74	3,022.86	2,682.97
PREVIOUS YEAR	3,160.00	1,134.52	(47.88)	12.30	-	4,258.94	1,388.94	217.95	30.93	1,575.97	2,682.97	1,771.05
C. Capital Working Progress												
(a) Capital Work in Progress	220.31	129.32	(349.63)	-	-	-	-	-	-	-	-	220.31
(b) Capital Work in Progress R&D	77.35	11.80	(89.16)	-	-	-	-	-	-	-	-	77.35
Total Capital Working Progress	297.66	141.13	(438.79)	-	-	-	-	-	-	-	-	297.66
										TOTAL	3,022.86	2,980.64

- Refer Note 47 of Notes forming part of Financial Statements.

Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
NOTE 13 : NON-CURRENT INVESTMENTS		
A. Non - Trade		
Unquoted		
(i) Investment in Equity Instruments : 4990 (2012 - 2013 : 4990) shares of ₹10 each, full paid up in Saraswat Co-op Bank Ltd.	0.50	0.50
(ii) Investment in Government Securities : National Savings Certificate	0.43	0.43
Aggregate Value of Unquoted Investments	0.93	0.93
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
(Unsecured Considered good)		
a) Capital Advances (Refer Note 51)	141.58	182.72
b) Deposits		
(i) Others	235.02	125.90
(ii) Related Parties (Refer Note 52)	420.00	420.00
c) Other Loans and advances		
(i) Advance Tax	2.79	2.79
(ii) Loans to Employee	6.11	2.91
(iii) DEPB Licences Receivable	28.15	28.15
	833.65	762.47
NOTE 15 : OTHER NON-CURRENT ASSETS		
Trade Receivables	326.69	191.52
	326.69	191.52
NOTE 16 : INVENTORIES (At lower of cost or net realisable value)		
(As verified, valued and certified by the Management)		
a) Raw Materials	1,671.35	817.94
b) Work-in-Process	416.99	70.84
c) Finished Goods	235.81	626.16
d) Packing Materials	193.94	394.54
e) Stock-in-Trade	93.45	90.11
	2,611.54	1,999.59
NOTE 17 : TRADE RECEIVABLES		
(Unsecured, Considered Good) (Refer Note 51 & 53)		
Outstanding exceeding six months	291.47	88.13
Other	2,529.24	1,913.35
	2,820.71	2,001.48
NOTE 18 : CASH AND CASH EQUIVALENTS		
(i) Cash and Cash Equivaiaents		
a) Balances with banks In Current Accounts	16.29	7.33
b) Other Bank Balance Cheques in Hand	137.41	-
c) Cash on Hand	12.56	49.16
(ii) Earmarked Balances with Banks:		
In Unclaimed Dividend Accounts	7.18	6.80
In Fixed Deposit (Pledged against LCs and guarantees)	80.70	64.53
	254.14	127.82

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Particulars	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
NOTE 19 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
a) Loans and Advances to Related Parties	850.52	375.66
b) Others		
(i) Advance to Suppliers	92.09	320.12
(ii) Prepaid Expenses	11.53	10.46
(iii) Cenvat Recoverable	267.57	159.74
(iv) Duty Drawback Receivable	5.19	3.82
(v) Others	17.14	23.39
	1,244.04	893.19
NOTE 20 : REVENUE FROM OPERATIONS		
a) Sale of Products (Net of Returns and Sales Tax)	12,295.55	10,055.05
b) Processing Charges (TDS ₹ 14.37 Lacs, Prev Yr ₹ 10.43 Lacs)	722.35	500.30
c) Other Operating Revenues	9.54	16.10
Less: Excise Duty Collected	(726.32)	557.04
	12,301.12	10,014.41
NOTE 21 : OTHER INCOME		
a) Interest Income (TDS ₹ 0.74 Lacs, Prev Yr ₹ 1.11 Lacs)	11.17	9.27
b) Dividend Received	0.03	0.05
c) Other Non-operating Income		
i) Scrap Sales	13.38	23.35
ii) Sundry Balances Written Back (Net)	12.48	1.94
iii) Miscellaneous Income	7.49	0.99
iv) Insurance Claim received	-	3.00
v) Net profit on Foreign Currency Transaction and Translation	17.98	-
	62.53	38.60
NOTE 22 : COST OF MATERIALS CONSUMED		
A). Consumption of Raw Material		
Opening stock	817.94	666.80
Add: Purchases	4,996.85	2,942.59
Less: Closing stock	1,671.35	817.94
TOTAL (A)	4,143.44	2,791.45
(B). Consumption of Packing Material		
Opening stock	394.54	344.78
Add: Purchases	850.29	545.99
Less: Closing Stock	193.94	394.54
TOTAL (B)	1,050.89	496.23
TOTAL (A+B)	5,194.33	3,287.68
NOTE 23 : PURCHASE OF STOCK-IN-TRADE		
PURCHASE OF STOCK-IN-TRADE	1,377.03	1,921.99
	1,377.03	1,921.99

Particulars	For the year ended 31.3.2014 ₹ in Lacs	For the year ended 31.3.2013 ₹ in Lacs
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year :		
Finished Goods	235.81	626.16
Work-In-Process	416.99	70.84
Stock-In-Trade	93.45	90.11
	746.25	787.11
Inventories at the Beginning of the year :		
Finished Goods	626.16	411.88
Work-In-Process	70.84	166.28
Stock-In-Trade	90.11	101.20
	787.11	679.36
	40.86	(107.75)
NOTE 25 : EMPLOYEE BENEFITS EXPENSES		
a) Salaries and Wages	1,085.32	503.38
b) Contribution to Provident and Other Funds	57.44	29.05
c) Staff Welfare Expenses	51.58	12.42
	1,194.34	544.85
NOTE 26 : FINANCE COSTS		
(a) Interest Expenses		
i) Interest on Term Loan	151.10	59.90
ii) Interest on OD Facility	189.90	190.57
iii) Interest to Others	48.04	67.94
TOTAL (A)	389.05	318.41
(b) Other Borrowing Costs	2.53	50.66
TOTAL (B)	2.53	50.66
TOTAL (A+B)	391.57	369.07

Particulars	For the year ended 31.3.2014		For the year ended 31.3.2013	
	₹ Lacs	₹ Lacs	₹ in Lacs	₹ in Lacs
NOTE 27 : OTHER EXPENSES				
Consumable Stores		46.37		34.15
Power and Fuel		294.92		320.62
Labour Charges		421.94		240.11
Factory Expenses		16.53		8.23
Rent		4.63		2.00
Rates and Taxes (Excluding Taxes on Income)		1.65		18.05
Repairs and Maintenance				
Building	46.91		19.23	
Machinery	48.33		43.19	
Others	28.30		21.52	
		123.54		83.94
Sales Tax Expenses		30.83		65.68
Printing and Stationery		42.83		25.68
Communication Expenses		33.98		30.80
Office Rent		94.08		66.00
Director Sitting Fees		0.34		0.30
Insurance Charges		26.23		20.82
Travelling, Conveyance and Vehicle Expenses		418.41		89.06
Legal & Professional Fees		204.38		122.07
Miscellaneous Expenses		163.00		141.92
Net loss on Foreign Currency Transaction and Translation		-		27.77
Testing and Laboratory Expenses		72.07		51.65
Transport and Forwarding		250.67		259.10
Commission and Brokerage		136.08		133.88
Marketing Expenses		565.14		992.72
Sales Promotion Expenses		105.76		178.89
Advertisement		41.23		213.84
Discount		196.80		147.84
Loss on sale of Asset (Net)		-		1.20
Loss due to fire		-		12.75
Bad Debts		-		3.84
		3,291.41		3,292.91

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

(i) Defined Contribution Plan

During the year ended March 31, 2014, the company has recognised the following amounts in the profit and loss account.

	For the year ended 31.3.2014 ₹ in Lacs	For the year ended 31.3.2013 ₹ in Lacs
Employer's contribution to Provident fund	40.75	23.78

(ii) Defined Benefit plan

- A. The Company has Defined Benefit Gratuity Plan. Every employee who has completed five years or more of service is entitled to gratuity on term not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India.
- B. Details of Defined Benefit Plan as per Independent actuarial valuation of an Actuary report as at March 31, 2014 is as under :

	For the year ended 31.3.2014	For the year ended 31.3.2013
I. Actuarial assumptions		
Discount rate	9.31%	8.25%
Expected return on plan assets	9.31%	8.25%
Salary escalation	5.00%	3.00%
Attritration Rate	3.00%	1.00%

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Particulars	For the year ended 31.3.2014 ₹ in Lacs	For the year ended 31.3.2013 ₹ in Lacs
II. Components of employer expense		
Current service cost	4.80	4.11
Interest cost	8.63	8.28
Expected return on plan assets	(1.10)	(1.74)
Actuarial losses/(gains)	2.94	7.97
Total expense recognised in the Statement of Profit and Loss	15.27	18.61
III. Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	165.71	104.65
Fair value of plan assets	36.61	13.34
Funded status [Surplus / (Deficit)]	(129.10)	(91.31)
Net asset / (liability) recognised in the Balance Sheet	(129.10)	(91.31)
IV. Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	104.65	94.61
Interest Cost	8.63	8.28
Current service cost	4.80	4.11
Liability Transfer in	47.35	-
Benefit Paid	(2.72)	(10.15)
Actuarial (gain)/loss on obligations	3.00	7.81
Present value of DBO at the end of the year	165.71	104.65
V. Change in fair value of assets during the year		
Plan assets at beginning of the year	13.34	19.86
Expected Return on Plan Assets	1.10	1.74
Contributions	2.06	2.06
Transfer from other Company	22.77	-
Benefit Paid	(2.72)	(10.15)
Actuarial gain/(loss) on Plan Assets	0.07	(0.16)
Plan assets at the end of the year	36.61	13.34
VI. Actual Return on Plan Assets:		
Expected Return on Plan Assets	1.10	1.74
Actuarial gain/(loss) on Plan Assets	0.07	(0.16)
Actual Return on Plan Assets	1.17	1.58
Composition of the plan assets is as follows:		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Others - Insurer Managed Funds	100%	100%

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

Experience Adjustments

Present value of Defined Benefit Obligation as at March 31, 2014	165.71	104.65
Fair Value of Plan Assets as at March 31, 2014	36.61	13.34
Funded status [Surplus/(Deficit)]	(129.10)	(91.31)
Experience adjustment on Plan Liabilities	14.52	4.83
Experience adjustment on Plan Assets Gain / (Loss)	0.07	(0.16)

(iii) Other Long Term Benefits:

Compensated Absences (Unfunded)

The company has made provision of ₹ 47.96 lacs on March 31, 2014 based on independent actuarial valuation report as against the provision of ₹ 46.15 lacs made in previous year on estimated basis.

NOTE 29 : BORROWING COST

Borrowing costs of ₹ 37.74 Lacs (2012 - 2013: ₹ 12.30 Lacs) that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

NOTE 30 : SEGMENT REPORTING AS - 17

₹ in Lacs

Sr.	Particulars	Formulations		Bulk Drugs		Consumer		Total	
No.		For the year ended 31.3.2014	For the year ended 31.3.2013	For the year ended 31.3.2014	For the year ended 31.3.2013	For the year ended 31.3.2014	For the year ended 31.3.2013	For the year ended 31.3.2014	For the year ended 31.3.2013
1	SEGMENT REVENUE								
	Sales and Services (Inclusive of Excise and Net of returns)	10,837.43	8,440.44	885.34	1,170.05	1,295.14	944.87	13,017.91	10,555.36
	Add: Unallocated Income							72.06	54.70
	TOTAL SEGMENT REVENUE	10,837.43	8,440.44	885.34	1,170.05	1,295.14	944.87	13,089.97	10,610.06
2	SEGMENT RESULTS	1,994.18	1,563.17	150.06	198.34	238.83	176.66	2,383.08	1,938.17
	Less: Unallocated Expenses							1,117.40	824.84
	Financial Charges							391.57	369.07
	Depreciation							246.77	217.95
	Tax Provision							200.91	193.39
	PROFIT AFTER TAX							426.43	332.92
3	OTHER INFORMATION								
	Segment Assets	6,412.63	5,668.89	1,229.31	1,143.24	540.71	400.90	8,182.65	7,213.03
	Add: Unallocated Assets							2,931.91	1,744.61
	Total Assets							11,114.56	8,957.64
	Segment Liabilities	2,475.20	670.67	566.00	719.59	167.22	102.25	3,208.42	1,492.51
	Add: Unallocated Liabilities							5,285.27	5,225.72
	Total Liabilities							8,493.69	6,718.23
	Capital Expenditure								
	Capital Expenditure Incurred	121.57	623.58	453.53	112.17	--	192.15	575.10	927.90
	Unallocated Capital Expenditure							116.65	218.93
	Depreciation	106.57	76.54	20.33	15.03	9.13	0.05	136.03	91.62
	Unallocated Depreciation							110.74	126.33

₹ in Lacs

4 ADDITIONAL INFORMATION		In India		Out of India		Total	
		For the year ended 31.3.2014	For the year ended 31.3.2013	For the year ended 31.3.2014	For the year ended 31.3.2013	For the year ended 31.3.2014	For the year ended 31.3.2013
a. Revenue by Location of Customer		12,095.03	9,385.90	922.88	1,169.46	13,017.91	10,555.36
b. Segment Assets by Location of the Supplier		10,966.20	8,811.12	148.36	146.52	11,114.56	8,957.64
c. Capital Expenditure by Location of the Supplier		404.74	784.52	--	362.30	404.74	1,146.82

NOTE 31: RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18
Related party transactions
A. Details of related parties
Description of relationship

Key Management Personnel (KMP)

Relatives of KMP

Company in which KMP / Relatives of KMP can exercise significant influence

Names of related parties

Jayesh P. Choksi (Managing Director)
Pranav J. Choksi (Executive Director)
Dr. M. G. Dhaplapur (Director)
K. N. Sanghvi (Director)
Vipula J. Choksi
Sheela M. Dhaplapur.

Gufic Chem Private Limited
Gufic Lifesciences Private Limited
Gufic Private Limited
Gufic Stridden Bio-Pharma Private Limited
Jal Private Limited
Zircon Finance and Leasing Private Limited
Zire Realty Limited

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B. Related Party Transactions

		2013 - 14 ₹ in Lacs	2012 - 13 ₹ in Lacs
(I) Key Management Personnel & Relatives			
(a) Remuneration		27.50	26.44
(b) Reimbursement of Expenses		2.31	5.47
(c) Payment of Services		4.00	0.25
Outstanding balance as on March 31, 2014	Cr.	388.79	338.20
(ii) Enterprises in which Key Management Personnel have significant influence			
(a) Payment for Services		961.11	1,233.56
(b) Purchase of Goods & Reimbursement of Expenses		54.79	224.48
(c) Payment of Rent / Rates & Taxes		1.35	1.20
(d) Security Deposit Paid		420.00	420.00
(e) Sale of Goods		53.28	126.64
(f) Services Rendered		59.59	27.13
Outstanding balance as on March 31, 2014	Cr.	63.89	74.86
Outstanding balance as on March 31, 2014	Dr.	850.45	375.66

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

NOTE 32 : LEASE TRANSACTIONS

The Company's significant leasing arrangements are in respect of operating lease for premises and Vehicles.

The period of agreement is generally for one year and is renewable by mutual consent. The aggregate lease rental expense are ₹1.20 Lacs (Previous year ₹1.20 Lacs)

NOTE 33 : EARNINGS PER SHARE

Particulars	For the year ended 31.3.2014	For the year ended 31.3.2013
Earnings per share		
Net profit for the year attributable to the equity shareholders (₹. in Lacs)	426.43	332.94
Weighted average number of equity shares	77350000	77350000
Par value per share ₹	1	1
Basic and diluted Earning per share ₹	0.55	0.43

NOTE 34 : CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
(a) Other money for which the Company is contingently liable		
(i) Letter of Credit	631.55	131.55
(ii) Bank Guarantee	5.90	7.35
(iii) Excise Duty	108.86	110.49
(iv) Income Tax	128.03	-
(v) Labor Cases	0.76	2.50
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for	149.01	219.51

As at	As at
31.3.2014	31.3.2013
₹ in Lacs	₹ in Lacs

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

Opening Stocks as at April 1, 2013

Tablets	347.27	127.72
Capsules	24.57	17.47
Ointments	39.74	33.59
Syrups/Suspension	25.52	34.42
Injection	78.06	77.12
Powder	3.52	2.89
Lotion	31.74	64.64
Bulk Drugs	75.74	51.09
Sanitary Napkins	-	2.95

TOTAL	626.16	411.89
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Closing Stocks as at March 31, 2014

Tablets	32.45	347.27
Capsules	4.22	24.57
Ointments	18.02	39.74
Syrups/Suspension	11.07	25.52
Injection	89.75	78.06
Powder	1.70	3.52
Lotion	4.74	31.74
Bulk Drugs	46.85	75.74
Sanitary Napkins	27.01	-

TOTAL	235.81	626.16
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NOTE 36 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS

Opening Stocks as at April 1, 2013

Formulation	30.73	144.19
Bulk Drug	40.11	22.09

TOTAL	70.84	166.28
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Closing Stocks as at March 31, 2014

Formulation	400.79	30.73
Bulk Drug	16.19	40.11

TOTAL	416.98	70.84
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NOTE 37 : OPENING & CLOSING STOCKS OF STOCK IN TRADE

Opening Stocks as at April 1, 2013

Tablets	38.20	27.67
Capsules	5.46	16.35
Ointments	1.48	1.48
Syrups/Suspension	14.31	16.08
Injection	21.05	20.73
Powder	1.53	1.45
Sanitary Napkins	8.08	17.44

TOTAL	90.11	101.20
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Closing Stocks as at March 31, 2014

Tablets	64.57	38.20
Capsules	9.73	5.46
Ointments	-	1.48
Syrups/Suspension	10.52	14.31
Injection	8.17	21.05
Powder	0.18	1.53
Sanitary Napkins	0.28	8.08

TOTAL	93.45	90.11
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GUFIC BIOSCIENCES LIMITED

	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
NOTE 38 : SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY		

Manufacturing

Tablets	1,576.72	1,631.84
Capsules	193.74	151.74
Ointments	273.69	236.09
Syrups/Suspension	191.33	162.96
Injection	5,734.30	3,523.16
Powder	22.54	20.11
Lotion	604.75	369.63
Bulk Drugs (Manufacturing)		
Chemicals	888.52	1,172.79
Sanitary Napkins (Manufacturing)	682.46	392.71

TOTAL (A)	10,168.05	7,661.03
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SALE OF GOODS TRADED BY THE COMPANY:

Tablets	881.25	531.92
Capsules	65.94	73.38
Syrups/Suspension	104.16	85.00
Injections	310.94	141.75
Powder	4.83	4.26
Ointments	-	-0.01
Sanitary Napkins	6.46	95.94
Lotion	-	-
Castor Oil	286.76	1,157.75
Others	467.19	304.03

TOTAL (B)	2,127.53	2,394.02
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TOTAL (A+B)	12,295.58	10,055.05
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NOTE 39 : RAW MATERIALS AND COMPONENTS CONSUMED

RAW MATERIALS

Chemicals	3,041.29	1,784.52
Chemicals (Bulk Drugs)	585.81	755.95
Others	516.33	250.98

TOTAL (A)	4,143.43	2,791.45
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PACKING MATERIAL

Cartons / Boxes	184.08	136.99
Vial	138.21	65.37
Rubber stopper	122.18	56.12
Bags	38.37	21.96
Tray	37.06	19.21
Bottel	25.17	19.09
Foil	23.15	14.18
Label	22.34	12.60
Tube	22.22	24.73
Others	438.12	125.98

TOTAL (B)	1,050.90	496.23
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TOTAL (A+B)	5,194.33	3,287.68
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	As at 31.3.2014 ₹ in Lacs	As at 31.3.2013 ₹ in Lacs
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NOTE 40 : DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Imported *	1,790.32	679.44
% to Total Consumption	34.47	20.67
Indigenous *	3,404.01	2,608.24
% to Total Consumption	65.53	79.33
TOTAL	5,194.33	3,287.68

NOTE 41: PURCHASE OF GOODS TRADED BY THE COMPANY

Tablets	297.85	220.02
Capsules	25.35	19.95
Syrups/Suspension	51.76	50.05
Injection	264.52	118.38
Powder	0.82	1.56
Castor Oil	285.41	1,152.13
Sanitary Napkins	0.71	64.17
Others	450.61	295.73
TOTAL	1,377.03	1,921.99

NOTE 42 : VALUE OF IMPORTS CALCULATED ON CIF BASIS

Raw Materials / Merchant Goods	1,790.32	679.44
Finished Goods	53.00	-
Capital Goods	-	362.30
TOTAL	1843.32	1041.74

NOTE 43 : EXPENDITURE IN FOREIGN CURRENCY

Traveling Expenses	27.13	10.95
Commission and Other Expenses	5.86	11.50
TOTAL	32.99	22.45

NOTE 44 : EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on FOB basis	922.88	1,169.46
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NOTE 45 : PAYMENTS TO AUDITORS

As Auditors		
(i) Audit Fees	7.25	3.37
(ii) Tax & Domestic Transfer Pricing Audit	1.00	0.56
(iii) Limited Review	0.50	-
In other Capacity		
(i) Certification Work & Other Capacity	0.25	-
(ii) Representation before Statutory Authority	0.50	-
Reimbursement of Expenses & Service Tax	0.05	-
TOTAL	9.55	3.93

GUFIC BIOSCIENCES LIMITED

NOTE 46

Consequent to discontinuation of providing marketing support services by Gufic Private Limited to the company w.e.f. October 2013, company has decided to set up its own marketing division and to appoint its marketing staff for the purpose of its business. As a result company has acquired experienced staff of Gufic Private Limited handling marketing activities of the company, alongwith the gratuity and leave encashment liabilities of ₹ 44.35 Lacs and ₹ 16.13 Lacs respectively and has made necessary provision in the accounts.

NOTE 47

During the year, the company has received compensation of ₹ 105.09 lacs from the Insurance Company towards reinstatement value of the fixed assets, which were destroyed in the fire during the last year. The company has acquired or constructed new assets as against the assets destroyed by fire which has been shown as addition to respective block of assets and money received from insurance company to the extent of ₹ 105.09 lacs has been shown as deduction from the respective block of assets.

NOTE 48

In compliance with Accounting Standard-2 (AS-2) revised, excise Duty liability estimated at ₹ 8.91 Lacs (Previous year ₹ 10.75 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. The Excise duty of ₹ 1.84 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

NOTE 49

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

NOTE 50

In the opinion of the management inventories of ₹ 2611.54 Lacs (Previous year ₹ 1999.59 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.

NOTE 51

Balance of sundry debtors, loans & advances, sundry creditors and Security and Trade Deposits from Agents and Stockists balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.

NOTE 52

The company has given security deposit of ₹ 791.91 lacs to Gufic Private Limited towards the use of its factory premises at Navsari for its manufacturing activities. Accordingly an amount of ₹ 300 lacs has been shown under the head long term loans and advances and ₹ 491.91 lacs under the head short term loans and advances to related parties.

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

NOTE 53

In view of management debts of ₹ 326.69 lacs outstanding for more than year and advances of ₹ 40.14 lacs outstanding for more than two years are good and recoverable in nature. Management is taking necessary steps for recovery of the said amount.

GUFIC BIOSCIENCES LIMITED

NOTE 54

The company has obtained approval of the Central Government u/s. 297 of the Companies Act, 1956, with respect to transaction entered by the company with certain private companies in which directors are interested. However such approval is for lesser amount and the company has decided to comply with the provision of law and to make necessary application for increase its limits.

NOTE 55

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

NOTE 56

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

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

For and on behalf of the Board of Directors

Deep N. Shroff
Partner
Membership No. 122592

Jayesh P. Choksi
Chairman &
Managing Director

Dr. Sharat Gandhi
Director

Dr. M. G. Dhaplapur
Director

Mumbai - May 30th, 2014

Mumbai - May 30th, 2014

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.

33519

Balance Sheet Date

31.03.2014

State Code

11

Registration Date

23.07.1984

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

Public Issue

Nil

Bonus Issue

Nil

Right Issue

Nil

Private Placement

Nil

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

Total Liabilities

11114.56

Sources of Funds

Paid Up Capital

773.50

Non Current Liability

2462.66

Application of funds

Non Current Assets

4184.13

Net Current Assets

—

Misc. Expenditure

—

Total Assets

11114.56

Reserves and Surplus

1847.37

Current Liability

6031.03

Current Assets

6930.43

Deferred Tax Liability

—

Accumulated Losses

—

IV. Performance of company (₹ In Lacs)

Total Income

12363.65

Profit Before Tax

627.34

Earning Per Share in ₹.

0.55

Total Expenditure

11736.31

Profit After Tax

426.43

Dividend Rate %

5%

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

Item Code No. (ITC Code)

30049001

29420090

96190010

Product and Description

Ayurvedic Medicine

Bulk Drug-Lidocaine

Sanitary Napkins

As per our Report of even date attached

For S H R & Co

Chartered Accountants

FRN : 120491W

For and on behalf of the Board of Directors

Deep N. Shroff

Partner

Membership No. 122592

Jayesh P. Choksi

Chairman &

Managing Director

Dr. Sharat Gandhi

Director

Dr. M. G. Dhaplapur

Director

Mumbai - May 30th, 2014

Mumbai - May 30th, 2014

NOTES

[illegible]

[illegible]

CONSUMER DIVISION PRODUCTS



HERBAL DIVISION PRODUCTS



prevent pregnancy
Stretchmarks



**STRETCH
NIL**
HERBAL LOTION FOR PREVENTION
OF PREGNANCY STRETCH MARKS



GUFIC
BIOSCIENCES LIMITED

CIN: L65990MH1984PLC033519

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

Corp. Office: 2nd Floor, 'Dorr Oliver' House, B. D. Sawant Marg. Chakala, Andheri (East), Mumbai - 400 099 Maharashtra, (INDIA)

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Redg. Office: 37, Frist Floor, Kamala Bhavan II, S. Nityananad Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.

Corporate office : “Dorr Oliver House”, 2nd Floor, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai -400 099.

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

APPENDIX I

The Board of Directors of our Company at their meeting held on August 27th, 2014 has recommended a dividend of Re. 0.05/- per share of Rs. 1/- each for the financial year ended 31st March 2014, on the paid-up capital of Rs. 77,350,000/-. The dividend will be paid on or after 26th September 2014 to those shareholders whose names stand on the Register of Members of the Company as on 20th September 2014.