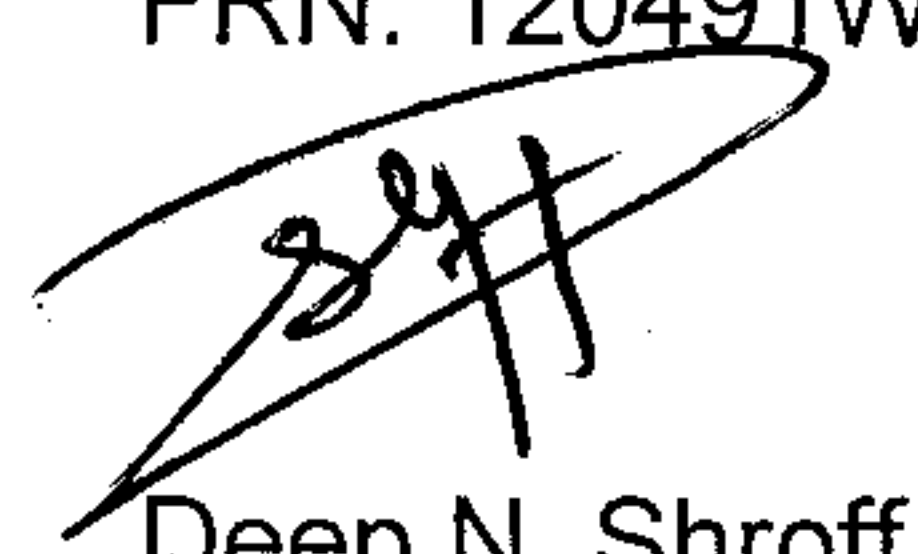


# FORM A

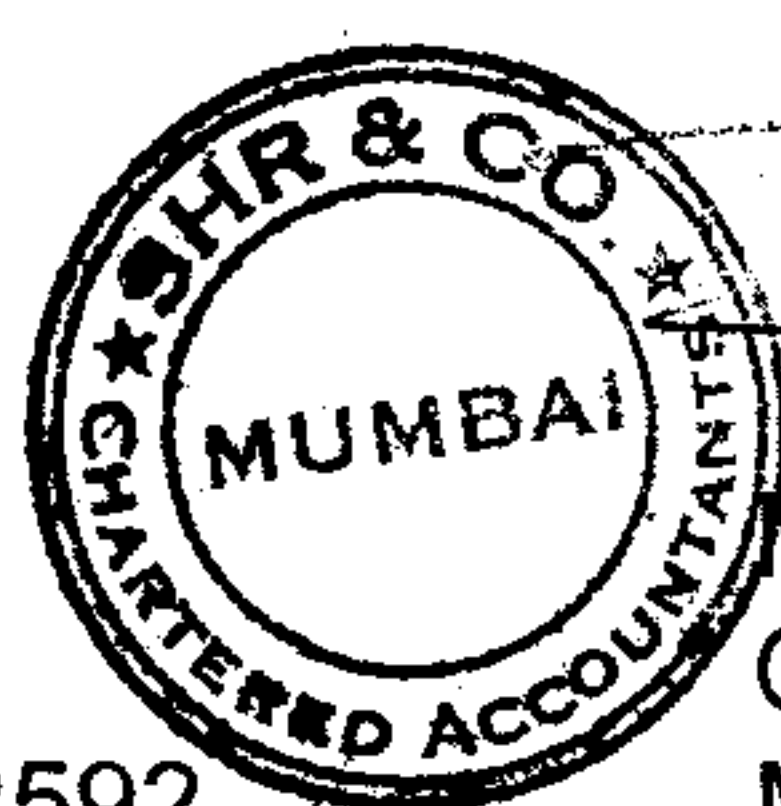
## Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	<b>Gufic Biosciences Limited</b>
2.	Annual financial statements for the year Ended	March 31, 2015
3.	Type of Audit observation	<p>a) Matter of Emphasis</p> <p>(i) Segment Report as prepared by the management has been relied upon by the auditors. (refer para 9, of the Independent Auditors' Report)</p> <p>(ii) Physical counting and inventory valuation has been done by internal auditor an independent firm of Chartered Accountant. (refer para 10 of the Independent Auditors' Report)</p> <p>b) Management Response: 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.</p>
4.	Frequency of observation	<p>(i) Item No (a) (i) in Para 3 above, is repeated since financial year ended March 31, 2013.</p> <p>(ii) Item No (a) (ii) in Para 3 above, is repeated since financial year ended March 31, 2003.</p>

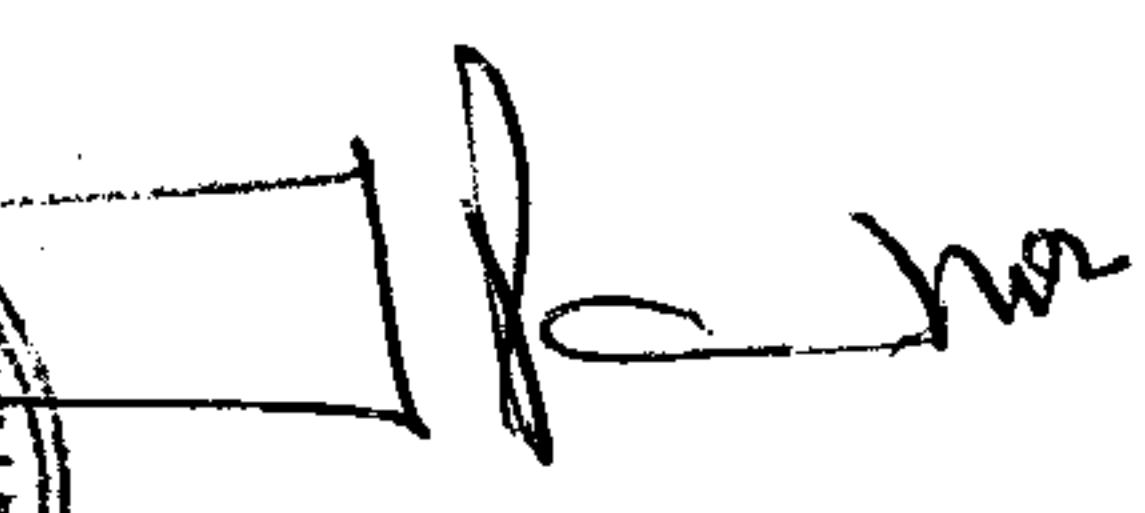
Refer our Audit Report of dated  
May 29, 2015  
For **SHR & CO**  
Chartered Accountants  
FRN: 120491W



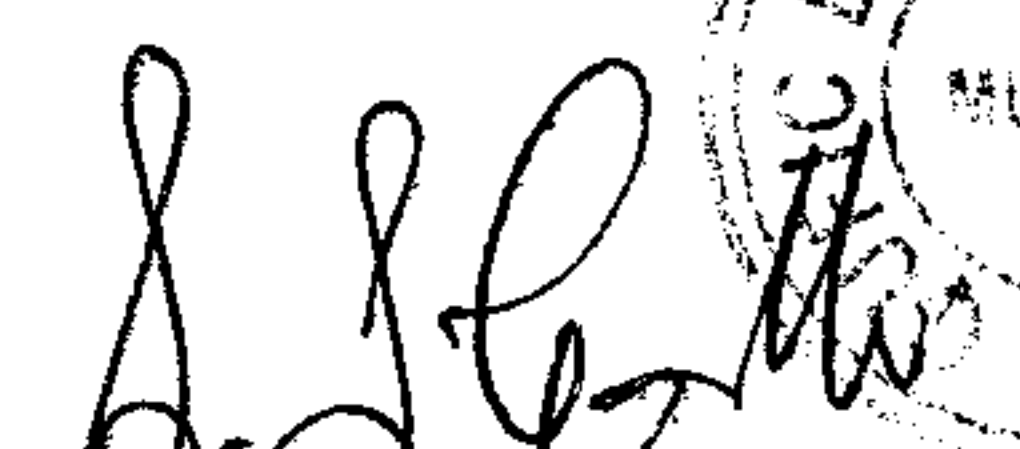
Deep N. Shroff  
Partner  
Membership No. : 122592



For **Gufic Biosciences Limited**

  
Mr. Jayesh P. Choksi  
Chairman &  
Managing Director



  
Dr. S. S. Gandhi  
Chairman  
Audit Committee

  
Mrs. Hemal Desai  
Chief Financial  
Officer & Director

Mumbai, dated May 29, 2015

Mumbai, dated May 29, 2015

**SHR & CO.**

CHARTERED ACCOUNTANTS  
212A, REWA CHAMBERS,  
SIR VITHALDAS THACKERSEY MARG  
MUMBAI - 400 020

## FORM B

### Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	<b>Gufic Biosciences Limited</b>
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit qualification	Qualified Opinion in the Independent Auditors' Report & Annexure to the Auditors' Report
4.	Frequency of qualification	(i) Item No A (i) in Para 5 below, is for the first time.  (ii) Item No A (ii) in Para 5 below, is appearing for last several years.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><b>A. <u>Qualification:</u></b></p> <p><b><u>Independent Auditors' Report</u></b></p> <p>(i) No provision has been made against misappropriation of Rs.123.80 Lacs (net of recovery of Rs. 22.50 Lacs) by one of the marketing employee of the company, which is doubtful of recovery. As a result profit is overstated by Rs. 123.80 lacs with consequential impact on shareholders fund and Loans and advances (other) which are overstated by said amount. (Refer para no 6 of the Independent Auditors' Report on page 39 of the Annual Report)</p> <p>(ii) Non provision of debts of ` 151.48 Lacs outstanding for more than 1 year and advances of ` 23.08 Lacs outstanding for more than 2 year. In absence of appropriate evidence we are unable to ascertain its recoverability and its impacts on the accounts of the company. (Refer para no 7 of the Independent Auditors' Report on page 39 of the Annual Report)</p>
		<p><b><u>Management Response:</u></b></p> <p><b>1. <u>Point 5A(i) above</u></b></p> <p>The Company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of ` 123.80 lacs (net ` 22.50 Lacs). The company has filed FIR against the said employee and also has entered into an agreement with the employee and his brother, who is into business, for the repayment of the said dues. Company is expecting to recover the amount from the employee and hence in view of the management no provision is required.</p> <p><b>2. <u>Point 5A(ii) above</u></b></p> <p>Advances and Debts recoverability is a common feature of any running business. The amount mentioned in 5A(ii) keeps varying depending on the strategies adopted for the year for growth of company as a whole.</p>

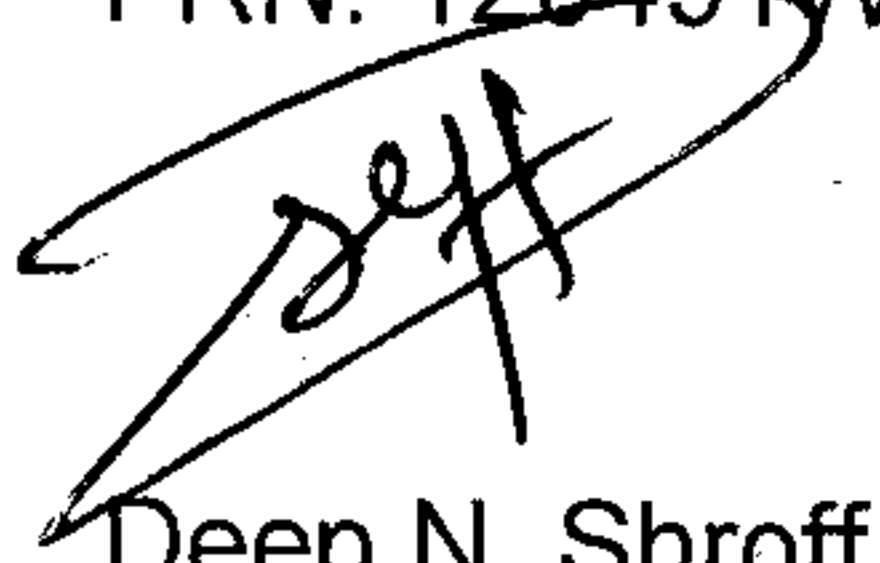


		<p>Company has already initiated process of identifying Trade Receivable and Advances which are non-recoverable in nature and will make necessary provision upon completion of process. However during the Financial Year 2014 - 15 it has made necessary provision or transferred amount to bad debts in respect of debtors which are not recoverable in nature amounting to ` 70.14 lacs. Due to continuous monitoring and followup action management was successful in reducing its debts from ` 326.69 lacs to ` 151.48 lacs, which are outstanding for more than 1 year.</p> <p>However, management is confident of recoverability of such debts and advances and the same are good and recoverable in nature. Hence in view of the management no provision is required.</p> <p>(Also see management response as given on page 7 under the Paragraph Auditor's Report/ Secretarial Audit Report of the Annual Report and Note 51 and 53 on page 64 of the Annual Accounts)</p>
	Additional comments from the board/audit committee chair:	Management has found proper system to recovery the above debts and advance.

Refer our Audit Report of dated May 29, 2015

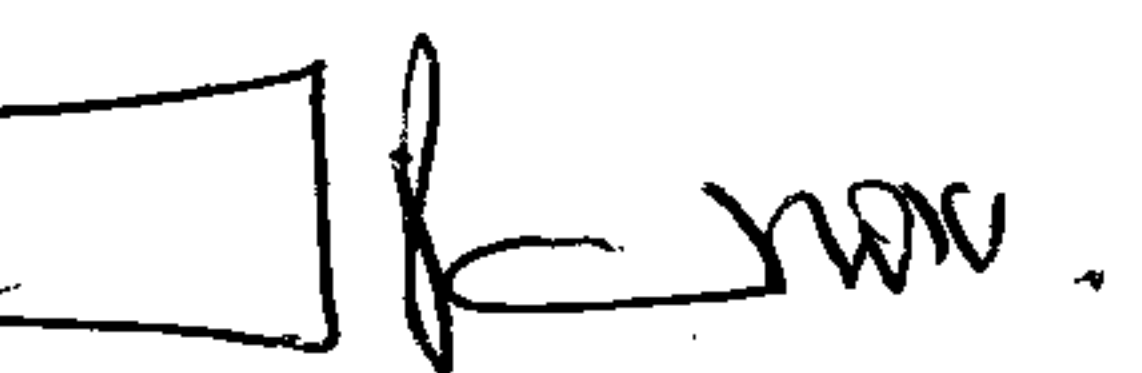
For **SHR & CO**  
Chartered Accountants  
FRN: 120491W


For **Gufic Biosciences Limited**

  
Deep N. Shroff  
Partner

Membership No. : 122592



  
Mr. Jayesh P. Choksi  
Chairman &  
Managing Director

  
Dr. S. S. Gandhi  
Chairman  
Audit Committee

  
Mrs. Hemal Desai  
Chief Financial  
Officer & Director

Mumbai, dated May 29, 2015

Mumbai, dated May 29, 2015

**SHR & CO.**  
CHARTERED ACCOUNTANTS  
212A, REWA CHAMBERS,  
SIR VITHALDAS THACKERSEY MARG  
MUMBAI - 400 020

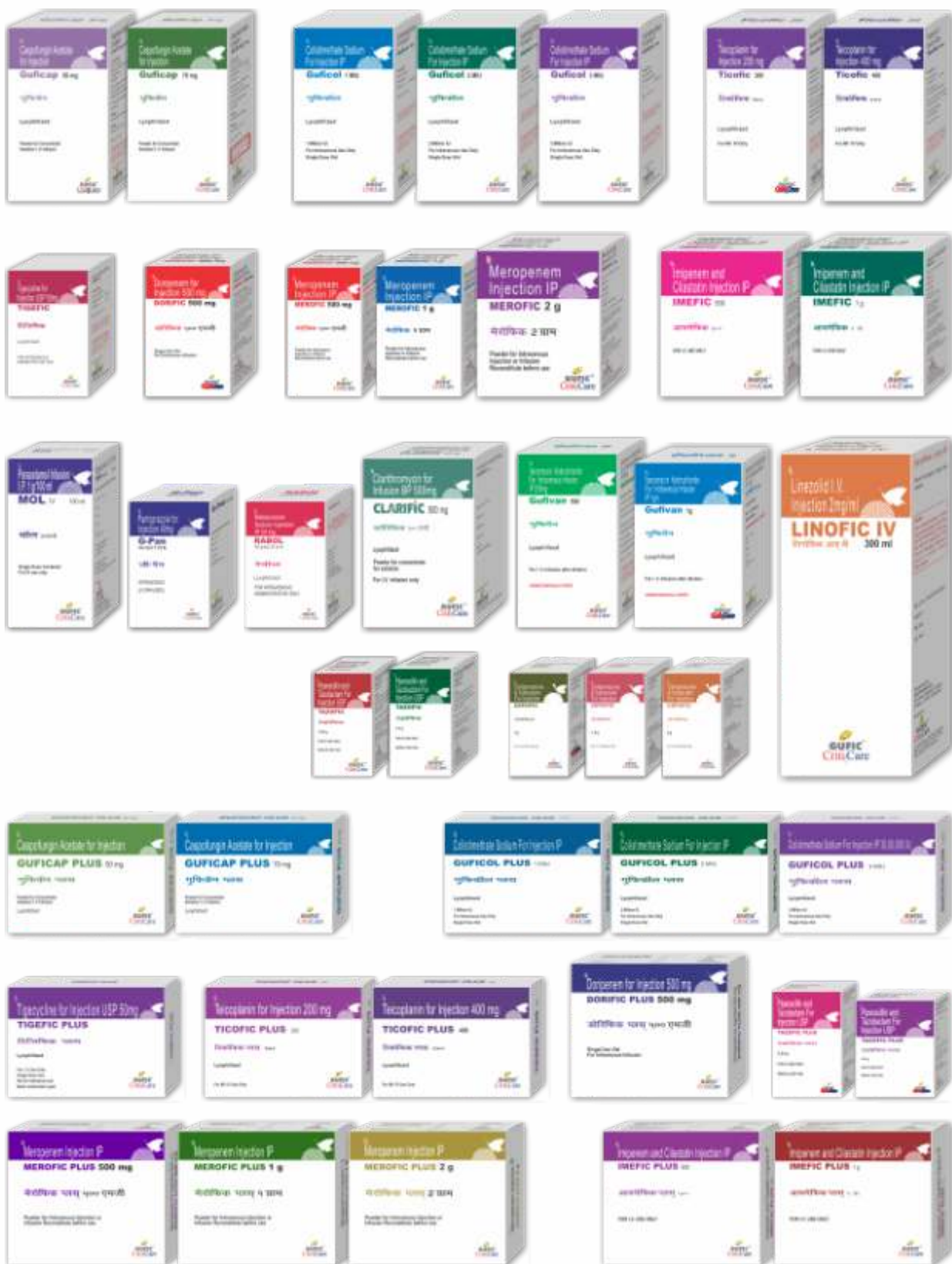




**GUFIC**  
BIOSCIENCES LIMITED

**31ST ANNUAL REPORT 2014-2015**

## GUFIC CRITI CARE DIVISION PRODUCTS



## BOARD OF DIRECTORS

Mr. Jayesh P. Choksi	(Chairman & Managing Director)
Mr. Pranav J. Choksi	(Executive whole-time Director & Chief Executive Officer)
Dr. M. G. Dhapalapur	(Executive whole-time Director) (Resigned w.e.f. Nov 13th, 2014)
Mr. Pankaj J. Gandhi	(Executive Whole-time Director)
Ms. Hemal Desai	(Chief Financial Officer & Additional Director) (w.e.f. Nov 13th, 2014)
Mr. Sharat S. Gandhi	(Non-executive Independent Director)
Mr. Ashok M. Tarale	(Non-executive Independent Director)
Mr. Jagdish D. Shah	(Non-executive Independent Director)
Mr. Khantilal N. Sanghavi	(Non-executive Independent Director) (Resigned w.e.f. Aug 27th, 2014)
Mr. Shreyas Patel	(Non-executive Independent Director)

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Santoshkumar J. Sharma

## STATUTORY AUDITOR

S H R & Co (FRN. 120491W)

## COST AUDITOR

Kale & Associates

## SECRETARIAL AUDITOR

Gajanan Athavale (COP. 10121)

## BANKERS

The Saraswat Co-operative Bank Limited  
State Bank of India  
ICICI Bank  
HDFC 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](mailto:gufic@guficbio.com) • website: [www.guficbio.com](http://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](mailto:rnt.helpdesk@linkintime.co.in)

## 31st Annual General Meeting

### DAY & DATE

Wednesday, 30th September, 2015

### TIME

2.30 PM.

### VENUE

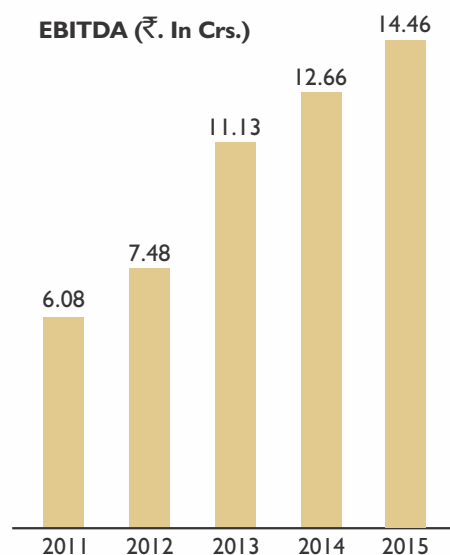
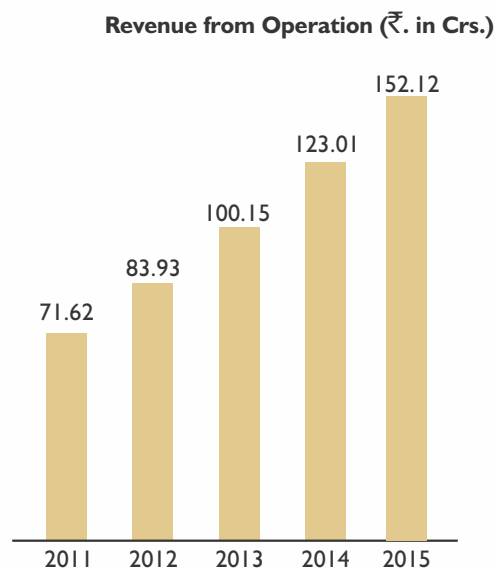
Hotel Parle International,  
B. N. Agarwal Market,  
Next to Dinanath Mangeshkar Hall,  
Vile Parle (E), Mumbai - 400 057.

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## FINANCIAL HIGHLIGHTS



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 ₹152.12 Crs. and profit before tax of ₹ 6.52 Crs. we have been able to post a growth of 23% and 4% respectively.

## Chairman's Message

Dear Shareholder,

We are what we repeatedly do. Excellence then, is not an act, but a habit.” Total revenue exceeding ₹.150 crs. for financial year 2014- 15 is a landmark in the history of Gufic Biosciences. With a modest beginning of a new transformed era in FY 2011-12, we have been able to scale newer heights year on year, consistently, adding value at every stage of our growth, with Compounded Annual Growth Rate (CAGR) of 23% for the last 3 years. Best part of this growth was that we were able to make our revenues more stable, sure and sustainable, resulting in company STEADY GROWTH YEAR AFTER YEAR. We are committed to continue this momentum in coming years and are poised for further “STEADY GROWTH YEAR AFTER YEAR”. In spite of high employee benefits, marketing and infrastructure expenses incurred in pursuit of the growth in business company is able to achieve 4.02 % growth with regards to Profit before Tax. Due to said expenses your company managed to acquire new significant customers for steady growth. Despite fall in PAT the overall financial stability of your Company continued to remain strong.

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.

And, it is always my pleasure to express, on behalf of everyone involved, our sincere appreciation and congratulations to senior management, managers and all Gufic personnel for their direct and unfailing contribution to our institution's financial results. Let me once again convey my great satisfaction in serving the members of Gufic. I am especially proud to work with such a high caliber team of managers, officers and personnel who are as focused on producing financial results as they are attentive to fulfilling member needs.

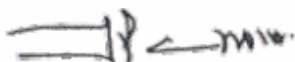
We continue to invest strategically across Gufic to further enhance our differentiation and competitiveness. A key focus is our Critical care Division, including Consumer Division Products, Herbal Division Products. Our early investments in these areas have paid off-today, all of these businesses are of significant scale and growing at rates substantially.

Geographic expansion also remains a key focus of our growth strategy, and we continue to invest in both developed and emerging markets, such as the Nepal, North Africa, etc., as well as in our priority emerging markets. Our priority emerging markets again grew at a faster rate than Gufic as a whole in fiscal 2015.

We are also focused on our environmental strategy, which helps ensure sustainable growth and spans our entire operations- from how we run our business to the services we provide clients and how we engage with employees and suppliers.

I strongly believe that we enjoy a robust foundation that will support growth across all our lines of businesses. We have demonstrated our capabilities across products, customer segments and markets. I intend to continue to leverage this solid platform to achieve our aspirations and deliver value to our stakeholders. During the journey of rejuvenation, I look forward to the continuing support of our shareholders, who have reposed their faith in the Board and in the management. The confidence of you, the shareholders, has been a considerable source of strength for us at Gufic Biosciences. As we step into a new phase of vitality, we continue to rely on this support and confidence.

Yours truly,  
For Gufic Biosciences Limited



Jayesh P. Choksi  
Chairman & Managing Director



# GUFIC BIOSCIENCES LIMITED

## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 31st Annual Report of the Company, together with the Audited Accounts for the financial year ended 31st March, 2015.

### FINANCIAL SUMMARY :

₹ in Lacs

Particulars	2014-15	2013-14
Total Revenues	15212.32	12363.65
Profit Before Interest, Depreciation and Tax (PBIDT)	1446.69	1265.68
Interest	446.08	391.57
Depreciation	385.21	246.77
Profit Before Tax (PBT)	652.59	627.34
Provision for Tax	278.61	151.00
Excess Provisions Written Back	7.08	42.90
Provision for Deferred Taxation	(48.84)	7.01
Profit After Tax (PAT)	415.74	426.43
Surplus Brought Forward	1700.16	1318.68
Balance Available for Appropriation	2115.90	1745.11
Appropriations:		
Dividend	38.68	38.68
Tax on Dividend	7.87	6.27
Transfer to General Res.	280.07	--
Surplus Carried Forward	1789.28	1700.16

### FINANCIAL HIGHLIGHTS :

During the year under review the sales increased to ₹. 15212.32 Lacs in comparison to previous year's ₹. 12363.65 Lacs an increased of 23.04%. PBIDT increased by 14.30% and PBT increased by 4.02% PAT decreased by 2.50%.

### DIVIDEND :

The Directors are pleased to recommend a Dividend of 5 % per equity share of Re.1 each for the financial year ended 31st March 2015.

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

### SHARE CAPITAL:

The paid up equity capital as on March 31, 2015 was ₹. 773.50 Lakhs. During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity nor made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

### FINANCE:

Cash and cash equivalents as at March 31, 2015 was ₹. 620.63 lakhs. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

### FIXED DEPOSITS :

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has given corporate guarantees covered under the provisions of section 186 of the Companies Act, 2013. The terms and conditions whereof are not prejudicial to the interest of the company. The details of the investments made by company is given in the notes to the financial statements and under point no. X of annexure to Auditors report.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The company has not contributed funds for the year ended March 31<sup>st</sup>, 2015. But Company has started contributing funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid from May, 2015. The contributions in this regard have been made to the registered trust which is undertaking these schemes. And company will also undertake schemes of distributing food to the poor directly as part of the CSR initiative.

The Annual Report on CSR activities is annexed herewith as: Annexure A

## 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 2015-2016 has already been paid by the Company.

## CONSERVATION OF ENERGY:

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

## CONSERVATION OF ENERGY:

<b>I. (A) CONSERVATION OF ENERGY</b> Details of conservation of energy are as follows: <b>Power &amp; Fuel Consumption</b>		<b>Year ended 31.03.15</b>	<b>Year ended 31.03.14</b>
<b>(a) Electricity</b>			
Purchased Units	Kwh	2882290	<b>2505396</b>
Total amount	₹ in Lacs	218.90	179.37
Rate per unit (average)	₹	7.59	7.16
<b>(b) Furnace Oil</b>			
Quantity	Ltrs	NIL	179518
Total Cost	₹. In Lacs	NIL	76.74
Average Cost	₹	NIL	42.75
<b>(c) Briquettes</b>			
Quantity	Ltrs l	296780	NIL
Total Cost	₹. In Lacs	70.86	NIL
Average Cost	₹	5.47	NIL
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION</b>			
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.			

# GUFIC BIOSCIENCES LIMITED

## TECHNOLOGY ABSORPTION:

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

## FOREIGN EXCHANGE EARNINGS AND OUT-GO:

Foreign Exchanges earing amounted to ₹. 1,175.48 lacs and for the previous year it was ₹. 922.88 lacs and the total foreign exchange outgo amounted to ₹. 124.63 lacs and for the previous year it was ₹. 32.99 lacs. Increase in Foreign exchange outgo is mainly due to expense incurred for registration of products and related legal expenses

## INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## DIRECTORS :

Tenure of Mr. Jayesh P. Choksi, Managing Director and Mr. Pranav Choksi, Executive Director has been expired on March 31, 2015. The Board recommend re-appointment of Mr. Jayesh P. Choksi as Chairman and Managing Director and Mr. Pranav Choksi as wholetime Director of the company for next 5 years subject to the approval of Shareholder and resolution for re-appointment of Mr. Jayesh P. Choksi as Chairman and Managing Director and Mr. Pranav Choksi as Wholetime Director is incorporated in the notice of 31st Annual General Meeting of the company.

Mr. Jayesh P. Choksi retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment Mr. Khantilal N. Sanghavi, an independent director and Mr. M. G. Dhapalapur, Executive Director submitted resignation to the Board on August 27th, 2014 and November 13th, 2014 respectively due to health issues related to age. The Board hereby places on record its sincerest thanks and gratitude for the invaluable contribution made by Mr. Khantilal N. Sanghavi and Mr. M. G. Dhapalapur towards the growth and development of the company during his tenure as a director. The Board also on behalf of the members wishes Mr. M. G. Dhapalapur a long and healthy life.

Further as per section 152, 161 including any statutory modification (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Company is required to appoint a Woman Director on the board of the Company. Ms. Hemal Desai has been appointed as Additional Director w.e.f 13th November 2015, to hold office up to the date of forthcoming Annual General Meeting. Being eligible, Ms. Hemal Desai offered herself to be appointed as the Executive whole - time Director of your Company.

The details of training and familiarization programmers and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employee's forms part of Corporate Governance Report of this Annual Report.

## Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

- vi. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Equity Listing Agreement.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis and forms part to the Notes to Accounts in Note No. 31

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure B to the Board's report.

#### **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary. Accordingly, the disclosure in Form AOC I is not applicable

#### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.guficbio.com](http://www.guficbio.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

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

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

#### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

#### **AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:**

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



# GUFIC BIOSCIENCES LIMITED

With refer to point no. 6 of Independent Auditor's Report company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of ₹. 123.80 lacs from that ₹. 22.50 Lacs has been recovered and management has taken necessary steps including legal action and is hopeful of recovering the said amount. Accordingly it has been shown the amount of ₹. 123.80 Lacs under the head other non-Current Assets (other).

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

1. Advances and Debts recoverability is a common feature of any running business. The amount mentioned in 5(a)(I) keeps varying depending on the strategies adopted for the year for growth of company as a whole.
2. However, management is confident of recoverability of such debts and advances and the same are good and recoverable in nature
3. Due to strong internal control management has been successful in reducing its debts less than 1 year from ₹. 326.69 Lacs to ₹. 151.48 Lacs.

With refer to point no. 12(h) (iii) of Independent Auditor's Report they was delay in transferring unpaid dividend of ₹. 2 lakhs credited to said account in FY 2006-07 pertaining to financial year 2005-06, which was due to dispute with bank and same is resolved. And necessary action has been started.

As required under section 204 (I) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to non-filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are compiled to the fullest extent.

## AUDITORS:

The Auditors S H R & Co., Chartered Accountants, Mumbai, who was appointment at 30<sup>th</sup> Annual General Meeting of the Members of the company for 5 Year. The re-appointment to be ratify at ensuring Annual General Meeting of the members of the company

## SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed CS Gajanan Athavale, a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure C"

## EXTRACT OF ANNUAL RETURN:

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

## BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

## PARTICULARS OF EMPLOYEES:

The detail information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed herewith as "Annexure E".

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

## ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: 29th May, 2015

Jayesh Choksi  
Chairman & Managing Director

## ANNEXURE TO DIRECTORS REPORT :

### ANNEXURE A

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR policy is stated herein below:

#### CSR Policy

(Approved by the Board of Directors on 13.11.2014)

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- 1) Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to the needy and down trodden.
- 2) Collaborate with like minded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

Web Link: [www.guficbio.com](http://www.guficbio.com)

#### 2. Composition of CSR committee

Name of the Members	Designation
Mr. Sharat Gandhi	Chairman
Mr. Jadish Shah	Member
Mr. Sheryas patel	Member
Mr. Jayesh Choksi	Member
Mr. Pranav Choksi	Member

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

Average net profit: ₹. 4.84 Crores

4. Prescribed CSR Expenditure ( Two percent of the amount as in item 3 above) The company is required to spend ₹. 9.68 Lakhs

5. Details of CSR spend for the financial year :

a. Total amount spent for the financial year: Nil

b. Amount unspent if any: ₹. 9.68 Lakhs

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

Sr.No.	Projects/ Activities	Sector	Locations	Amount outlay (Budgets) projects or program me wise (₹. Lakhs)	Amount spent projects or programme wise (₹. Lakhs)	Cumulative expenditure upto reporting period (₹. Lakhs)	Amount spent: Direct or through implementing agency* (₹. Lakhs)
1.	Medical Relief	Healthcare	NA	Nil	Nil	Nil	Nil
2.	Educational aid	Literacy	NA	Nil	Nil	Nil	Nil

\*Details of implementing agency: NA

## ANNEXURE B

### PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

**[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]**

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

Details of material contracts or arrangement or transactions.

The details of material contracts or arrangement or transactions for the year ended March 31, 2015 are as follows:

Director/Relatives of Director	Nature of Relationship	Duration of Contract	Nature / Salient feature	Amount (₹. In crores)
Mr. Jayesh Choksi	Director	NA	Unsecured Loans taken from Director	0.84
Mr. Pranav Choksi	Director	NA	Unsecured Loans taken from Director	1.36
Gufic Chem Pvt Ltd	Sister Concern	NA	Labour charges Paid- (Negative indicates Advances Given)	0.96
Gufic Stridden Bio-Pharma Pvt Ltd	Sister Concern	NA	Labour charges received	(1.12)
Vipula Choksi	Promoter	NA	Unsecured Loans taken from Relative - Director	0.63
Zire Rushi	Partner	NA	Contract	(0.01)
Gufic Private Limited	Sister Concern	NA	Manufacturing Contract	(0.05)
Partha Gandhi Enterprise	Relative	NA	Contract	0.04
Sheela Dhapalapur	Relative	NA	Contract	0.01
Manshi Gandhi Enterprise	Relative	NA	Contract	0.04

*Appropriate approvals have been taken for related party transactions as listed above..*

**ANNEXURE C**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2015  
(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gufic Biosciences Limited (CIN L65990MH1984PLC033519)(hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013(the Act)and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-lawsframed thereunder;
- (iv) Foreign Exchange Management Act,1999and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) TheRegulationsandGuidelinesprescribedundertheSecuritiesandExchangeBoardof IndiaAct, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 **(Not applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008 **(Not applicable to the Company during the Audit Period);**



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period); and**
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
- (vi) I have relied on the representations made by the Company, its Company Secretary, Compliance Officer, Board of Directors, its officers, agents & authorized representatives and based on Statutory Auditor's Report, Internal Audit Reports, draft Director's Report for the financial year ended March 31, 2015, for systems and mechanism put in place by the Company for complying with various other applicable Act, Laws and Regulations to the Company during the audit period.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India in terms of section 118(10) are made applicable with effect from 01 July 2015. (Not applicable to the Company during the Audit Period); and
- b. The Listing Agreements entered into by the Company with Stock Exchanges, BSE & NSE.

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

- 1. Reporting under Section 143(12) of the Act: During the audit period; Mr. Sandip Tiwari, who was employed by the Company as an Assistant Manager (Bulk Drug Marketing) and responsible to sell the drug manufactured by the Company and to market and to recover the sales proceeds on behalf of the Company; misappropriated / embezzled amount to the extent of ₹. 1.33 Crores (Rs. One Crore Thirty Lacs Only). The said Mr. Sandip Tiwari admitted, on confrontation by the Company management, a commission of fraud by misappropriating funds, forging the signatures of the officials of the Company by raising/creating fake orders in the name of the Company's approved customers.

The said misappropriation / embezzlement by Mr. Sandip Tiwari had been identified/detected by the management of the Company and has been/is accordingly being remediated/ dealt with.

Moreover; I have applied professional skepticism to evaluate/verify the above referred misappropriation / embezzlement by Mr. Sandip Tiwari was indeed identified/detected in all aspects by the management through its internal control mechanism.

- 2. Filing of annual / periodical returns, forms, intimations, etc. under the Companies Act, 1956/2013, was not as per the statutory time frame.
- 3. The Company has not complied with the Dividend related provisions viz: unclaimed dividend amount to be transferred to Investor Education & Protection Fund, etc.
- 4. For the quarter ended 31 December 2014 (Q-3) of the financial year 2014-2015; submission of Corporate Governance Report to the stock exchange/s was not per stipulated time frame and was resulted in paying monetary penalty.
- 5. Form A / Form B for submitting annual audit report for the financial year ended 31 March 2014 with the Stock Exchanges in terms of clause 31 of the Listing Agreement, was not submitted on stipulated time.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as a part of the minutes.

As represented by the management of the Company, I further report that the Company is in process of strengthening its systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. other than those specifically referred herein above.

For Gajanan D. Athavale  
Company Secretaries

Gajanan D. Athavale  
Proprietor

Membership No.: 28306  
Certificate of Practice No.: 10121

Place: Mumbai  
Date: 29 May 2015

**This report is to be read with our letter dated 29th May, 2015, which is annexed as Annexure A and forms an integral part of this report.**

## **Annexure A to Form No. MR-3 - SECRETARIAL AUDIT REPORT for the Financial Year ended on 31 March 2015**

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Gufic Biosciences Limited (CIN L65990MH1984PLC033519) (herein called as 'the Company'). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which I have placed reliance on the report issued by the Independent Statutory Auditors Cost Auditors and the Internal Auditors of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Company's management. My examination was limited to the verification of procedures on test basis and on the basis of management representations received for following listed identified and applicable acts, rules, regulations, registrations, etc.

### **A. Specific Laws:**

- Pharmacy Act, 1948.
- Drugs and Cosmetics Act, 1940.
- Homoeopathy Central Council Act, 1973.
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954.
- Narcotic Drugs and Psychotropic Substances Act, 1985.
- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.
- The Medicinal & Toilet Preparations (Excise Duties) Act, 1955.
- Petroleum Act, 1934.
- Poisons Act, 1919.
- Food Safety and Standards Act, 2006
- Insecticides Act, 1968.
- Biological Diversity Act, 2002.
- The Indian Copyright Act, 1957.

**B. Other Laws:**

- Registration under Bombay Shop and Commercial Establishment Act, 1958.
  - The Public Liability Insurance Act, 1991.
  - Minimum Wages Act, 1948.
  - Payment of Gratuity Act, 1972
  - Registration and Payments made under the Professional Tax Act, 1975.
  - Employee's Provident Funds and Miscellaneous Provisions Act, 1952.
  - Industrial Disputes Act, 1947
  - Trade Unions Act, 1926.
  - Factories Act, 1948
  - Registration cum Membership certificate from the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL).
  - The Industrial Employment (Standing Orders) Act, 1946.
  - Industries (Development and Regulation) Act, 1951.
  - Registrations Certificate of Import Export Code (IEC) obtained from the Director General of Foreign Trade.
  - Apprentices Act, 1961.
  - Child Labour (Prohibition and Regulation) Act, 1986.
  - Contract Labour (Regulation and Abolition) Act, 1970
  - Employee's State Insurance Act, 1948
  - The Maternity Benefit Act, 1961
  - All other state and local body Act, rules & regulations and directions issued as those are applicable.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management of the Company has conducted the affairs of the Company.

For Gajanan D. Athavale  
Company Secretaries

Gajanan D. Athavale  
Proprietor

Membership No.: 28306  
Certificate of Practice No.: 10121

Place: Mumbai  
Date: 29 May 2015



# GUFIC BIOSCIENCES LIMITED

**ANNEXURE D**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON**  
**31st March, 2015**

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

## I. REGISTRATION AND OTHER DETAILS:

- i. CIN: L65990MH1984PLC033519
- ii. Registration Date: 23/07/1984
- iii. Name of the Company: GUFIC BIOSCIENCES LIMITED
- iv. Category / Sub-Category of the Company: Company Limited by Shares
- v. Address of the Registered office and contact details:  
37, Frist, Floor, Kamala Bhavan II,  
S. Nityananad Road, Andheri (East),  
Mumbai – 400 069, Maharashtra, India.
- vi. Whether listed company: YES
- vii. Name, Address and Contact details of Registrar and Transfer Agent:

LINK INTIME INDIA PRIVATE LIMITED,  
C-13, Pannalal Silk Mills,  
Compound, L.B.S. Road,  
Bhandup West, Mumbai – 400 078,  
Tel No. (022) 2594 6970, Fax: (022) 2594 6969,  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / service	NIC code of the product / service	% to total turnover of the company
I.	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	24231	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
I.	Zircon Finance and Leasing Private Limited	U74920MH2008PTC186926	Associate	26.53	Section 2 (6) of Companies Act, 2013

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

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(I) Indian									
a) Individual/ HUF	28273358	Nil	28273358	36.55	28273358	Nil	28273358	36.55	0.00
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	25854287	Nil	25854287	33.43	25854287	Nil	25854287	33.43	0.00
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total (A) (I)</b>	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	54127645	Nil	54127645	69.98	54127645	Nil	54127645	69.98	0.00
<b>B. Public Shareholding</b>									
I. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt/ State Govt(s)	1199517	Nil	1199517	1.55	1199517	Nil	1199517	1.55	0.00
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
I) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	1199517	Nil	1199517	1.55	1199517	Nil	1199517	1.55	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	9229917	10500	9240417	11.95	8502792	10500	8513292	11.01	0.94
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	10427189	209997	10637186	13.75	10866801	209997	11076798	14.32	0.57
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1633274	Nil	1633274	2.11	1772422	Nil	1772422	2.29	0.18
c) Others (specify)									
Non Resident Indians (Repat)	80214	Nil	80214	0.10	169951	Nil	169951	0.22	0.12
Non Resident Indians (Non Repat)	43832	Nil	43832	0.06	51586	Nil	51586	0.07	0.01
Market Maker	19691	Nil	19691	0.03	24336	Nil	24336	0.03	0.00
Clearing Members	63315	Nil	63315	0.08	189397	Nil	189397	0.24	0.16
Hindu Undivided Family	304909	Nil	304909	0.39	225056	Nil	225056	0.29	0.10
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies-DR	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	21802341	220497	22022838	28.47	21802341	220497	22022838	28.47	0.00
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	23001858	220497	23222355	30.02	23001858	220497	23222355	30.02	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	77129503	220497	77350000	100	77129503	220497	77350000	100	0.00

## B) Shareholding of Promoter-

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

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

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

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kewal Krishan Nohria	820000	4.7481	0	0.0
2	Savita Aggarwal	474818	2.7494	4751900	2.7151
3	Anil Bansal	427710	2.4766	427710	2.4766
4	Om Global Sigapore Pte Ltd	230000	1.3318	230000	1.3318
5	Navin Kumar Marwah ( H.U.F. )	225880	1.3079	279750	1.6199
6	Sudhir N	143741	0.8323	0.00	0.0000
7	Navin Kumar Marwah	113074	0.6547	247358	1.4323
8	Laxmi Devi Madangopal Damani	108799	0.6300	156000	0.9033
9	Ramesh Damani	87100	0.5043	87100	0.5043
10	Marwadi Shares And Finance Ltd.	77971	0.4515	400	0.0023

### E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Jayesh P. Choksi – Managing Director At the beginning of the year	18010259	23.28	18010259	23.28
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	18010259	23.28	18010259	23.28
2	Mr. Pranav J. Choksi – Executive Director & Chief Executive Director At the beginning of the year	6975826	9.02	6975826	9.02
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	6975826	9.02	6975826	9.02

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	139182678	47143521	11850000	198176198
ii) Interest due but not paid	-	-	754267	754267
iii) Interest accrued but not due	1583161	404969	-	1988130
<b>Total (i+ii+iii)</b>	<b>140765839</b>	<b>47548490</b>	<b>12604267</b>	<b>200918595</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	14988192	1451572	5000000	21439764
* Reduction	33852444	19796965	1500000	55122409
<b>Net Change</b>	<b>(18864252)</b>	<b>(18318393)</b>	<b>3500000</b>	<b>(33682645)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	120318425	28825128	15350000	164493552
ii) Interest due but not paid	-	-	1207089	1207089
iii) Interest accrued but not due	1343538	-	-	1343538
<b>Total (i+ii+iii)</b>	<b>121661963</b>	<b>28825128</b>	<b>16557089</b>	<b>167044179</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Jayesh P. Choksi (MD)	Pankaj Gandhi (WTD)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1212000	580401	1792401
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as 1% of profit - others, specify...	600000	Nil	600000
5.	Others, please specify	8400	19000	27400
	Total (A)	1820400	599401	2419801
	Ceiling as per the Act	10% as per section 197 of Companies act, 2013 read with section I of part II of schedule V of Companies Act, 2013		

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total
		Dr. S. S Gandhi	Mr. Shreyas Patel	Mr. Jagdish Shaha	Mr. Ashok Tarale	Mr. Khantilal Sanghavi	Amount
1.	Independent Directors						
	Fee for attending board committee meetings	25000	15000	15000	25000	15000	95000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1 + 2)	25000	15000	15000	25000	15000	95000
	Total Managerial Remuneration	-	-	-	-	-	2514801*
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Director shall not exceed 1% of the net profit of the company. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors. The Board has fixed ₹. 5000/- as sitting fees for Board / Committee meeting.					

\* Total remuneration to Managing Director, Whole-Time Director and other Director (being the total of A and B)

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480000	444408	1200864	2125272
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	8400	8400	34000	50800
	Total	488400	452808	1234864	2176072

\*Mr. Parnav J. Choksi, Executive Director of the company designated as CEO

@Ms. Hemal Desai, Additional Director of the company designated as CFO and become Additional director from November 13th, 2014.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

## ANNEXURE E

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15

S.No.	Name of Director/ KMP	Ratio	% increase
1.	Mr. Jayesh P. Choksi, Chairman & Managing Director	113.99 : 1	Nil
2.	Mr. Pankaj Gandhi, Whole-Time Director	53.90 : 1	Nil
3.	Mr. Pranav Choksi, Executive Director & Chief Executive Officer	42.94 : 1	Nil
4.	Dr. Dhupalapur, Executive Director	31.06 : 1	Nil
5.	Ms. Hemal Desai, Additional Director & Chief Financial Officer	112.24 : 1	5%
6.	Mr. Santoshkumar Sharma, Company Secretary & Assistant Manager - Legal	39.06 : 1	25%

Ms. Hemal Desai was appointed as Additional Director and Dr. Dhupalapur resigned for the directorship of the company on November 13th, 2014

2. The number of permanent employees on the rolls of the Company as on 31st March, 2015 : 720.
3. The explanation on the relationship between average increase in remuneration and company performance: Nominal increase in remuneration was given as per the remuneration policy. Average increase in the remuneration was 12% in the Financial Year 2014-15 which was in line with the industry trend.
4. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

(₹ in Lacs)

S. No.	Designation	Remuneration	% increase	Company's Performance
1.	Mr. Jayesh P. Choksi, Chairman & Managing Director	13.21	Nil	Total revenue exceeding ₹. 150 crs., for financial year 2014- 15. Compounded Annual Growth Rate (CAGR) of 23% for the last 3 years. Profit after Tax declined from 3.74% to 2.74% of total income, primarily due to high employee benefits, marketing and infrastructure expenses incurred in pursuit of the growth in business
2.	Mr. Pankaj Gandhi, Whole-Time Director	6.24	Nil	
3.	Mr. Pranav Choksi, Executive Director & Chief Executive Officer	4.97	Nil	
4.	Ms. Hemal Desai, Additional Director & Chief Financial Officer	13.00	5%	
5.	Mr. Santoshkumar Sharma, Company Secretary & Assistant Manager - Legal	4.52	25%	

Based on performance rating of the Key Managerial Personnel appropriate reward by way of merit increase or variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company.

5. The Market Capitalisation of the Company as on 31st March, 2015 was ₹. 99.93 Cr. as compared to 39.75 Cr. as on 31st March, 2014. The price earnings ratio of the Company (23.92) as at 31st March, 2015 and was (9.34) as at 31st March, 2014. The closing share price of the Company at BSE Limited on 31st March, 2015 being 12.92/- per equity share of face value of ₹. 1/-
6. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was 12% whereas the increase in the managerial remuneration was 13%. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
7. The key parameters for any variable component of remuneration availed by the directors; No directors have been paid any remuneration as only Sitting Fees are paid to them.
8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Dr. Debesh Das, Vice-President, Ethical Sales & Marketing with CTC ₹. 44.21 Lacs.
9. If remuneration is as per the remuneration policy of the Company: Yes

#### 10. Particulars of Employees

- a. Details of employees, employed throughout the financial year, was in receipt of remuneration for that financial year, in the aggregate, was not less than 60 lakhs: Nil
- b. Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month: Nil
- c. Details of employees, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Nil

## REPORT ON CORPORATE GOVERNANCE

### 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gufic philosophy on corporate governance is about commitment to values and ethical business conduct. And envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. It is about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your company has fulfilled all the existing guidelines under clause 49 of the listing agreement.

Gufic endeavors to make its management team empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. The Board has also institutionalized good management practices to bring about an atmosphere of accountability. Systems are being put into place to ensure effective strategic planning, optimum risk management, financial plans and budgets, integrity of internal controls and reporting, communication policy with emphasis on transparency and full disclosure on the various facts of the Company's operations, its functioning and its financial and compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit.

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

### 2. BOARD OF DIRECTORS :

#### (A) Composition and size of the Board

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

Five (5) Board Meetings were held during the financial year 2014-2015 and the gap between two Board Meetings did not exceed 4 months. The Board meetings were held on 30<sup>th</sup> May, 2014, 14<sup>th</sup> August, 2014, 27<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015. The names of members of the Board, No of Board Meeting held during the financial year 2014-2015, 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 2014-2015		Whether attended Last AGM Companies	No. of Directorship in other Companies	No. of Chairmanship / Membership in other	
		Held	Attended			Chairmanship	Membership
Mr. J. P. Choksi	Managing Director	5	5	Yes	11	Nil	Nil
Mr. P. J. Choksi	Executive Non Independent Director	5	5	Yes	8	Nil	Nil
Mr. Pankaj Gandhi	Executive Whole-Time Director	5	5	Yes	Nil	Nil	Nil
Ms. Hemal Desai #	Executive Additional Director	5	2	Yes	Nil	Nil	Nil
Dr. Sharat S. Gandhi	Non-Executive Independent Director	5	5	Yes	Nil	Nil	Nil
Mr. A. M. Tarale	Non Executive Independent Director	5	5	Yes	Nil	Nil	Nil
Mr. Shreyas Patel##	Executive Non-Independent Director	5	3	Yes	Nil	Nil	Nil
Mr. Jagdish Shah	Non Executive Independent Director	5	3	Yes	Nil	Nil	Nil
Mr. Khantilal N. Sanghavi###	Non Executive Independent Director	5	3	Yes	Nil	Nil	Nil
Dr. M. G. Dhapalapur####	Executive Whole-Time Director	5	2	Yes	Nil	Nil	Nil

- # Appointed with effect from November 13<sup>th</sup>, 2014
- ## Appointed with effect from August 27<sup>th</sup>, 2014
- ### Resigned as Non-Executive Independent Director with effect from August 27<sup>th</sup>, 2014
- #### Resigned as Executive Whole-Time Director with effect from November 13<sup>th</sup>, 2014
- \* The above list of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private, Foreign and Section 25 Companies.
- \*\* The Committee Memberships and Chairmanships in other Companies include Memberships and Chairmanships of Audit and Shareholders'/ Investors' Grievance Committee only.

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.

### 3. COMMITTEE OF THE BOARD:

#### (A) Audit Committee

##### i) Terms of Reference:

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

##### ii) Composition:

The Audit committee was re-constituted on November 13<sup>th</sup>, 2014 which consist of three independent directors and two Executive Non-Independent Director, Mr. Sharat Gandhi, Mr. Jadish Shah, Mr. Sheryas Patel, Mr. Jayesh Choksi and Mr. Pranav Choksi. Mr. Sharat Gandhi has been designated as chairman of the committee. The committee met Five times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman(from November 13 <sup>th</sup> , 2014)	5
Mr. Jadish Shah*	Member	2
Mr. Sheryas Patel*	Member	2
Mr. Jayesh Choksi	Member	5
Mr. Pranav Choksi*	Member	2
Mr. Ashok Tarale**	Chairman(till August 27 <sup>th</sup> , 2014)	3

\* Become member on November 13<sup>th</sup>, 2014

#### (B) Nomination & Remuneration Committee and policy:

The Nomination & Remuneration committee for appointment & remuneration of director's key managerial personnel was re-constituted on November 13<sup>th</sup>, 2014. The committee comprises of three independent Directors and two executive director, Mr. Sharat Gandhi, Mr. Jadish Shah, Mr. Sheryas Patel, Mr. Jayesh Choksi and Mr. Pranav Choksi. Mr. Jadish Shah has been designated as chairman of the committee. The committee met three times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows:

Name of the Members	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman(from November 13 <sup>th</sup> , 2014)	3
Mr. Jadish Shah*	Member	2
Mr. Sheryas Patel*	Member	2
Mr. Jayesh Choksi	Member	3
Mr. Pranav Choksi*	Member	2
Mr. Ashok Tarale**	Chairman(till August 27 <sup>th</sup> , 2014)	1
Mr. Khantilal N. Sanghavi	Member(till August 27 <sup>th</sup> , 2014)	1

\* Become member on November 13<sup>th</sup>, 2014



The details of remuneration for the year ended March 31, 2015 to the Executive Directors are as follows

Sr. No	Name of Director	Salary/ Remuneration (p.a) in ₹.	Perquisites / Allowances (₹)	Performance Linked Bonus / Commission (₹)	Stock Options
1	Mr. Jayesh Choksi	1212000	Nil	608400*	Nil
2	Mr. Pranav Choksi	480000	Nil	8400	Nil
3	Mr. M.G. Dhapalapur (till November 13th, 2014)	208059	Nil	14000	Nil
4	Ms. Hemal Desai (from November 13 <sup>th</sup> , 2014)	246892	Nil	14167	Nil
5	Mr. Pankaj Gandhi	580401	Nil	19000	Nil

The Company has paid sitting fees of ₹. 5,000/- per meeting to Non-Executive Directors during the financial year 2014-15.

## POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

### Criteria of selection of Non-Executive Directors

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

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

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

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

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

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

### Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

### CEO & Managing Director - Criteria for selection / appointment.

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

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

### Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting. The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

### Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

### C. Stakeholders Relationship Committee:

During the year 2014-15 the Shareholders & Investors Grievance committee was renamed and re-constituted on November 13<sup>th</sup>, 2015 as the Stakeholder Relationship Committee in compliance with the amended clause 49E(4) of the Listing Agreement entered with National Stock Exchange of India Limited and Bombay Stock Exchange Limited that also acts as Share Transfer Committee. The committee met one time. The attendance at the Shareholders/Investors Grievance Committee is given below;

Name of the Members	Designation	No of Meetings Attended
Mr. Sheryas Patel	Chairman(from November 13 <sup>th</sup> , 2014)	1
Mr. Jadish Shah*	Member	1
Mr. Jayesh Choksi*	Member	1
Mr. Pranav Choksi*	Member	1
Mr. Sharat Gandhi	Chairman(till August 27 <sup>th</sup> , 2014) Member(from November 13 <sup>th</sup> , 2014)	1
Mr. Ashok Tarale**	Member (till November 13 <sup>th</sup> , 2014)	1

\* Become member on November 13<sup>th</sup>, 2014

During the year 2014-15, zero complaints were received from shareholders and investors. All the complaints have generally been resolved to the satisfaction of the complainants.

### Powers and Role of Committee

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

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

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

### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from November 13<sup>th</sup>, 2014.

Name of the Member	Designation
Mr. Sharat Gandhi	Chairman
Mr. Jadish Shah	Member
Mr. Sheryas Patel	Member
Mr. Jayesh Choksi	Member
Mr. Pranav Choksi	Member

The committee met 2 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

# GUFIC BIOSCIENCES LIMITED

Name of the Member	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman	2
Mr. Jadish Shah	Member	2
Mr. Sheryas Patel	Member	2
Mr. Jayesh Choksi	Member	2
Mr. Pranav Choksi	Member	2

## E. PERFORMANCE EVALUATION COMMITTEE

The company has formed a performance evaluation committee consisting of the following members from November 13<sup>th</sup>, 2015.

Name of the Member	Designation
Mr. Sharat Gandhi	Chairman
Mr. Jadish Shah	Member
Mr. Sheryas Patel	Member
Mr. Jayesh Choksi	Member
Mr. Pranav Choksi	Member

The committee met 1 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman	2
Mr. Jadish Shah	Member	2
Mr. Sheryas Patel	Member	2
Mr. Jayesh Choksi	Member	2
Mr. Pranav Choksi	Member	2

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## F. BUSINESS RISK EVALUATION/ MANAGEMENT COMMITTEE

The company has formed a performance evaluation committee consisting of the following members from November 13<sup>th</sup>, 2015.

Name of the Member	Designation
Mr. Sharat Gandhi	Chairman
Mr. Jadish Shah	Member
Mr. Sheryas Patel	Member
Mr. Jayesh Choksi	Member
Mr. Pranav Choksi	Member

The committee met 1 times during the financial year ended March 31, 2015. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No of Meetings Attended
Mr. Sharat Gandhi	Chairman	1
Mr. Jadish Shah	Member	1
Mr. Sheryas Patel	Member	1
Mr. Jayesh Choksi	Member	1
Mr. Pranav Choksi	Member	1

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management;
2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

#### INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on February 13<sup>th</sup>, 2015, inter alia, to discuss:

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

All the independent Directors were present at the meeting.

#### 4. SHAREHOLDERS

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
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.
2013-2014	Hotel Parle International, Vile Parle East, Mumbai – 400 057.	26th September, 2014	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](http://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

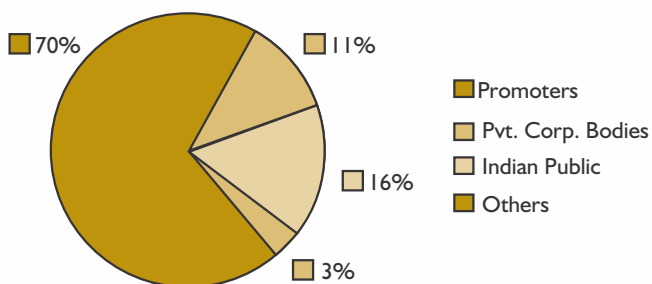
## CEO AND CFO CERTIFICATION :

The Chief Executive Officer 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.

## E. GENERAL SHAREHOLDERS INFORMATION :

Annual General Meeting: Date, Time and Venue	31st July, 2015 At 2.30 PM At Hotel Parle International, Vile Parle East, Mumbai-400 057
Date of Book Closures	24th July, 2015 to 31st July, 2015 (Both Days Inclusive)
Financial Calendar: Results for quarter ended 30th June, 2015 Results for quarter ended 30th September, 2015 Results for quarter ended 31st December, 2015 Results for quarter ended 31st March, 2016	Third Week of August, 2015 Second Week of November, 2015 Third Week of February, 2015 Third Week of May, 2016
Dividend Payment Date	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.
The Company is Listed at	Bombay Stock Exchange Limited (Stock code: 509079) 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: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

## F. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015:



## G. SHARE HOLDING PATTERN:

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)
(I)	(II)	(III)	(IV)	(V)		
(A)	Promoter and Promoter Group					
1	Indian					
(a)	Individuals/Hindu Undivided Family	5	28273358	28273358	36.55	36.55
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	2	25854287	25854287	33.43	33.43
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub Total (A)(1)</b>	<b>7</b>	<b>54127645</b>	<b>54127645</b>	<b>69.98</b>	<b>69.98</b>
2	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)</b>	<b>7</b>	<b>54127645</b>	<b>54127645</b>	<b>69.98</b>	<b>69.98</b>
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00
(c)	Central Government/State Government(s)	1	1199517	1199517	1.55	1.55
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub Total (B) (1)</b>	<b>1</b>	<b>1199517</b>	<b>1199517</b>	<b>1.55</b>	<b>1.55</b>
2	Non-institutions					
(a)	Bodies Corporate	229	8513292	8502792	11.01	11.01
b) (i)	Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	12325	11076798	10866801	14.32	14.32
(ii)	Individual shareholders holding nominal share capital in excess of ₹. 1 Lakh	3	1772422	1772422	2.29	2.29
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00
(d)	Any Other					
i	Non Resident Indians (Repat)	72	169951	169951	0.22	0.22
ii	Non Resident Indians (Non Repat)	24	51586	51586	0.07	0.07
iii	Market Maker	14	24336	24336	0.03	0.03
iv	Clearing Member	68	189397	189397	0.24	0.24
v	Hindu Undivided Family	114	225056	225056	0.29	0.29
vi	Trusts	0	0	0	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>12849</b>	<b>22022838</b>	<b>21802341</b>	<b>28.47</b>	<b>28.47</b>
	<b>Total Public Shareholding Public Group (B)=(B)(1) + (B)(2)</b>	<b>12850</b>	<b>2322235</b>	<b>523001858</b>	<b>30.02</b>	<b>30.02</b>
	<b>Total (A) + (B)</b>	<b>12857</b>	<b>77350000</b>	<b>77129503</b>	<b>100.00</b>	<b>100.00</b>
(C)	Shares held by custodians and against which Depository Receipts have been issued					
i	Promoter and Promoter group	0	0	0	0.00	0.00
ii	Public	0	0	0	0.00	0.00
	<b>Sub Total ( C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>12857</b>	<b>77350000</b>	<b>77129503</b>	<b>100.00</b>	<b>100.00</b>



# GUFIC BIOSCIENCES LIMITED

## Monthly Highs and Lows for the period April 2014 to March 2015

(₹ in Lacs)

Month	The Stock Exchange, Mumbai			National Stock Exchange		
	High (₹)	Low (₹)	Monthly volume	High (₹)	Low (₹)	Monthly volume
April, 2014	6.27	4.75	522030	7.25	5.15	463502
May, 2014	5.67	4.6	274009	8.3	5.5	531387
June, 2014	6.52	4.83	1414505	9.65	7.15	1164457
July, 2014	7.28	5.13	2496366	14.65	7.8	4145695
August, 2014	8.89	5.5	1723130	20.5	10.2	5301873
September, 2014	9.7	7.25	8437058	23.5	17.4	4725688
October, 2014	14.5	7.83	25452533	19.95	15.5	1184806
November, 2014	20.65	10.17	44096600	21.3	16	1503779
December, 2014	23.08	16.41	38295063	18.00	13.15	679806
January, 2015	20.6	15.3	8024100	18.90	14.50	1230161
February, 2015	19.45	13.7	11806234	17.70	13.05	432622
March, 2015	17.5	13.3	5183180	14.75	9.75	488064

## Distribution of Shareholding (As on 31st March 2015)

	SHAREHOLDERS		NUMBER OF SHARES	
	NUMBER	%	NUMBER	%
UP TO 500	8809	68.5152	2015978	2.6063
501-1000	2018	15.6957	1801664	2.3292
1001-2000	995	7.7390	1606005	2.0763
2001-3000	341	2.6523	897170	1.1599
3001-4000	166	1.2911	604772	0.7819
4001-5000	172	1.3372	826981	1.0691
5001-10000	209	1.6256	1577852	2.0399
10001 & ABOVE	147	1.1433	6801578	87.9374
<b>TOTAL</b>	<b>12857</b>	<b>100.00</b>	<b>77350000</b>	<b>100.00</b>

## DISCLOSURES:

During the year under review besides the transactions reported in Notes to Accounts (Refer note No.27) there were no other related transactions with the promoters, directors, management and subsidiaries that have potential conflict with the interest of the Company at large. During the last three years, there were no strictures or penalties imposed by SEBI or the stock Exchange or any statutory authority go for non-compliance of any matter related to capital markets. The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has reviewed the Non Mandatory requirements under Clause 49 and these shall be adopted / complied by the Company on need basis. The Remuneration Committee, a Non-Mandatory requirement, has been constituted and the details on this have been mentioned earlier in this Report. Besides these, efforts are being made to move towards the regime of unqualified financial statement.

## DECLARATION ON CODE OF CONDUCT

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

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: 29th May, 2015

Jayesh Choksi  
Chairman & Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Pharma Industry – an overview

The Indian pharmaceuticals market is third largest in terms of volume and thirteen largest in terms of value, as per a pharmaceuticals sector analysis report by equity master. The market is dominated majorly by branded generics which constitute nearly 70 to 80 per cent of the market. Considered to be a highly fragmented industry, consolidation has increasingly become an important feature of the Indian pharmaceutical market.

India has achieved an eminent global position in pharma sector. The country also has a huge pool of scientists and engineers who have the potential to take the industry to a very high level.

### Market Size

The Indian pharmaceutical industry is estimated to grow at 20 per cent compound annual growth rate (CAGR) over the next five years, as per India Ratings, a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration (FDA) as on March 2014 was the highest at 523 for any country outside the US.

We expect the domestic pharma market to grow at 10-12 per cent in FY15 as compared to 9 per cent in FY14, as per a recent report from Centrum Broking. The domestic pharma growth rate was 11.9 per cent in October 2014, highlighted the report.

Gujarat clocked the highest growth rate in pharmaceuticals market at 22.4 per cent during November 2014, surpassing the industry growth rate, which grew by 10.9 per cent, as per data from the market research firm AIOCD Pharma softtech AWACS.

Also, growing at an average rate of about 20 per cent, India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bio informatics may reach the US\$ 7 billion mark by the end of FY15, according to an industry body. Bio pharma is the largest sector contributing about 62 per cent of the total revenue, with revenue generation to the tune of over ₹ 12,600 crore (US\$ 2.03 billion). The bio-pharma sector comprises vaccines, therapeutics and diagnostics.

### Investments

The Union Cabinet has given its approval to amend the existing FDI policy in the pharmaceutical sector in order to cover medical devices. The Cabinet has allowed FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to specified conditions.

The drugs and pharmaceuticals sector attracted cumulative foreign direct investment (FDI) inflows worth US\$ 12,813.02 million between April 2000 and December 2014, according to data released by the Department of Industrial Policy and Promotion (DIPP).

### Government Initiatives

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014 is published by the Indian Pharmacopoeia Commission (IPC) on behalf of the Ministry of Health & Family Welfare, Government of India. The addendum would play a significant role in improving the quality of medicines which in turn promote public health and accelerate the growth and development of pharma sector.

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

Romania is keen to tie up with the Indian pharmaceutical companies for research and develop new drugs. "Romania will collaborate with India for license acquisition to sale India's drugs in Europe," said Mr Mario Crute, Counselor in Ministry of health in Romania at GCCI. The country will tie up with the Indian pharmaceutical companies for research and develop new drugs.

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

- Indian and global companies have expressed 175 investment intentions worth ₹ 1,000 crore (US\$ 161.78 million) in the pharmaceutical sector of Gujarat. The memorandums of understanding (MoUs) would be signed during the Vibrant Gujarat Summit.
- Telangana has proposed to set up India's largest integrated pharmaceutical city spread over 11,000 acres near Hyderabad, complete with effluent treatment plants and a township for employees, in a bid to attract investment of ₹ 30,000 crore (US\$ 4.85 billion) in phases. Hyderabad, which is known as the bulk drug capital of India, accounts for nearly a fifth of India's exports of drugs, which stood at ₹ 90,000 crore (US\$ 14.56 billion) in 2013-14.

## Road Ahead

The Indian pharma market size is expected to grow to US\$ 85 billion by 2020. The growth in Indian domestic market will be on back of increasing consumer spending, rapid urbanisation, and raising healthcare insurance and so on.

Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers are on the rise.

Moreover, the government has been taking several cost effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharma companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharma companies.

## Pharmaceutical Exports

India is one of the fastest-growing pharmaceutical markets in the world and has established itself as a global manufacturing and research hub. A large raw material base and the availability of a skilled workforce give the industry a definite competitive advantage.

## Highlights

- The Indian pharmaceutical industry was estimated to be worth US\$ 12 billion in 2013 and is expected to touch US\$ 100 billion by 2025.
- Globally, India ranks third in terms of volume of production and fourteenth largest by value and is also expected to move up to eleventh place by 2017.
- Indian pharma sales stood at US\$ 22.6 billion in 2012 and is expected to register US\$ 27 billion by 2016 growing at a rate of 14.4 percent.
- The domestic pharma sector is witnessing strong growth due to higher penetration in tier-II and tier-III cities and greater focus on the largely-untapped rural market.

## Key Markets and Exports

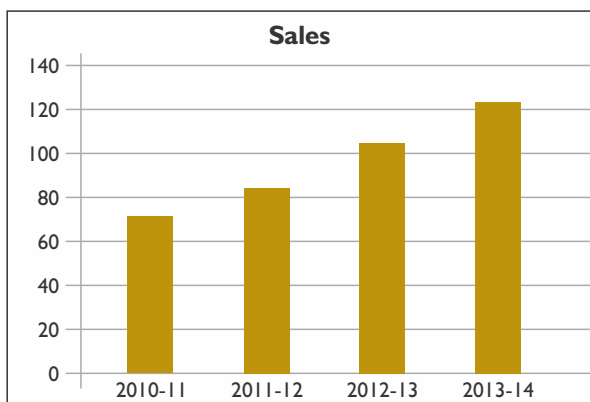
- India exports to more than 200 countries; its share of exports is expected to grow manifold.
- Pharmaceutical exports from India grew at a rate of 1.2 per cent to reach US\$ 14.84 billion in 2013-14.
- The US is the prime importer of pharmaceuticals from India and accounts for nearly 25 per cent of Indian pharmaceutical exports, followed by the European Union and Africa at second and third positions respectively.
- The export of bulk drugs continue to grow to regulated markets and is supported by India's existing foothold in semi-regulated market.

References: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council

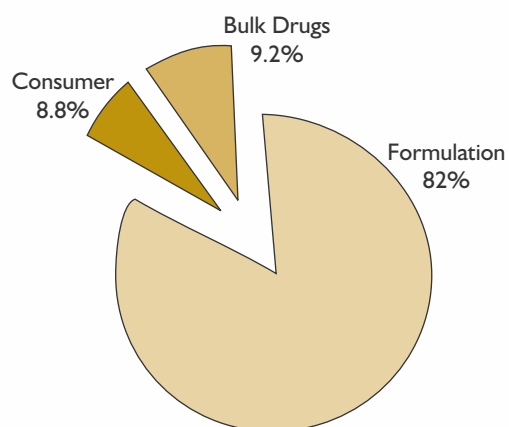
## BUSINESS REVIEW

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

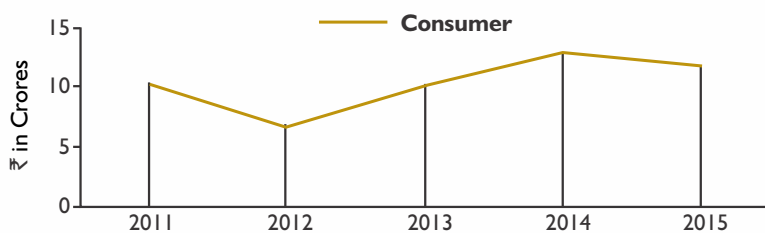
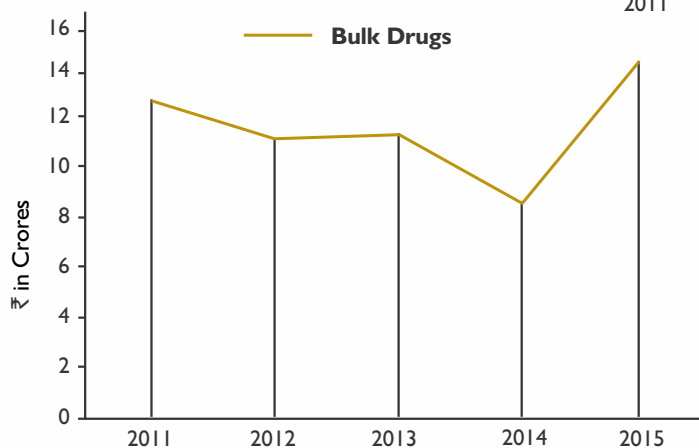
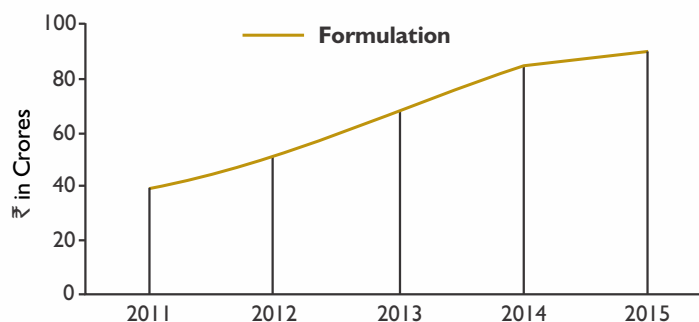
- Total revenues of the Company increased by 22.98%
- Sales of Formulation Division increased by 28.39%
- Sales of Consumer Division increased by 37.07%



## SEGMENT WISE PERFORMANCE



Sales		₹ in Crores		
Segment	2015	2014	2013	
Pharma				
A. Formulation	125.18	102.10	84.40	
B. Bulk Drugs	14.04	8.40	11.70	
Consumer	12.19	12.40	9.45	
<b>Total</b>	<b>151.41</b>	<b>122.90</b>	<b>105.55</b>	



# 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.

The Company has recruited several senior management professionals across functions since an empowered team has ensured its strong growth over the past decade. As the Company gears up for the next growth phase, it becomes imperative to strengthen its capabilities and also to get external talent on board.

### Internal Control Framework

At Gufic, We continuously strive to integrate the entire organisation from strategic support functions like finance, information technology, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain. The internal audit function is further strengthened in consultation with Statutory Auditors for monitoring statutory and operational issues.

Moreover, we continuously upgrade these systems in line with the best available practices. The internal control system is supplemented Chartered Accountants to cover various operations on a continuous basis. Moreover, we continuously upgrade these systems in line with the best available practices. The internal control system is supplemented Chartered Accountants to cover various operations on a continuous basis.

The Company's philosophy on corporate governance envisages working towards high levels of transparency, accountability and consistent value systems across all facets of operations.

### 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.

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





## CEO/CFO CERTIFICATIONS UNDER CORPORATE GOVERNANCE REPORT

The Board of Directors  
Gufic Biosciences Limited  
Mumbai

Dear members of the Board,

We, Mr. Pranav J. Choksi, Chief Executive Officer and Executive Director, and Ms. Hemal M. Desai, Chief Financial Officer and Additional Director of Gufic Biosciences Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the notes on accounts and the Board's report.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions) :
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place: Mumbai  
Date: 29th May, 2015

Mr. Pranav J. Choksi  
Chief Executive Officer & Executive Director

Ms. Hemal M. Desai  
Chief Financial Officer & Additional Director

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,

The Members of Gufic Biosciences Ltd.,

We have examined the compliance of condition of Corporate Governance by Gufic Biosciences Limited ('the Company') for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with

Stock Exchange(s).

The compliance of condition 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 the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and management, we certify that the company has complied with conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

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

Deep N. Shroff  
Partner  
Membership No. 122592  
Mumbai : 29th May, 2015

## INDEPENDENT AUDITORS' REPORT

To;

The Members of Gufic Biosciences Limited Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **Gufic Biosciences Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

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

### Auditors Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### Basis for Qualified Opinion

6. We refer to Note No 53 of the Financial Statements in respect of misappropriation by one of the marketing employee of the company. The amount of misappropriation of ₹. 123.80 lacs (net of recovery of ₹. 22.50 lacs) has been shown as recoverable under the head other noncurrent assets (other). However no provision has been In our opinion the recovery of the amount is doubtful. Consequently profit is overstated by ₹. 123.80 lacs with consequential impact on Reserves and Surplus and Loans and Advances (other), which are over stated by the said amount.
7. We are unable to express our opinion on recoverability of debts of ₹. 151.48 lakhs (2013 – 2014 ₹. 326.69 lakhs) which are outstanding for more than one year and advances of ₹. 23.08 lakhs shown under the head long term loans and advances as at Balance sheet date (2013 - 2014: ₹. 40.14 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 51).

### Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter specified in para 6 and possible effects of the matter specified in para 7 in the Basis for Qualified Opinion

paragraph above, the aforesaid standalone financial statements, read together with notes to the accounts thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
- (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**

- 10. In the absence of information, we have relied upon the segment wise report prepared by the management based on the nature of product, risk and returns and organization structure. The figures have been regrouped and reclassified wherever necessary by the management.
- 11. 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)

#### **Report on Other Legal and Regulatory Requirements**

- 12. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 13. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and, except for the matters described in the para 7 of the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) *The matter described in the Basis for Qualified Opinion paragraph 6 & 7 above in our opinion, may have an adverse effect on the functioning of the Company.*
  - (f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 34 to the financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) *We have observed delay in transferring unpaid dividend of ₹ 2 lacs credited to said account in FY 2006-07 pertaining to Financial Year 2005-2006, required to be transferred to the Investors Education and Protection Fund by the company as at Balance Sheet date*

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

Deep N. Shroff  
Partner  
Membership No. 122592  
Mumbai : 29th May, 2015

## ANNEXURE TO THE AUDITOR'S REPORT

### (ANNEXURE REFERRED TO IN PARAGRAPH 11 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 OF GUFIC BIOSCIENCES LIMITED)

- i. (a) The Company has updated its records showing quantitative details and situation of fixed assets;
  - (b) According to information and explanations provided to us, the fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of five years which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year. We have been informed that necessary adjustments in respect of discrepancies if any between physical asset and book record have already be made in the books upon reconciliation.
- ii. (a) As explained to us, inventory have been physically verified during the year by the management. In our opinion frequency of verification is sufficient.
  - (b) In our opinion and according to the information and explanation given to us, 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) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. 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. According to the information and explanations given to us, the Company has granted unsecured loans to parties covered in the register maintained u/s 189 of the Companies Act, 2013, the recovery of principal and interest thereon, wherever stipulated, is regular. (Other than interest free security deposits or advances given for its business purpose. *Refer note no 52*).
- iv. According to the information and explanations given to us, the company is in process of strengthening its internal control procedures in respect of purchase of inventory and fixed assets and for the sale of goods and services so as to commensurate with the size of the company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Companies Act and the rule framed there under during the year. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vi. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 143 (1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing undisputed statutory due in respect of Excise Duty and Custom Duty with appropriate authorities. However, we have observed delays in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, 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:
 

Income Tax: ₹. 235.66 lacs  
 Sales tax of ₹. 19.14 lacs,  
 Profession Tax of ₹. 10.60 lacs,  
 Employee State Insurance Corporation of ₹. 16.61 lacs  
 Provident Fund of ₹. 56.37 lacs.

  - (b) According to the information and explanations given to us, there are no dues of 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:
  - (c) According to the information and explanations given to us and based on the documents and records

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961	Income Tax - TDS	43.51	Prior Years	Departmental Authority
		63.50	2008 – 2009 to 2013 – 14	Departmental Authority
	Income Tax	99.54	1999 – 2000 to 2009 – 2010 & 2012 – 2013	Departmental Authority
		303.03	2010 – 2011 & 2011 – 2012	Appeal preferred by the company to the Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Central Excise Duty	44.27	2004 – 2008	Appeal preferred by the company to the Tribunal
		14.04	2008 – 2009	Appeal preferred by the company to the Commissioner Appeal
Gujarat Value Added Tax Act, 2003	Sales Tax	29.15	2010 – 2011	Appeal preferred by the company to the Commissioner Appeal

produced to us, the company has not transferred unpaid dividend of ₹ 2 lacs credited to the said account in the FY 2006 – 2007 (pertaining to FY 2005 – 2006), required to be transferred, to the Investor Education and Protection Fund by the Company, as at the Balance Sheet date, in accordance with the relevant provision of the Companies Act, 1956 and the rules made thereunder have not been so transferred.

- viii. 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.
- ix. According to the information and explanations given to us and based on the documents and records produced to us, the Company has delayed or defaulted in repayment of dues to banks to the tune of ₹. 1.25 lakhs and the period of default was between 0 to 2 months.
- x. According to the information and explanations given to us, the Company has given corporate guarantee of ₹. 450 lakhs for loans taken by a company in which directors are interested from bank, the terms and conditions where of are not prejudicial to the interest of the Company.
- xi. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xii. As per the information and explanations given, by the management there was a misappropriation of ₹ 123.80 lacs (net of recoveries) by one of the marketing employee of the company. As per the investigation conducted by the management estimated amount of misappropriation is ₹ 123.80 lacs. We have been informed that necessary steps have been taken to recover said amount which has been shown in the Financial Statement under the head other noncurrent assets (others). (Refer Note 53 to the Financial Statements)

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

Deep N. Shroff  
Partner  
Membership No. 122592  
Mumbai : 29th May, 2015

# GUFIC BIOSCIENCES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	₹ in Lacs	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>I. EQUITY AND LIABILITIES</b>				
(1) <b>SHAREHOLDERS' FUNDS</b>				
a) Share Capital	2	773.50		773.50
b) Reserves and Surplus	3	1,936.49		1,847.37
			2,709.99	2,620.87
(2) <b>NON-CURRENT LIABILITIES</b>				
a) Long-term Borrowings	4	1,150.34		1,488.81
b) Deferred Tax Liabilities (Net)	5	154.73		301.69
c) Other Long Term Liabilities	6	212.27		536.88
d) Long-term Provisions	7	140.50		135.29
			1,657.84	2,462.68
(3) <b>CURRENT LIABILITIES</b>				
a) Short-term Borrowings	8	1,790.42		1,476.64
b) Trade Payables	9	4,953.33		3,179.63
c) Other Current Liabilities	10	1,301.23		1,127.69
d) Short-term Provisions	11	315.97		247.07
			8,360.95	6,031.03
<b>TOTAL</b>			<b>12,728.78</b>	<b>11,114.58</b>
<b>II. ASSETS</b>				
(1) <b>NON-CURRENT ASSETS</b>				
a) Fixed Assets	12			
i) Tangible Assets		2,507.52		3,018.62
ii) Intangible Assets		3.19		4.25
		2,510.71		3,022.87
b) Non-current Investments	13	0.93		0.93
c) Long-term Loans and Advances	14	759.75		833.65
d) Other Non-current Assets	15	282.58		326.69
			3,553.97	4,184.14
(2) <b>CURRENT ASSETS</b>				
a) Inventories	16	3,680.14		2,611.54
b) Trade Receivables	17	3,324.30		2,820.71
c) Cash and Cash Equivalents	18	620.63		254.15
d) Short-term Loans and Advances	19	1,549.74		1,244.04
			9,174.81	6,930.44
<b>TOTAL</b>			<b>12,728.78</b>	<b>11,114.58</b>
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

Pranav J. Choksi  
Chief Executive  
Officer &  
Executive Director

Hemal Desai  
Chief Financial Officer  
& Director

Mumbai - May 29th, 2015

Mumbai - May 29th, 2015

Santoshkumar J. Sharma  
Company Secretary



## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	₹ in Lacs	Year Ended 31.3.2015 ₹ in Lacs	Year Ended 31.3.2014 ₹ in Lacs
<b>INCOME</b>				
Revenue from operations	20		15,155.16	12,301.12
Other Income	21		57.16	62.53
<b>Total Revenue</b>			<b>15,212.32</b>	<b>12,363.65</b>
<b>EXPENDITURE</b>				
a) Cost of Materials Consumed	22	6,579.76		5,194.33
b) Purchase of Stock-in-Trade	23	1,670.77		1,377.03
c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	24	(130.68)		40.86
d) Employee Benefits Expenses	25	1,933.33		1,225.06
e) Finance Costs	26	446.08		391.57
f) Depreciation and Amortisation Expenses		385.21		246.77
g) Other Expenses	27	3,675.26		3,260.68
<b>Total Expenses</b>			<b>14,559.73</b>	<b>11,736.31</b>
<b>Profit Before Tax</b>			<b>652.59</b>	<b>627.34</b>
<b>Tax Expense</b>				
a) Current Tax		278.61		151.00
b) Deferred Tax		(48.84)		7.01
c) Tax adjustments of earlier years		7.08		42.90
			<b>236.85</b>	<b>200.91</b>
<b>Profit for the Year</b>			<b>415.74</b>	<b>426.43</b>
Earnings per equity share Basic & Diluted (Refer Note 33)			0.54	0.55
Notes to Accounts	I			

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

As per our Report of even date attached

For S H R & Co

For and on behalf of the Board of Directors

Chartered Accountants

FRN : 120491W

Deep N Shroff  
Partner  
Membership No. 122592

Jayesh P. Choksi  
Chairman & Managing Director

Pranav J. Choksi  
Chief Executive  
Officer &  
Executive Director

Hemal Desai  
Chief Financial Officer  
& Director

Mumbai - May 29th, 2015

Mumbai - May 29th, 2015

Santoshkumar J. Sharma  
Company Secretary

## CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE PERIOD YEAR ENDED MARCH 31, 2015

	Year Ended ₹ in Lacs	31.03.2015 ₹ in Lacs	Year Ended ₹ in Lacs	31.03.2014 ₹ in Lacs
<b>A. Cash flow from operating Activities</b>				
<b>Net Profit Before tax</b>		652.59		627.34
<i>Adjustment for:</i>				
Depreciation	385.21		246.77	
Interest	446.08		391.57	
Profit on Sale of Assets	0.83		-	
Dividend	(0.03)		(0.03)	
Interest Received	(10.99)		(11.17)	
		821.10		627.14
<b>Operating profit before Working Capital Changes</b>		<b>1,473.69</b>		<b>1,254.49</b>
<i>Adjustment for:</i>				
Inventories	(1,068.60)		(611.95)	
Trade Receivables	(503.59)		(819.23)	
Loans and Advances	(187.69)		(557.20)	
Trade Payables & Provisions	1,597.86		1,969.54	
		(162.03)		(18.84)
<b>Cash Generated from Operations</b>		<b>1,311.66</b>		<b>1,235.65</b>
Income Tax Paid		(196.34)		(149.08)
Dividend Tax Paid		-		-
<b>Net Cash Generated from Operating Activity (A)</b>		<b>1,115.32</b>		<b>1,086.57</b>
<b>B. Cash Flow From Investing Activities</b>				
Interest Received		10.99		11.17
Sale of Fixed Assets		0.83		105.09
Purchase of Fixed Assets		(251.25)		(394.09)
Dividend Received		0.03		0.03
<b>Net Cash From Investing Activities (B)</b>		<b>(239.40)</b>		<b>(277.80)</b>
<b>C. Cash Flow from Finance Activities</b>				
Long-term Borrowings (Net)		(338.47)		(355.15)
Short-term Borrowings (Net)		313.78		102.96
Dividend Paid		(38.68)		(38.68)
Interest Paid		(446.08)		(391.57)
<b>Net Cash From Finance Activity (C)</b>		<b>(509.45)</b>		<b>(682.44)</b>
<b>Net Increase in Cash or Cash equivalent (A+B+C)</b>		<b>366.48</b>		<b>126.32</b>
Cash and Cash Equivalent at Beginning of the year		254.15		127.83
Cash and Cash Equivalent at the end of the year		<b>620.63</b>		<b>254.15</b>

As per our Report of even date attached

For S H R & Co

Chartered Accountants

FRN : 120491W

For and on behalf of the Board of Directors

Deep N Shroff  
Partner  
Membership No. 122592

Jayesh P. Choksi  
Chairman & Managing Director

Pranav J. Choksi  
Chief Executive  
Officer &  
Executive Director

Hemal Desai  
Chief Financial Officer  
& Director

Mumbai - May 29th, 2015

Mumbai - May 29th, 2015

Santoshkumar J. Sharma  
Company Secretary

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2015

### 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, 2013.

**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:

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

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

**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 assets is provided on Straight Line Method, pro-rata to the period of use, based on the useful life of the assets as prescribed under the Schedule II of the Companies Act, 2013.

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

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

**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 foreign 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:

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

### ii) Defined Benefit Plan:

#### Gratuity

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

### iii) Other Long Term Benefits:

#### Compensated Absences

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

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

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

**I.12 TAXATION:** Tax Expenses comprises of current tax and deferred tax.

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

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

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

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

**I.12 IMPAIRMENT OF ASSETS:** The Company assesses at each balance sheet date for possible impairment in carrying value of assets based on external and internal sources of information and indications. In case of recoverable amount of assets / cash generating unit is less than carrying amount, impairment loss is recognised in the Profit & Loss Account for difference in carrying value of assets / cash generating units and recoverable amount.

## I.14 PROVISION AND CONTINGENT LIABILITIES:

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

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### NOTE 2 : SHARE CAPITAL

Particulars	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>(a) AUTHORISED:</b> 10,00,00,000 Equity Shares of ₹1 Each (Previous Year 10,00,00,000 Equity Shares of ₹1 Each)	1,000.00 <b>1,000.00</b>	1,000.00 <b>1,000.00</b>
<b>(b) ISSUED, SUBSCRIBED AND FULLY PAID UP:</b> 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 <b>773.50</b>	773.50 <b>773.50</b>

### 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, 2015		31st March, 2014	
	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, 2015		As at 31st March, 2014	
	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 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>a) General Reserve :</b> A	134.71	134.71
<b>b) Capital Reserve</b> B	12.50	12.50
<b>c) Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the Year	1,700.16	1,318.68
Add : Profit for the Year	415.74	426.43
Less : Appropriations		
(a) Proposed Dividend	38.68	38.68
(b) Dividend Tax	7.87	6.27
(c) Adjustments of Earlier year	280.07	
Balance at the end of the Year C	1,789.28	1,700.16
<b>TOTAL (A+B+C)</b>	<b>1,936.49</b>	<b>1,847.37</b>

# GUFIC BIOSCIENCES LIMITED

The Board of Directors at its meeting held on 29th May 2015 has recommended a final dividend of Rs. 0.05 per equity shares. This Proposal is subject to approval of shareholder at the ensuring Annual General Meeting.

## NOTE 4 : LONG-TERM BORROWINGS

Particulars	As at 31.3.2015		As at 31.3.2014	
	₹ in Lacs Non Current	₹ in Lacs Current	₹ in Lacs Non Current	₹ in Lacs Current
<b>I. Secured</b>				
<b>(A) From Bank</b>				
(a) Term Loan	725.69	262.65	850.34	299.65
(b) Vehicle Loans	56.91	21.40	36.46	26.15
<b>(B) From Other</b>				
(a) Term Loan From a Company	77.33	56.42	130.57	48.64
(b) Vehicle Loans	2.16	0.63	-	0.51
<b>TOTAL (A)</b>	<b>862.09</b>	<b>341.10</b>	<b>1,017.37</b>	<b>374.95</b>
<b>II. Unsecured</b>				
From Directors & Related Parties	288.25	-	471.44	-
<b>TOTAL (B)</b>	<b>288.25</b>	<b>-</b>	<b>471.44</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>1,150.34</b>	<b>341.10</b>	<b>1,488.81</b>	<b>374.95</b>

### 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	257.46	249.86	218.37	-	725.69
(ii) Rate of Interest	14.00%				
<b>(iii) Details of Security</b>				<b>TOTAL</b>	<b>725.69</b>
(a) Secured by way of hypothecation of plant & machineries/ equipments / air conditioners / computers / electric installation and furniture and fixture to the Bank.					
(b) The facilities granted to the company are further secured by Legal mortgage of land and factory building of Gufic Private Limited - company in which directors are interested, situated at Navsari, against the credit facilities sanctioned to the company.					
(c) The loans are secured by personal guarante of Managing Director and Executive Director.					
(d) Further the loan are secured by a corporate guarantee of Gufic Private Limited.					
<b>(iv) Other Terms:</b>					
Amount disbursed under the term loan shall be repaid in monthly installements varying from Rs. 62,500/- to Rs. 11,60,000/-, over a period of 1 to 60 months.					

## 2. From Bank - Vehicle Loan : 4 (I)(A)(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) Vehicle Loan	19.42	19.31	18.18	-	56.91
(ii) Rate of Interest	8.90% to 11.47%				
<b>(iii) Details of Security</b>				<b>TOTAL</b>	<b>56.91</b>
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					
<b>(iv) Other Terms:</b>					
Amount disbursed under the term loan shall be repaid in monthly installments varying from ₹. 7,850/- to ₹. 1,22,430/- (including Interest), over a period of 1 to 59 months.					

## 3. From Bank Vehicle Loan 4 (I)(A)(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	65.45	11.88	-	-	77.33
(ii) Rate of Interest	14.92%				
<b>(iii) Details of Security</b>				<b>TOTAL</b>	<b>77.33</b>
(i) Secured against the Assets specifically purchased against the said loan.					
<b>(iv) Other Terms</b>					
The same is to be repaid in 26 Equated Monthly Installments of ₹ 6.05 Lacs (including Interest @ 14.92%).					

## 4. From Bank - Vehicle Loan : 4 (I)(A)(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) Vehicle Loan	0.79	0.99	0.38	-	2.16
(ii) Rate of Interest	22.30%				
<b>(iii) Details of Security</b>				<b>TOTAL</b>	<b>2.16</b>
(i) Secured against the Assets specifically purchased against the said loan.					
<b>(iv) Other Terms</b>					
Amount disbursed under the term loan shall be repaid in 40 monthly installments of Rs. 9,950/-.					

## 5. Unsecured Loans :

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



# GUFIC BIOSCIENCES LIMITED

Particulars	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs	
<b>NOTE 5 : DEFERRED TAX LIABILITIES (NET)</b>			
Opening Balance	369.85	316.57	
Difference Between book and income tax depreciation	(127.66)	53.27	
<b>Total (A)</b>	<b>242.19</b>	<b>369.84</b>	
<b>Deferred Tax Assets:</b>			
<b>Expenses Disallows</b>			
a) Gratuity	47.53	47.53	
b) Leave Encashment	18.49	15.56	
c) Other Disallowances	19.29	5.06	
d) Rent	2.15	-	
<b>Total (B)</b>	<b>87.46</b>	<b>68.15</b>	
<b>Deferred Tax Liability ( Net)</b>	<b>Total (A - B)</b>	<b>154.73</b>	<b>301.69</b>
<b>NOTE 6 : OTHER LONG TERM LIABILITIES</b>			
(a) Trade Payable	52.26	418.38	
<b>(b) Others - (UnSecured)</b>			
(i) Security and Trade Deposits from Agents and Stockists	153.50	118.50	
(ii) Other	6.51	-	
	<b>212.27</b>	<b>536.88</b>	
<b>NOTE 7 : LONG-TERM PROVISION</b>			
Provision for employee benefits (Refer Note 28)			
i) Gratuity	94.38	93.27	
ii) For Compensated Absences	46.12	42.02	
	<b>140.50</b>	<b>135.29</b>	
<b>NOTE 8 : SHORT-TERM BORROWINGS</b>			
<b>Secured</b>			
<b>Loans repayable on Demand</b>			
<b>From Bank</b>			
(i) Rupee Loan	1,725.95	1,476.64	
(ii) Foreign Currency Loan-Buyers Credit	64.47	-	
	<b>1,790.42</b>	<b>1,476.64</b>	

## 8.1: Details of Security: For Rupee Loan

(I) 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

The Rupee Loan Carries interest @ 14.00% and Foreign Currency Loan Secured by issue of LOU from The Saraswat Co-operative Bank Limited Carries interest @ 3M LIBOR+0.48 %

<b>NOTE 9 : TRADE PAYABLES</b>	<b>As at 31.3.2015 ₹ in Lacs</b>	<b>As at 31.3.2014 ₹ in Lacs</b>
<b>Trade payables (Refer Note 50):</b>		
Due to Micro, Small and Small Enterprises	28.08	22.38
Others	4,925.25	3,157.25
	<b>4,953.33</b>	<b>3,179.63</b>

Particulars	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>NOTE 10 : OTHER CURRENT LIABILITIES</b>		
a) Current Maturities of Long-Term Debt (Refer Note 4)	341.11	374.95
b) Interest accrued bu not due on Borrowings	1.40	1.29
c) Interest accrued and due on Borrowings	12.03	18.11
c) Unpaid Dividends	7.43	7.04
d) Other Payables		
(i) Tax Deducted at Source and Other Statutory Dues	253.46	223.92
(ii) Interest payable on Security Deposit	12.07	7.54
(iii) Advances from Customer	77.52	77.08
(iv) Unpaid Dividend Distribution Tax	52.27	42.38
(v) Employee Related Liabilities	519.14	359.00
(vi) Others	24.80	16.38
	<b>1,301.23</b>	<b>1,127.69</b>
<b>NOTE 11 : SHORT-TERM PROVISIONS</b>		
<b>a) Provision for Employee Benefits (Refer Note 28) :</b>		
(i) Gratuity	35.38	35.83
(ii) For Compensated Absences	9.79	5.94
<b>TOTAL (A)</b>	<b>45.17</b>	<b>41.77</b>
<b>b) Others:</b>		
(i) Provision for Income Tax (Net)	224.25	141.97
(ii) Proposed Dividend to Equity Shareholders @ ₹ 0.05 Per Share	38.68	38.68
(iv) Tax on Proposed Dividend	7.87	6.27
(v) Provision for Returns	-	18.38
<b>TOTAL (B)</b>	<b>270.80</b>	<b>205.30</b>
<b>TOTAL (A+B)</b>	<b>315.97</b>	<b>247.07</b>

# GUFIC BIOSCIENCES LIMITED

## NOTE 12 : FIXED AND INTANGIBLE ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK					Accumulated Depreciation & Impairment					NET BLOCK	
	Balance as at April 1, 2014 (₹)	Additions (₹)	Disposals/ Adjustments (₹)	Borrowing Cost Capitalised (₹)	Effect of foreign currency exchange (₹)	Balance as at March 31, 2015 (₹)	Balance at April 1, 2014 (₹)	Depreciation /amortisation expense for the year (₹)	Eliminated on disposal of assets (₹)	Prior Period Adjustment (₹)	Balance as at March 31, 2015 (₹)	Balance as at March 31, 2014 (₹)
<b>A. TANGIBLE ASSETS</b>												
(a) Factory Building not Owned by the	318.27 (313.84)	90.26 (18.51)	— (14.08)	—	—	408.53 (318.27)	249.48 (187.69)	26.48 (61.79)	—	—	275.96 (249.48)	68.79 (126.15)
(b) Plant and Equipment	3,105.59 (2,709.35)	75.92 (444.87)	— (86.37)	— (37.74)	—	3,181.51 (3,105.59)	791.31 (657.73)	257.16 (133.58)	—	262.18	1,310.65 (791.31)	2,314.28 (2,051.62)
(c) Plant and Equipment (R & D)	92.49 —	0.58 (92.49)	—	—	—	93.07 (92.49)	2.50 —	5.95 (2.50)	—	—	8.45 (2.50)	89.99 —
(d) Furniture and Fixtures	59.04 (54.02)	0.33 (6.60)	— (1.58)	—	—	59.37 (59.04)	23.10 (19.23)	5.43 (3.87)	—	6.80	35.33 (23.10)	35.94 (34.79)
(e) Vehicles	211.38 (162.68)	68.04 (48.70)	15.46 —	—	—	263.96 (211.38)	70.95 (56.71)	29.81 (14.24)	15.46	3.97	89.27 (70.95)	140.43 (105.97)
(f) Office Equipment	400.12 (386.25)	7.84 (13.87)	—	—	—	407.96 (400.12)	173.12 (154.62)	28.55 (18.50)	—	96.91	298.58 (173.12)	227.00 (231.63)
(g) Other	145.19 (132.38)	— (15.87)	— (3.06)	—	—	145.19 (145.19)	27.29 (20.60)	18.67 (6.69)	—	5.37	51.33 (27.29)	117.90 (111.78)
(1) Electrical Installations	99.43 (86.33)	8.28 (13.10)	—	—	—	107.71 (99.43)	75.15 (70.61)	12.11 (4.54)	—	2.96	90.22 (75.15)	24.28 (15.72)
(2) Computers												
<b>TOTAL Tangible Assets</b>	<b>4,431.51</b>	<b>251.25</b>	<b>15.46</b>	<b>—</b>	<b>—</b>	<b>4,667.30</b>	<b>1,412.90</b>	<b>384.16</b>	<b>15.46</b>	<b>378.19</b>	<b>2,159.79</b>	<b>3,018.61</b>
<b>B. INTANGIBLE ASSETS</b>												
Computer Software	26.28 (26.28)	—	—	—	—	26.28 (26.28)	26.28 (26.28)	—	—	—	26.28 (26.28)	—
Brand	249.25 (249.25)	—	—	—	—	249.25 (249.25)	249.25 (249.25)	—	—	—	249.25 (249.25)	—
Technical Know How	138.56 (138.56)	—	—	—	—	138.56 (138.56)	134.31 (133.25)	1.06 (1.06)	—	—	135.37 (134.31)	4.25 (5.31)
<b>TOTAL Intangible Assets</b>	<b>414.09</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>414.09</b>	<b>409.84</b>	<b>1.06</b>	<b>—</b>	<b>—</b>	<b>410.90</b>	<b>4.25</b>
<b>TOTAL Fixed Assets</b>	<b>4,845.60</b>	<b>251.25</b>	<b>15.46</b>	<b>—</b>	<b>—</b>	<b>5,081.39</b>	<b>1,822.74</b>	<b>385.22</b>	<b>15.46</b>	<b>378.19</b>	<b>2,570.69</b>	<b>3,022.86</b>
<b>PREVIOUS YEAR</b>	<b>(4,258.94)</b>	<b>(654.01)</b>	<b>(105.09)</b>	<b>(37.74)</b>	<b>—</b>	<b>(4,845.60)</b>	<b>(1,575.97)</b>	<b>(246.77)</b>	<b>—</b>	<b>—</b>	<b>(1,822.74)</b>	<b>(2,682.97)</b>
<b>C. Capital Working Progress</b>												
(a) Capital Work in Progress	— (220.31)	— (129.32)	— (349.63)	—	—	—	—	—	—	—	—	—
(b) Capital Work in Progress R&D	— (77.36)	— (11.80)	— (89.16)	—	—	—	—	—	—	—	—	—
<b>Total Capital Working Progress</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
										<b>TOTAL</b>	<b>2,510.70</b>	<b>3,022.86</b>

Note - Figures in bracket indicates previous year's figures.

Particulars	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>NOTE 13 : NON-CURRENT INVESTMENTS</b>		
<b>A. Non - Trade Unquoted</b>		
(i) Investment in Equity Instruments : 4990 (2013 - 2014 : 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 <b>TOTAL</b>	<b>0.93</b>	<b>0.93</b>
<b>NOTE 14 : LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured Considered good )		
a) Capital Advances	69.45	141.58
b) Deposits		
(i) Others	233.25	235.02
(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	6.11
(iii) DEPB Licences Receivable	28.15	28.15
<b>TOTAL</b>	<b>759.75</b>	<b>833.65</b>
<b>NOTE 15 : OTHER NON-CURRENT ASSETS</b>		
(i) Trade Receivables (Refer Note 51)	158.78	326.69
(ii) Others (Refer Note 53)	123.80	-
<b>TOTAL</b>	<b>282.58</b>	<b>326.69</b>
<b>NOTE 16 : INVENTORIES</b> (At lower of cost or net realisable value)		
(As verified, valued and certified by the Management)		
a) Raw Materials	2,382.25	1,671.35
b) Work-in-Process	545.28	416.99
c) Finished Goods	202.40	235.81
d) Packing Materials	420.96	193.94
e) Stock-in-Trade	129.25	93.45
<b>TOTAL</b>	<b>3,680.14</b>	<b>2,611.54</b>
<b>NOTE 17 : TRADE RECEIVABLES</b>		
(Unsecured, Considered Good) (Refer Note 51)		
Outstanding exceeding six months	323.24	291.47
Other	3,001.06	2,529.24
	<b>3,324.30</b>	<b>2,820.71</b>
<b>NOTE 18 : CASH AND CASH EQUIVALENTS</b>		
<b>(i) Cash and Cash Equivaients</b>		
a) Balances with banks In Current Accounts	318.81	16.29
b) Other Bank Balance Cheques in Hand	132.94	137.41
c) Cash on Hand	23.72	12.57
<b>A</b>	<b>475.47</b>	<b>166.27</b>
<b>(ii) Earmarked Balances with Banks:</b>		
In Unclaimed Dividend Accounts	7.57	7.18
In Fixed Deposit (Pledged against LCs and guarantees)	137.59	80.70
<b>B</b>	<b>145.16</b>	<b>87.88</b>
<b>TOTAL (A+B)</b>	<b>620.63</b>	<b>254.15</b>

# GUFIC BIOSCIENCES LIMITED

Particulars	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>NOTE 19 : SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
a) Loans and Advances to Related Parties	1,096.51	850.52
b) Others		
(i) Advance to Suppliers	97.96	92.09
(ii) Loan to Employees	48.43	7.09
(iii) Prepaid Expenses	21.66	11.53
(iv) Cenvat Recoverable	275.28	267.57
(v) Duty Drawback Receivable	7.45	5.19
(vi) Others	2.45	10.05
<b>TOTAL</b>	<b>1,549.74</b>	<b>1,244.04</b>

	For the year ended 31.3.2015 ₹ in Lacs	For the year ended 31.3.2014 ₹ in Lacs
<b>NOTE 20 : REVENUE FROM OPERATIONS</b>		
a) Sale of Products (Net of Returns and Sales Tax)	15,408.59	12,295.55
b) Processing Charges (TDS ₹ 11.45 Lacs, 2013-14 ₹ 14.37 Lacs)	570.85	722.35
c) Other Operating Revenues	12.55	9.54
Less: Excise Duty Collected	(836.83)	(726.32)
<b>TOTAL</b>	<b>15,155.16</b>	<b>12,301.12</b>
<b>NOTE 21 : OTHER INCOME</b>		
a) Interest Income (TDS ₹ 0.76 Lacs, 2013-14 ₹ 0.74 Lacs)	10.99	11.17
b) Dividend Received	0.03	0.03
c) Other Non-operating Income		
i) Scrap Sales	19.98	13.38
ii) Sundry Balances Written Back (Net)	-	12.48
iii) Miscellaneous Income	25.33	7.49
iv) Profit on Sale of Asset	0.83	-
v) Net profit on Foreign Currency Transaction and Translation	-	17.98
<b>TOTAL</b>	<b>57.16</b>	<b>62.53</b>
<b>NOTE 22 : COST OF MATERIALS CONSUMED</b>		
<b>A). Consumption of Raw Material</b>		
Opening stock	1,671.35	817.94
Add: Purchases	6,518.16	4,996.85
Less: Closing stock	2,382.25	1,671.35
<b>TOTAL (A)</b>	<b>5,807.26</b>	<b>4,143.44</b>
<b>(B). Consumption of Packing Material</b>		
Opening stock	193.94	394.54
Add: Purchases	999.52	850.29
Less: Closing Stock	420.96	193.94
<b>TOTAL (B)</b>	<b>772.50</b>	<b>1,050.89</b>
<b>TOTAL (A+B)</b>	<b>6,579.76</b>	<b>5,194.33</b>

Particulars	For the year ended 31.3.2015 ₹ in Lacs	For the year ended 31.3.2014 ₹ in Lacs
<b>NOTE 23 : PURCHASE OF STOCK-IN-TRADE</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>	1,670.77	1,377.03
	<b>1,670.77</b>	<b>1,377.03</b>
<b>NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year :</b>		
Finished Goods	202.40	235.81
Work-In-Process	545.28	416.99
Stock-In-Trade	129.25	93.45
	<b>876.93</b>	<b>746.25</b>
<b>Inventories at the Beginning of the year :</b>		
Finished Goods	235.81	626.16
Work-In-Process	416.99	70.84
Stock-In-Trade	93.45	90.11
	<b>746.25</b>	<b>787.11</b>
	<b>(130.68)</b>	<b>40.86</b>
<b>NOTE 25 : EMPLOYEE BENEFITS EXPENSES</b>		
a) Salaries and Wages	1,663.48	1,085.32
b) Contribution to Provident and Other Funds	83.01	57.44
c) Staff Welfare Expenses	186.85	82.31
	<b>1,933.33</b>	<b>1,225.06</b>
<b>NOTE 26 : FINANCE COSTS</b>		
<b>(a) Interest Expenses</b>		
i) Interest on Term Loan	161.25	151.10
ii) Interest on OD Facility	235.56	189.90
iii) Interest to Others	46.30	48.04
<b>TOTAL (A)</b>	<b>443.10</b>	<b>389.05</b>
<b>(b) Other Borrowing Costs</b>	2.97	2.53
<b>TOTAL (B)</b>	<b>2.97</b>	<b>2.53</b>
<b>TOTAL (A+B)</b>	<b>446.08</b>	<b>391.57</b>

# GUFIC BIOSCIENCES LIMITED

Particulars	For the year ended 31.3.2015		For the year ended 31.3.2014	
	₹ Lacs	₹ Lacs	₹ in Lacs	₹ in Lacs
<b>NOTE 27 : OTHER EXPENSES</b>				
Consumable Stores		61.74		46.37
Power and Fuel		316.33		294.92
Labour Charges		466.65		421.94
Factory Expenses		9.74		16.53
Rent		2.33		4.63
Rates and Taxes (Excluding Taxes on Income)		3.79		1.65
<b>Repairs and Maintenance</b>				
Building	30.76		46.91	
Machinery	72.42		48.33	
Others	26.43		29.99	
		129.61		125.23
Sales Tax Expenses		126.59		30.83
Printing and Stationery		40.71		42.83
Communication Expenses		39.96		33.98
Office Rent		121.71		94.08
Director Sitting Fees		0.95		0.34
Insurance Charges		23.05		26.23
Travelling, Conveyance and Vehicle Expenses		800.60		473.53
Legal & Professional Fees		322.76		204.38
Miscellaneous Expenses		265.53		161.31
Net loss on Foreign Currency Transaction and Translation		24.77		-
Testing and Laboratory Expenses		97.20		72.07
Transport and Forwarding		267.89		252.05
Commission and Brokerage		166.04		136.08
Marketing Expenses		-		565.14
Sales Promotion Expenses		15.93		18.53
Advertisement		58.68		41.23
Discount		242.45		196.80
Donation		0.11		-
Bad Debts		70.14		-
		<b>3,675.26</b>		<b>3,260.68</b>

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

### (I) Defined Contribution Plan

During the year ended March 31, 2015, the company has recognised the following amounts in the profit and loss account.

	For the year ended 31.3.2015 ₹ in Lacs	For the year ended 31.3.2014 ₹ in Lacs
Employer's contribution to Provident fund & ESIC Fund	83.01	57.44

### (ii) Defined Benefit plan

- 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.
- Details of Defined Benefit Plan as per Independent actuarial valuation report as at March 31, 2015 is as under :

	For the year ended 31.3.2015	For the year ended 31.3.2014
<b>I. Actuarial assumptions</b>		
Discount rate	8.00%	9.31%
Expected return on plan assets	8.00%	9.31%
Salary escalation	5.00%	5.00%
Attritration Rate	3.00%	3.00%



Particulars	For the year ended 31.3.2015 ₹ in Lacs	For the year ended 31.3.2014 ₹ in Lacs
<b>II. Components of employer expense</b>		
Current service cost	11.63	4.80
Interest cost	15.43	8.63
Expected return on plan assets	(3.41)	(1.10)
Actuarial losses/(gains)	(20.98)	2.94
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2.66</b>	<b>15.27</b>
<b>III. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	169.72	165.71
Fair value of plan assets	39.96	36.61
Funded status [Surplus / (Deficit)]	(129.76)	(129.10)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(129.76)</b>	<b>(129.10)</b>
<b>IV. Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	165.71	104.65
Interest Cost	15.43	8.63
Current service cost	11.63	4.80
Liability Transfer in	-	47.35
Benefit Paid	-	(2.72)
Actuarial (gain)/loss on obligations	(23.04)	3.00
<b>Present value of DBO at the end of the year</b>	<b>169.72</b>	<b>165.71</b>
<b>V. Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	36.61	13.34
Expected Return on Plan Assets	3.41	1.10
Contributions	2.00	2.06
Transfer from other Company	-	22.77
Benefit Paid	-	(2.72)
Actuarial gain/(loss) on Plan Assets	(2.06)	0.07
<b>Plan assets at the end of the year</b>	<b>39.96</b>	<b>36.61</b>
<b>VI. Actual Return on Plan Assets:</b>		
Expected Return on Plan Assets	3.41	1.10
Actuarial gain/(loss) on Plan Assets	(2.06)	0.07
<b>Actual Return on Plan Assets</b>	<b>1.35</b>	<b>1.17</b>
<b>Composition of the plan assets is as follows:</b>		
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
<b>Others - Insurer Managed Funds</b>	<b>100%</b>	<b>100%</b>

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, 2015	169.72	165.71
Fair Value of Plan Assets as at March 31, 2015	39.96	36.61
Funded status [Surplus/(Deficit)]	(129.76)	(129.10)
Experience adjustment on Plan Liabilities	(35.54)	14.52
Experience adjustment on Plan Assets Gain / (Loss)	(2.06)	0.07

#### (iii) Other Long Term Benefits:

Compensated Absences (Unfunded)

The company has made provision of ₹ 55.91 lacs on March 31, 2015 (2013-14: ₹ 47.96) based on independent actuarial valuation report.

#### NOTE 29 : BORROWING COST

Borrowing costs of ₹ Nil (2013 - 2014: ₹ 37.74 Lacs) that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

# GUFIC BIOSCIENCES LIMITED

## NOTE 30 : SEGMENT REPORTING AS - 17

₹ in Lacs

Sr.	Particulars	Formulations		Bulk Drugs		Consumer		Total	
No.		For the year ended 31.3.2015	For the year ended 31.3.2014	For the year ended 31.3.2015	For the year ended 31.3.2014	For the year ended 31.3.2015	For the year ended 31.3.2014	For the year ended 31.3.2015	For the year ended 31.3.2014
<b>1</b>	<b>SEGMENT REVENUE</b>								
	Sales and Services (Net of returns)	12,518.61	10,210.92	1,404.34	840.33	1,219.66	1,240.32	15,142.61	12,291.58
	Add: Unallocated Income (Including other Income)							69.71	72.06
	<b>TOTAL SEGMENT REVENUE</b>	<b>12,518.61</b>	<b>10,210.92</b>	<b>1,404.34</b>	<b>840.33</b>	<b>1,219.66</b>	<b>1,240.32</b>	<b>15,212.32</b>	<b>12,363.64</b>
<b>2</b>	<b>SEGMENT RESULTS</b>	2,449.29	1,994.18	251.76	150.06	136.97	238.83	2,838.02	2,383.08
	Less: Unallocated Expenses							1,354.15	1,117.40
	Financial Charges							446.08	391.57
	Depreciation							385.21	246.77
	Tax Provision							236.85	200.91
	<b>PROFIT AFTER TAX</b>							<b>415.74</b>	<b>426.43</b>
<b>3</b>	<b>OTHER INFORMATION</b>								
	<b>Segment Assets</b>	7,677.61	6,412.63	1,302.90	1,229.31	590.80	540.71	9,571.31	8,182.65
	Add: Unallocated Assets							3,157.47	2,931.91
	<b>Total Assets</b>							<b>12,728.78</b>	<b>11,114.56</b>
	<b>Segment Liabilities</b>	4,254.48	2,475.20	235.52	566.00	38.54	167.22	4,528.55	3,208.42
	Add: Unallocated Liabilities							5,490.24	5,285.27
	<b>Total Liabilities</b>							<b>10,018.79</b>	<b>8,493.69</b>
	<b>Capital Expenditure</b>								
	Capital Expenditure Incurred	48.30	121.57	28.19	453.53	--	--	76.49	575.10
	Unallocated Capital Expenditure							174.75	116.65
	Depreciation	179.74	106.57	68.92	20.33	14.45	9.13	263.11	136.03
	Unallocated Depreciation							122.10	110.74
									₹ in Lacs
<b>4</b>	<b>ADDITIONAL INFORMATION</b>			<b>In India</b>		<b>Out of India</b>		<b>Total</b>	
				For the year ended 31.3.2015	For the year ended 31.3.2014	For the year ended 31.3.2015	For the year ended 31.3.2014	For the year ended 31.3.2015	For the year ended 31.3.2014
	a. Revenue by Location of Customer			13,967.13	11,368.70	1,175.48	922.88	15,142.61	12,291.58
	b. Segment Assets by Location of the Supplier			12,627.19	10,966.20	101.59	148.36	12,728.78	11,114.56
	c. Capital Expenditure by Location of the Supplier			230.18	404.74	21.06	--	251.24	404.74

## 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

#### Names of related parties

Jayesh P. Choksi (Chairman & Managing Director)  
Pranav J. Choksi (Executive whole-time Director & CEO)  
Dr. M. G. Dhaplaur (Director) (upto Nov 12, 2014)  
Pankaj Gandhi (Executive Whole-time Director)  
Hemal Desai (Director) (w.e.f Nov 13, 2014)  
Vipula J. Choksi  
Sheela M. Dhaplaur  
Parth Gandhi  
Comfrey Pharmaceuticals Private Limited influence  
Foxglove Securities Private Limited  
Gufic Chem Private Limited  
Gufic Lifesciences Private Limited  
Gufic Stridden Bio-Pharma Private Limited  
Jal Private Limited  
Motif Hotels Private Limited  
Zircon Finance and Leasing Private Limited  
Zire Realty Limited  
Zire Rushi Construction  
Manshi Gandhi Enterprises  
Path Gandhi Enterprises

## B. Related Party Transactions

		2014 - 15 ₹ in Lacs	2013 - 14 ₹ in Lacs
<b>(I) Key Management Personnel &amp; Relatives</b>			
(a) Remuneration		35.42	27.50
(b) Reimbursement of Expenses		25.12	2.31
(c) Payment of Services		3.51	4.00
Outstanding balance as on March 31, 2015	Cr.	283.75	388.79
Outstanding balance as on March 31, 2015	Dr.	0.64	-
<b>(ii) Enterprises in which Key Management Personnel have significant influence</b>			
(a) Payment for Services		356.46	961.11
(b) Purchase of Goods & Reimbursement of Expenses		56.46	54.79
(c) Payment of Rent / Rates & Taxes		-	1.35
(d) Sale of Goods		41.00	53.28
(e) Services Rendered		56.18	59.59
(f) Guarantee Given		450.00	-
Outstanding balance as on March 31, 2015	Cr.	19.13	63.89
Outstanding balance as on March 31, 2015	Dr.	1637.99	850.45

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 ₹ 114.00 Lacs (Previous year ₹ 95.28 Lacs)

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

	(₹ in Lacs)
(i) Not later than one year	114.00
(ii) later than one year but not later than five years	38.00

### NOTE 33 : EARNINGS PER SHARE

Particulars	For the year ended 31.3.2015	For the year ended 31.3.2014
Earnings per share		
Net profit for the year attributable to the equity shareholders (₹. in Lacs)	415.74	426.43
Weighted average number of equity shares	77,350,000	77,350,000
Par value per share ₹	1	1
Basic and diluted Earning per share ₹	0.54	0.55

### NOTE 34 : CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
(a) Other money for which the Company is contingently liable		
(i) Letter of Credit	1,001.68	631.55
(ii) Bank Guarantee	3.49	5.90
(iii) Excise Duty	108.86	108.86
(iv) Income Tax	509.58	128.03
(v) Sales Tax	29.15	-
(vi) Labour Cases	0.76	0.76
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for	76.88	219.51

# GUFIC BIOSCIENCES LIMITED

As at  
**31.3.2015**  
₹ in Lacs

As at  
**31.3.2014**  
₹ in Lacs

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

### Opening Stocks as at April 1, 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**

### Closing Stocks as at March 31, 2015

Tablets	27.04	32.45
Capsules	10.42	4.22
Ointments	23.65	18.02
Syrups/Suspension	16.21	11.07
Injection	45.62	89.75
Powder	2.43	1.70
Lotion	7.75	4.74
Bulk Drugs	69.02	46.85
Sanitary Napkins	0.26	27.01

**TOTAL** **202.40** **235.81**

## NOTE 36 : OPENING & CLOSING STOCKS OF WORK IN PROGRESS

### Opening Stocks as at April 1, 2014

Formulation	400.79	30.73
Bulk Drug	16.20	40.11

**TOTAL** **416.99** **70.84**

### Closing Stocks as at March 31, 2015

Formulation	533.75	400.79
Bulk Drug	11.52	16.20

**TOTAL** **545.28** **416.99**

## NOTE 37 : OPENING & CLOSING STOCKS OF STOCK IN TRADE

### Opening Stocks as at April 1, 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**

### Closing Stocks as at March 31, 2015

Tablets	106.77	64.57
Capsules	3.16	9.73
Syrups/Suspension	14.55	10.52
Injection	4.09	8.17
Powder	0.68	0.18
Sanitary Napkins	-	0.28

**TOTAL** **129.25** **93.45**

**NOTE 38 : SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY**

	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
<b>Manufacturing</b>		
Tablets	1,499.35	1,576.72
Capsules	202.75	193.74
Ointments	290.44	273.69
Syrups/Suspension	187.26	191.33
Injection	8,040.62	5,734.30
Powder	20.34	22.54
Lotion	601.21	604.75
<b>Bulk Drugs (Manufacturing)</b>		
Chemicals	1,528.26	888.52
<b>Sanitary Napkins (Manufacturing)</b>	630.49	682.46
	<b>13,000.72</b>	<b>10,168.05</b>
Less : Excise Duty	836.83	726.32
<b>TOTAL (A)</b>	<b>12,163.89</b>	<b>9,441.73</b>
<b>SALE OF GOODS TRADED BY THE COMPANY:</b>		
Tablets	952.53	881.25
Capsules	55.43	65.94
Syrups/Suspension	102.94	104.16
Injections	357.92	310.94
Powder	5.24	4.83
Sanitary Napkins	-	6.46
Castor Oil	-	286.76
Others	933.81	467.19
<b>TOTAL (B)</b>	<b>2,407.87</b>	<b>2,127.53</b>
<b>TOTAL (A+B)</b>	<b>14,571.76</b>	<b>11,569.26</b>

**NOTE 39 : RAW MATERIALS AND COMPONENTS CONSUMED**

<b>RAW MATERIALS</b>		
Chemicals	4,804.88	3,041.29
Chemicals (Bulk Drugs)	682.68	585.81
Others	319.70	516.34
<b>TOTAL (A)</b>	<b>5,807.26</b>	<b>4,143.44</b>
<b>PACKING MATERIAL</b>		
Cartons / Boxes	154.70	184.08
Vial	182.31	138.21
Rubber stopper	144.12	122.18
Bags	37.49	38.37
Tray	61.41	37.06
Bottel	24.04	25.17
Foil	28.51	23.15
Label	32.59	22.34
Tube	31.12	22.22
Others	76.21	438.11
<b>TOTAL (B)</b>	<b>772.50</b>	<b>1,050.89</b>
<b>TOTAL (A+B)</b>	<b>6,579.76</b>	<b>5,194.33</b>

# GUFIC BIOSCIENCES LIMITED

	As at 31.3.2015 ₹ in Lacs	As at 31.3.2014 ₹ in Lacs
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## NOTE 40 : DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Imported *	2,175.81	1,790.32
% to Total Consumption	33.07	34.47
Indigenous *	4,403.95	3,404.01
% to Total Consumption	66.93	65.53
<b>TOTAL</b>	<b>6,579.76</b>	<b>5,194.33</b>

## NOTE 41: PURCHASE OF GOODS TRADED BY THE COMPANY

Tablets	310.21	297.85
Capsules	16.42	25.35
Syrups/Suspension	48.70	51.76
Injection	363.39	264.52
Powder	2.11	0.82
Castor Oil	-	285.41
Sanitary Napkins	-	0.71
Others	929.94	450.61
<b>TOTAL</b>	<b>1,670.77</b>	<b>1,377.03</b>

## NOTE 42 : VALUE OF IMPORTS CALCULATED ON CIF BASIS

Raw Materials / Merchant Goods	2,175.81	1,790.32
Finished Goods	49.76	53.00
Capital Goods	21.06	-
<b>TOTAL</b>	<b>2,246.64</b>	<b>1,843.32</b>

## NOTE 43 : EXPENDITURE IN FOREIGN CURRENCY

Foreign Traveling	16.40	27.13
Commission	4.42	5.86
Profession	77.44	-
Other Expenses	26.38	-
<b>TOTAL</b>	<b>124.63</b>	<b>32.99</b>

## NOTE 44 : EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on FOB basis	1,175.48	922.88
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## NOTE 45 : PAYMENTS TO AUDITORS

### As Auditors

(i) Audit Fees	7.25	7.25
(ii) Tax & Domestic Transfer Pricing Audit	0.70	1.00
(iii) Limited Review	0.80	0.50

### In other Capacity

(i) Certification Work & Other Capacity	0.25	0.25
(ii) Representation before Statutory Authority	1.38	0.50
<b>Reimbursement of Expenses &amp; Service Tax</b>	<b>1.72</b>	<b>0.05</b>

<b>TOTAL</b>	<b>12.10</b>	<b>9.55</b>
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#### NOTE 46

- (a) Gross amount required to be spent by the company during the year: ₹. 9.68 lacs
- (b) Amount spent during the year on: **NIL**

#### NOTE 47

As per the requirement of the Companies Act, 2013 (Act), the company has reassessed the remaining useful life of the fixed assets taking into consideration the useful life prescribed in Schedule II of the Act. The written down value of ₹. 280.07 Lacs as on April 1, 2014 (net of deferred tax of ₹. 98.12 Lacs) of the assets, whose residual life is exhausted has been adjusted against the opening balance of Reserves and Surplus.

#### NOTE 48

In compliance with Accounting Standard-2 (AS-2) revised, excise Duty liability estimated at ₹. 22.42 Lacs (Previous year ₹. 8.91 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 ₹. 13.51 lacs 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 ₹. 3680.14 Lacs (Previous year ₹. 2611.54 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 Trade Receivable, loans & advances, Trade Payable and security and Trade Deposits from Agents and Stockists balance are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmation, if any, it is shown as good in nature.

Company has already initiated process of identifying Trade Receivable, Advances and Trade creditors which are non-recoverable in nature and will make necessary provision upon completion of process. However during the financial year 2014-15 it has made necessary provision/or transferred amount to bad debts in respect of debtors which are not recoverable in nature.

#### NOTE 52

The company has given security deposit of ₹ 300 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.

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

The company has unearthed the fraud committed by one of its marketing employee who has misappropriated amount of ₹. 123.80 Lacs (gross ₹. 146.30 Lacs less recovered ₹. 22.50 Lacs). The management has taken necessary steps including legal action and is hopeful of recovering the said amount. Accordingly it has been shown the amount of ₹. 123.80 Lacs under the head other non-Current Assets (other).



## NOTE 54

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

## NOTE 55

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

Mumbai - May 29th, 2015

Jayesh P. Choksi

Chairman & Managing Director

Mumbai - May 29th, 2015

Pranav J. Choksi

Chief Executive  
Officer &

Executive Director

Hemal Desai

Chief Financial Officer  
& Director

Santoshkumar J. Sharma  
Company Secretary

## CONSUMER DIVISION PRODUCTS



## HERBAL DIVISION PRODUCTS



Stretchmarks once formed  
cannot be cured ! ...



*If pregnant, it could happen to you  
Don't be scarred for life.*

...Prevent it with

**STRETCH  
NIL**

HERBAL LOTION FOR PREVENTION  
OF PREGNANCY STRETCH MARKS



*Results of Stretchnil treatment depends on the type of skin, duration of treatment and patient compliance*



**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)

Tel.: (91-22) 6726 1000 Fax : (91-22) 6726 1068 • Email : [gufic@guficbio.com](mailto:gufic@guficbio.com) • [www.guficbio.com](http://www.guficbio.com)



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](mailto:gufic@guficbio.com) / website : [www.guficbio.com](http://www.guficbio.com) / CIN. L65990MH1984PLC033519.

Friday, 29th May, 2015

Dear Member,

You are cordially invited to attend the 31<sup>st</sup> Annual General Meeting of the members of the Company to be held on Wednesday, 30th September, 2015 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](mailto: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



Redg. Office: 37, Frist Floor, Kamala Bhavan II, S. Nityanand Road, Andheri (East), Mumbai – 400 069, Maharashtra, India.  
Corporate office : "Dorr Oliver House", 2nd Floor, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai -400 099.  
E-mail : gufic@guficbio.com / website : www.guficbio.com / CIN: L65900MH1984PLC033519.

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Gufic Biosciences Limited will be held on Wednesday, 30th September, 2015 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 financial statements of the Company for the year ended on 31 March 2015, including the audited Balance Sheet as at 31st March, 2015, the statement of Profit & Loss for the year ended on that date together with the Report of Board of Directors and Auditors thereon.
2. To declare a Final Dividend ₹ 0.05 paise per equity shares amounting to ₹. 3,867,500 for the year ended 31st March, 2015.
3. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made and notified thereunder and for the time being in force, pursuant to recommendation of the Audit Committee of the Board of Directors and pursuant to resolution passed by the members at the AGM held on 26 September 2014, the appointment of M/s. SHR & Co., Chartered Accountants (Registration No. ICAI FRN 120491W), as the auditors of the Company to hold the office till the conclusion of the 31st AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31 March 2015 as may be determined by the Audit Committee."

#### **4. Appointment of Director**

To appoint a director in place of Mr. Jayesh Pannalal Choksi (DIN: 00001729), who retires by rotation and being eligible, seeks re-appointment.

#### **SPECIAL BUSINESS:**

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

#### **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152 of the Companies Act, 2013 together with the rules made and notified thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Ms. Hemal Desai (DIN : 07014744), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing Ms. Hemal Desai's candidature for the office of Director, be and is hereby appointed as a director of the Company.

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

#### **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of section 2(94), 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 together with the rules made and

notified thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and applicable provisions, if any, of the clause 49 of the Listing Agreement, Ms. Hemal Desai (DIN : 07014744), Director of the Company, be and is hereby appointed as a whole-time director of the Company to hold office for 5 consecutive years for a term up to 30 September 2020 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Ms. Hemal Desai, Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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 pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the company for the financial year ending March 31, 2016 be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

#### **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Jayesh Pannalal Choksi (DIN: 00001729), as Managing Director of the Company for a period of five years commencing from 01 April 2015 to 31 March 2020 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Jayesh Pannalal Choksi, Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.



RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and to be consider for retire by rotation, the consent of the Company be and is hereby accorded to the appointment of Mr. Parnav Jayesh Choksi (DIN: 00001731), as a Whole Time Director of the Company for a period of five years commencing from 01 April 2015 to 31 March 2020 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Parnav Jayesh Choksi, Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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 pursuant to section 188 of the Companies Act, 2013, read with the rules notified thereunder (including any statutory modifications or amendments or re-enactments thereof, for the time being in force) together with the provisions of Clause 49 (VII) and (VIII) of the Listing Agreement, entered into with the Stock Exchanges, approval of the members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into or to be entered into the material contracts / arrangements / transactions during the from 01 April, 2015 till 30 September 2016 in the ordinary course of business with

- a. Gufic Private Limited;
- b. Gufic Lifesciences Private Limited;
- c. Gufic Stridden Bio-pharma Pvt. Ltd.;
- d. Gufic Chem Pvt. Ltd.;
- e. And all Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 VII of the Listing Agreement,

As per detailed as set out in the Statement under Item No. 10 in the Annexure to the notice, on such terms and conditions as may be mutually agreed upon between the Company and related Parties as mentioned above for an amount not exceeding in aggregate ₹ 100 crores in financial year for each related party.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby

authorized to do all such acts, deeds, matters and things, and to finalise the terms and conditions as may be considered necessary, expedient or desirable in order to give effect to this Resolution."

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 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 ₹. 1,000 crores (Rupees One Thousand 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

Santosh Kumar J. Sharma  
Company Secretary & Assistant Manager- Legal  
May 29th, 2015

## 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 Thursday 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the year ended 31st March, 2015, if approved by the Members.
7. The dividend on Equity Shares, if declared at the Meeting, will be paid on or after 30th September, 2015. 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 23rd September, 2015. 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 23rd September, 2015.
8. In order to prevent fraudulent encashment of dividend warrants, in respect of shares held in demat mode, bank particulars registered against respective depository accounts will be used by the Company for payment of dividend through ECS/NEFT. Please note that the Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. In respect of shares held in physical mode, members are requested to furnish to the Company or Company's R&T Agents, Link Intime India Private Limited, bank account details which will be printed on the dividend warrants. Shareholders' are also requested to register with the Company for payment of dividend through ECS/ NEFT and provide the necessary details to R & T Agents.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic

form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents.

10. In terms of 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.
11. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Holidays) up to the date of the Annual General Meeting between 9.30 a.m. to 11.30 a.m.
12. Shareholders seeking any information with regard to Annual Report are requested to write to the Company at an early date so that the information can be kept ready.
13. Voting through electronic means
1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday 27, September, 2015 at 9.00 a.m. IST and ends on Tuesday, September 29, 2015 at 5.00 p.m. IST.. 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 i.e. September 23, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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:

<b>PAN</b>	<b>For Members holding shares in Demat Form and Physical Form</b> Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
<b>DOB</b>	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.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  <ul style="list-style-type: none"> <li>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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then directly reach 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant M/s Gufic Biosciences Limited on which you choose to vote.
- (v) 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.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the same

password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xi) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xii) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- I. Mr. Gajanan Athavale, a Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- II. 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.
- III. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.guficbio.com](http://www.guficbio.com) and on the website of CDSL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

16. 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.

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.

**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**

The Board of Directors appointed Ms. Hemal Desai (DIN 07014744), as an Additional Director/Executive Director with effect from November 13th, 2014, pursuant to Section 149 and 161 of the Companies Act, 2013. She holds office till the conclusion of this Annual General Meeting.

Ms. Hemal Desai, being eligible, the resolution seeks the approval of members for her appointment as an wholetime Director, pursuant to Section 149 and other applicable provisions of the Act and Rules made there under (including any statutory modification or re-enactment thereof, for the time being in force), and that she shall not be liable to retire by rotation.

The Company has received notice in writing pursuant to Section 160 of the Act, from a member along with a deposit of Rs. 100,000/- proposing the candidature of Ms. Hemal Desai for the office of wholetime Director, to be appointed as such under the provisions of Section 149 read with section 196 & 203 of the Act.

The Company has received from Ms. Hemal Desai, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act, confirming her eligibility for such appointment.

Ms. Hemal Desai is a Cost & Work Accountant. She is working with the company from last two decades as Finance manager and on November 13th, 2014 she was designated as Chief Financial Officer of the company by the board of director of the company. She has worked in senior positions in several reputed organizations like M/s. J. B. Chemicals & Pharmaceuticals Pvt. Ltd. And Jeffrey Manners.

In the opinion of the Board, Ms. Hemal Desai fulfils the conditions specified in the Act and the Rules made there under for her appointment as a Whole-Time Director of the Company. A copy of the draft letter for the appointment of Ms. Hemal Desai as a Whole-Time director setting out the terms and conditions will be available for inspection without any fee by the members at the corporate office of the Company during normal business hours on any working day, excluding Saturday, Sundays and Public Holidays. The Board considers that her association would be of immense benefit to the Company and it is desirable to avail her service as Whole-Time director.

Taking into consideration the duties and responsibilities of the Whole-Time Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 13.02.2014 approved the remuneration, terms and conditions of the re-appointment of Mr. Jayesh Pannalal Choksi, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- a. Salary: Rs. 1,08,405/- per month
- b. Residential accommodation: Shall be provided free furnished residential accommodation
- c. Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
  - i. Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;

- ii. Club Fees: Actual fees of clubs will be reimbursed;
- iii. Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
- iv. Facility of car with driver;
- v. Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

**d. Other Benefits:**

- i. Contribution to provident fund, pension/ superannuation / gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii. One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- iii. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- e. Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Jayesh Pannalal Choksi, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

The Directors recommend the resolution for approval. No director, key managerial personnel or their relatives, except Ms. Hemal Desai, to whom the resolution relates, is interested or concerned in the resolution.

**ITEM NO. 6**

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 Navsari 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 are concerned or interested, financial or otherwise, in the resolution set out at Item No.

## ITEM NO. 7

As per Article 132 of the Articles of Association of the Company, Mr. Jayesh Pannalal Choksi (DIN: 00001729), Managing Director, whilst holding office as Chairman and Managing Director shall be subject to retirement by rotation. As per section 6 of the Companies Act, 2013 the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company. For the purpose of compliance with section 152 of the Companies Act, 2013 and for determining the director liable to retire by rotation, the Board at its meeting held on 13.02.2015, took note of the consent given by Mr. Jayesh Pannalal Choksi (DIN: 00001729), being longest in office, to retire by rotation at the ensuing annual general meeting of the Company. Accordingly, the Board noted that Mr. Jayesh Pannalal Choksi, Chairman and Managing Director shall be the director liable to retire by rotation and being eligible, has offered himself for re-appointment.

As the present term of appointment of Mr. Jayesh Pannalal Choksi has been expired on 31.03.2015, the Board of Directors have, subject to the approval of the shareholders, re-appointed Mr. Jayesh Pannalal Choksi (DIN: 00001729) as a Chairman and Managing Director of the Company with effect from 01.04.2015 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While re-appointing Mr. Jayesh Pannalal Choksi (DIN: 00001729) as Chairman and Managing Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. During the year, the Company has achieved growth with its turnover crossing Rs. 150 crore.

Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad. The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Chairman and Managing Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Chairman and Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 13.02.2014 approved the remuneration, terms and conditions of the re-appointment of Mr. Jayesh Pannalal Choksi, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- a. Salary: ₹ 2,50,000/- per month
- b. Residential accommodation: Shall be provided free furnished residential accommodation
- c. Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
  - vi. Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
  - vii. Club Fees: Actual fees of clubs will be reimbursed;
  - viii. Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
  - ix. Facility of car with driver;

- x. Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

### d. Other Benefits:

- vi. Contribution to provident fund, pension/ superannuation / gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- vii. One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- viii. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- ix. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- x. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- e. Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Jayesh Pannalal Choksi, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Mr. Jayesh Pannalal Choksi and his relatives (including Mr. Pranav Jayesh Choksi, Executive Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

## ITEM NO. 8

As the present term of appointment of Mr. Pranav Jayesh Choksi (DIN: 00001731) has been expired on 31.03.2015, the Board of Directors have, subject to the approval of the shareholders, re-appointed Mr. Pranav Jayesh Choksi as Whole-Time Director of the Company with effect from 01.04.2015 for a period of 5 years on the remuneration, terms and conditions recommended by the nomination and remuneration committee as set out herein.

While re-appointing Mr. Pranav Jayesh Choksi as Whole-Time Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. During the year, the Company has achieved growth with its turnover crossing Rs. 150 crore.

Moreover, the Company is aggressively concentrating on its expansion plans besides exploring opportunities both in India and abroad. The Board is of the opinion that his services should continue to be available to the Company to achieve still greater

heights, by re-appointing him as Whole-Time Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Whole-Time Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 13.02.2014 approved the remuneration, terms and conditions of the re-appointment of Mr Pranav Jayesh Choksi, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- f. Salary: ₹1,25,000/- per month.
- g. Residential accommodation: Shall be provided free furnished residential accommodation
- h. Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
  - i. Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
  - ii. Club Fees: Actual fees of clubs will be reimbursed;
  - iii. Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
  - iv. Facility of car with driver;
  - v. Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

- i. Other Benefits:
  - I. Contribution to provident fund, pension/ superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
  - ii. One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
  - iii. Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
  - iv. Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
  - v. Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- j. Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Jayesh Pannalal Choksi, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this re-appointment.

Mr. Pranav Jayesh Choksi and his relatives (including Mr. Jayesh Pannalal Choksi, Managing Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

#### ITEM NOS. 9

Gufic Biosciences Limited has existing and prospective contracts / agreements / transactions with

- a. Gufic Private Limited;
- b. Gufic Lifesciences Private Limited;
- c. Gufic Stridden Bio-pharma Pvt. Ltd.;
- d. Gufic Chem Pvt. Ltd.;
- e. And all other Related Parties as defined under Section 2 (76) of the Companies Act 2013 and Clause 49 VII of the Listing Agreement.

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

In terms of said provisions of Clause 49 of listing agreement, the transactions as described above are likely to exceed the materiality threshold as prescribed under Clause 49. Thus, in terms of Clause 49, these transactions would require the approval of the members by way of a Special Resolution.

The proposed transactions with the said related parties play a significant role in the Company's business operations. These transactions are critical to the business interest of the Company considering the domestic / international / export potential strategic value to the Business, technology support, administrative support, sales support, manufacturing support, requirements of third-party customers, strategic outsourcing, strategy based on location and customers and similar reasons. Accordingly, the Board recommends the Special Resolution for the approval of the Members.

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

By order of the Board of Director

Santosh Kumar J. Sharma  
Company Secretary & Assistant Manager- Legal  
May 29th, 2015

**Details of the Directors seeking appointment/re-appointment at 31<sup>st</sup> Annual General Meeting (pursuant to Clause 49 IV (G) of the Listing Agreement)**

Name of Director	Mr. Jayesh P. Choksi	Mr. Pranav J. Choksi	Ms. Hemal Desai
Date of Birth	29.03.1954	01.02.1983	02.04.1966
DIN NO.	00001729	00001731	07014744
Date of Appointment	31.08.1999	25.06.2004	13.11.2014
Qualification			
i. Educational	Bachelor in Pharmacy	Bachelor in Pharmacy	CWA
ii. Experience in years	16 Years	9 Years	15 Years
iii. No. of shares held in the company	18,010,259	6,875,844	nil
iv. Other Directorships in Companies	1. Gufic Private Limited 2. Jal Private Limited 3. Gufic Chem Private Limited 4. Tricon Enterprises Private Limited 5. Zircon Finance And Leasing Private Limited 6. Zire Realty Limited 7. Gufic Biosciences Limited 8. Gufic Stridden Bio-pharma Private Limited 9. Motif Hotels Private Limited 10. Gufic M. Biotech Private Limited 11. Gufic Lifesciences Private Limited	1. Gufic Biosciences Limited 2. Gufic Private Limited 3. Gufic Chem Private Limited 4. Jal Private Limited 5. Gufic Stridden Bio-pharma Private Limited 6. Zircon Finance And Leasing Private Limited 7. Motif Hotels Private Limited 8. Gufic M. Biotech Private Limited 9. Gufic Lifesciences Private Limited	
v. Membership of committees (M-Member, C- Chairman)	NIL	NIL	NIL

**The particulars of the Contract/arrangement/transaction for item no. 8 are as under:**

Name of the related party	Gufic Pvt. Ltd.	Gufic Life sciences Pvt. Ltd.	Gufic Stridden Bio-pharma Pvt. Ltd	Gufic Chem Pvt. Ltd.	And all other Related Parties as defined under Section 2 (76) of the Companies Act 2013 and Clause 49 VII of the Listing Agreement.
Nature of relationship	Promoter	Sister Concern (Interested Director)	Sister Concern (Interested Director)	Sister Concern (Interested Director)	
Nature and particulars of transactions	Commercial transactions on an ongoing basis for purchase and sale of goods /rendering and availing of services related to business mainly for products, sales support, systems IT, knowhow and royalty. These transactions are in the ordinary course of business and are conducted on an arm's length basis.				
Material Terms of contracts/ arrangements/ transactions	Terms and conditions for transaction in ordinary course of business and arm's length • Delivery of materials – Mainly FOB • Services – On satisfactory completion • Indirect taxes as applicable • Currency – INR				
Duration of these transactions	These transactions are undertaken from time to time depending on needs of business. Sale and purchase of goods are against specific orders. Services are based on Agreements for a period.				
The value of each type of transactions in the last 2 years	This information forms part of the Notes to the Audited financial statements to the extent they are executed in the respective years.				
Estimated Monetary value of transactions	Not exceeding 500 Millions in each financial year. This includes contracts or arrangements entered into for delivery/receipt of products which are likely to continue beyond a financial year and hence not fully comparable to the executed projects value reported in the audited financial statements. The annual value of the transactions proposed is estimated on the basis of the Company's current level of business operations and future business projections.				
Whether the transactions have been approved by the Audit Committee	Yes.				
Any other information relevant or important for the members to make	The company, over and above the standard products, operates in manufacture core pharmaceutical products like tablets, capsules injections, bulk drugs, etc., through loan licensing agreement, third party agreement, tri-parties agreement, etc.				
adecision on proposed transaction	The amount sought to be approved takes this aspect into consideration. The enabling Resolution will permit the company to accept large value orders for such major projects which is executable over several years.				





CIN. L65990MH1984PLC033519

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](mailto:gufic@guficbio.com) • website:[www.guficbio.com](http://www.guficbio.com)

### ATTENDANCE SLIP

I hereby record my presence at the **31ST ANNUAL GENERAL MEETING** of the Company held on Wednesday, 30th September, 2015 at 2:30 p.m. at Hotel Parle International, B. N. Agarwal Market, Next to Dinanath Mangeshkar Hall, Vile Parle (E), Mumbai 400057.

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

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

#### Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March, 2015 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, 2015 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:

- Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address : \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- 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 31st Annual General Meeting of the Company, to be held Wednesday, 30th September, 2015 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
	<b>ORDINARY BUSINESS.</b>		
1.	Adoption of Financial Statements for the year ended 31st March, 2015.		
2.	Approval of Final Dividend for the year 2015.		
3.	Appointment of M/s. SHR & Co. as Statutory Auditors.		
4.	Appointment of Director		
	<b>SPECIAL BUSINESS</b>		
5.	To regularization Appointment of Ms. Hemal Desai as Director		
6.	To appoint Ms. Hemal Desai as Whole-Time of the company		
7.	Appointment of M/s. Kale & Associates as Cost Auditor		
8.	Re-Appointment of Mr. Jayesh P. Choksi as Chairman & Managing Director		
9.	Re-Appointment of Mr. Pranav J. Choksi as Whole-Time Director		
	<b>SPECIAL RESOLUTION</b>		
10.	Approval for Related Party Transaction		
11.	Approval under section 293(1)(a) and section 180(a)(1) of companies act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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 31st 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 before submission.

